



## Jade Gas Completes Second Production Test Well

- **Second of two Extended Production Test wells (Red Lake-5) completed**
- **Extended Production Testing planned for Red Lake-5 and Red Lake-7 in early CY2023**
- **Exploration drilling in the Western zone at Baruun Naran successfully completed, with 26 metres of gassy coal intersected at BNG-2**
- **Jade's total gas strike now expanded to nearly 45 kilometres**
- **Production skids, for use in upstream production, en route to Mongolia**
- **Results to date expected to add to Jade's current gross unrisks 2C Contingent Resources of 246Bcf<sup>1</sup>**

Jade Gas Holdings (ASX:JGH, **Jade** or the **Company**) is pleased to advise that the second of two Extended Production Test (**EPT**) wells, Red Lake-5, has completed and further exploration drilling success realised at Baruun Naran (BNG-2) to the west of the TTCBM permit.

Jade is targeting natural gas from three coal seams of interest – IV, III and 0 – across the prospective areas within its TTCBM Project permit, with unrisks Gross Contingent Resources recently booked for the Red Lake area within the permit of 1C: 118 Bcf, 2C: 246 Bcf and 3C: 305 Bcf<sup>1</sup> of gas.

**Commenting on the completion of both EPT wells, Jade Managing Director and CEO, Chris Jamieson, said:**

*"Jade has had an excellent year having successfully drilled 14 wells, the results from which exceeded our expectations, with four of the wells underpinning our maiden Contingent Resources booking announced in August. Along with this, we have had exploration drilling success that will likely expand our Contingent Resources for the area.*

*With the completion of Red Lake-5 and Red Lake-7, we are now set to undertake extended production tests which will shape the drilling and testing of four Pilot Production wells focused on proving commercial gas flows."*

### Drilling Campaign

Red Lake-5 was drilled to a total depth of 687 metres, with 36 metres of coal intersected in the target gas seams. Red Lake-5 is the deeper of the two extended production testing wells, with the shallower Red Lake-7 well completed in November. Red Lake-5 will test the 25 metre thick seam 0 and Red Lake-7 will test the 17 metre thick seam III.

<sup>1</sup> Refer ASX Release dated 23 August 2022. The Company confirms that the results from the 2022 drilling campaign have the potential to increase the Contingent Resources booking and the that all the material assumptions and technical parameters underpinning the TTCBM Project Contingent Resources continue to apply and have not materially changed.

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Joseph Burke	Executive Director
Daniel Eddington	Non-Executive Director
Peter Lansom	Non-Executive Director



The BNG-2 well was successfully drilled to a measured depth of 592 metres, with 26 metres of gassy coal core recovered, between 471 to 530 metres. These coals are currently undergoing desorption testing. The well demonstrates additional gas bearing seams to those evaluated in BNG-1. A DST was successfully conducted over the intervals of interest and, together with the results from BNG-1, will be used for the conversion of 2U Prospective Resources to 2C Contingent Resources in the BNG permit. The BNG-2 well is located 4 kilometres from BNG-1, which continues to expand the overall gas strike from west to east.

Jade safely drilled 14 wells over the last twelve months, some of which contributed to our maiden Contingent Resources booking, as well as delivering gas strike of nearly 45 kilometres across the TTCBM and BNG permits.

Our first EPT of Red Lake-5 and Red Lake-7 will take place early in 2023, the data from which will be used to design our Pilot Production test wells that are expected to be drilled around the middle of next year. This is an exciting time for the Company as it moves towards proving commercial gas flows from the sizeable Red Lake Field.

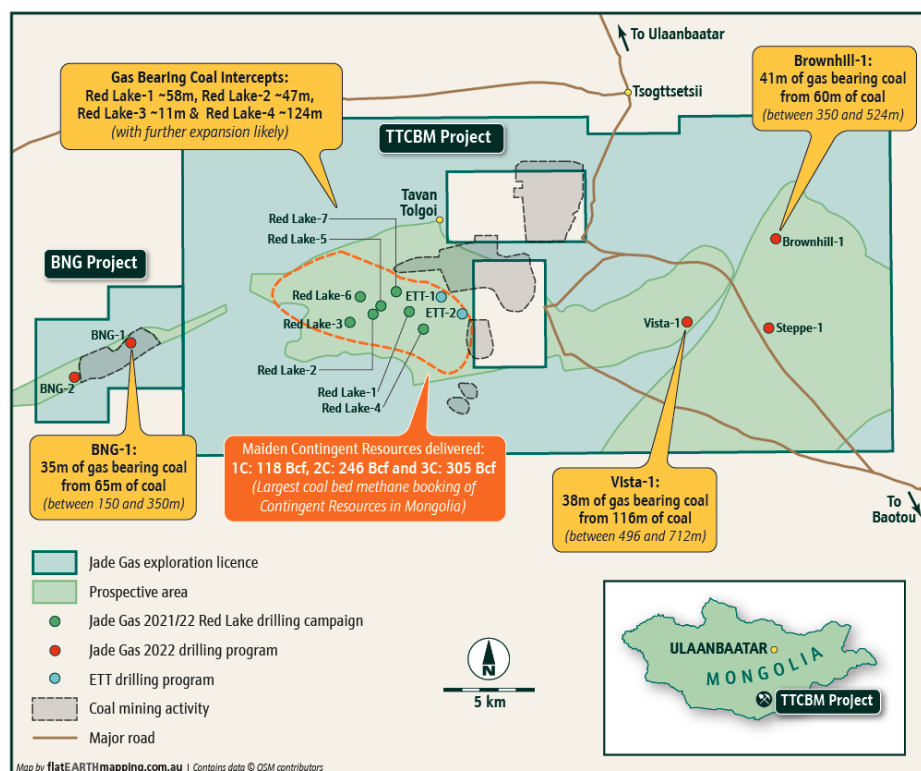


Figure 1 - Permit areas showing drilling across the TTCBM and BNG Projects

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**Authorised for release on behalf of the Board by Chris Jamieson, Managing Director and CEO.**

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## About Jade Gas Holdings Ltd

Jade Gas Holdings Limited is a gas exploration company focused on the coal bed methane (**CBM**) potential of Mongolia. Jade's flagship project is the Coal Bed Methane gas project over the Production Sharing Agreement (**PSA**) area of Tavantolgoi XXXIII unconventional oil basin, (**TTCBM Project**). Jade will operate and manage the project through its subsidiary Methane Gas Resource LLC (**MGR**), a joint venture (**JV**) company partnering with Erdenes Methane LLC (**EM**), the representative of the Mongolian Government. The JV was formed with the intention to explore, develop and produce gas from the TTCBM Project permit (Jade 60%, Erdenes Methane LLC 40%), located in the South Gobi region of Mongolia.



Jade's JV partner, EM, was awarded the PSA over the TTCBM Project area in April 2020, after completion by MGR of the requirements of a Prospecting Agreement (**PA**) held by JV partner EM over the area. In accordance with the JV agreements, Jade managed, operated and fully funded the fulfillment of the PA requirements during that period. Following approval by the Cabinet of Mongolia in October 2020, the PSA rights and obligations were fully transferred to the JV company MGR.

Jade recently acquired two new prospective CBM permits, Shivee Gobi and Eastern Gobi. Both permits cover an area of over 18,000km<sup>2</sup> and are well located within existing coal basins and near coal deposits and mines.

It is the strategy of Jade to seek to develop all of its projects so that gas produced may, in the long-term, provide a reliable supply option to the oil and gas product market and the power sector in Mongolia, both to the capital city of Ulaanbaatar and also regional areas. Achievement of this strategy would partially displace the imported gas and gas liquid products, reduce higher carbon emitting fuel sources such as coal and diesel, the result of which would be the improvement in air quality of Ulaanbaatar city and other towns.

Supporting Mongolia's energy transition is a key priority for Jade, and success will result in:

- Improving Mongolia's energy independence
- Supporting Mongolia's significant future energy demand growth
- Decarbonizing the economy by improving the energy mix with cleaner fuel sources
- Environmental and health benefits for the people and country of Mongolia.