



## Jade Gas Confirms Highest Permeability Result Recorded to Date at Red Lake

- **Good permeability identified with highest result recorded to date from Red Lake-10**
- **Further exploration drilling activities in train, including:**
  - **Red Lake-13 intersected 15 metres of gassy coal;**
  - **Red Lake-14 intersected 55 metres of gassy coal; and**
  - **2D seismic at Red Lake planned to start this month**
- **Drilling contractors selected for horizontal and directional drilling of Pilot Production wells, which are expected to commence in September**
- **Jade continues to focus on delivering a cleaner source of energy to customer markets committed to the transition to a lower carbon future**

Jade Gas Holdings (ASX:JGH, **Jade** or the **Company**) is pleased to announce positive results and ongoing exploration success at the TTCBM Project in the south Gobi region of Mongolia. Jade's CY2023 exploration drilling program is focused on expanding the size of its current 246 Bcf<sup>1</sup> unrisked Gross 2C Contingent Resources, as well as shaping the upcoming Pilot Production drilling program with the ultimate aim of delivering a cleaner source of domestic energy in Mongolia.

### **Commenting on the positive results and continued drilling at Red Lake, Jade Managing Director and CEO, Chris Jamieson, said:**

*"Confirming the highest measured permeability identified at Red Lake to date should give our shareholders and potential customers further confidence as we move closer to the drilling of our horizontal Pilot Production wells later in the year.*

*Our ongoing exploration program is also delivering great results with confirmation of 15 metres of gassy coal intersected at Red Lake-13 and 55 metres in Red Lake-14, and a 2D seismic survey which will start shortly. Drilling contractors have been secured for the Pilot Production program, which are now undertaking preparatory work for the commencement of first drilling, expected in September 2023.*

<sup>1</sup> Refer ASX Release dated 23 August 2022. The Company confirms that it is not aware of any new information or data that materially affects the information included in this market announcement and that all the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

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Dennis Morton	Non-Executive Chairman
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Joseph Burke	Executive Director
Daniel Eddington	Non-Executive Director
Peter Lansom	Non-Executive Director

*The Company continues to be focused on delivery of first gas production from the TTCBM Project, which importantly will provide a cleaner source of energy for our potential customers in Mongolia, who are equally determined to transition to a lower carbon future."*

### Evaluation of Exploration Drilling at Red Lake Northern Extension

Good permeability was identified in Red Lake-10 (12 millidarcy (mD) in seam 0), Red Lake-14 (5 mD in seam 0), the vertical intercept well Red Lake-11 (1 mD) and Red Lake-12 (1 mD in seam 0). Analysis of the wells is on-going as the coal samples continue to desorb gas. The expectation is that the samples will have similar gas composition based on regional experience across the permit.

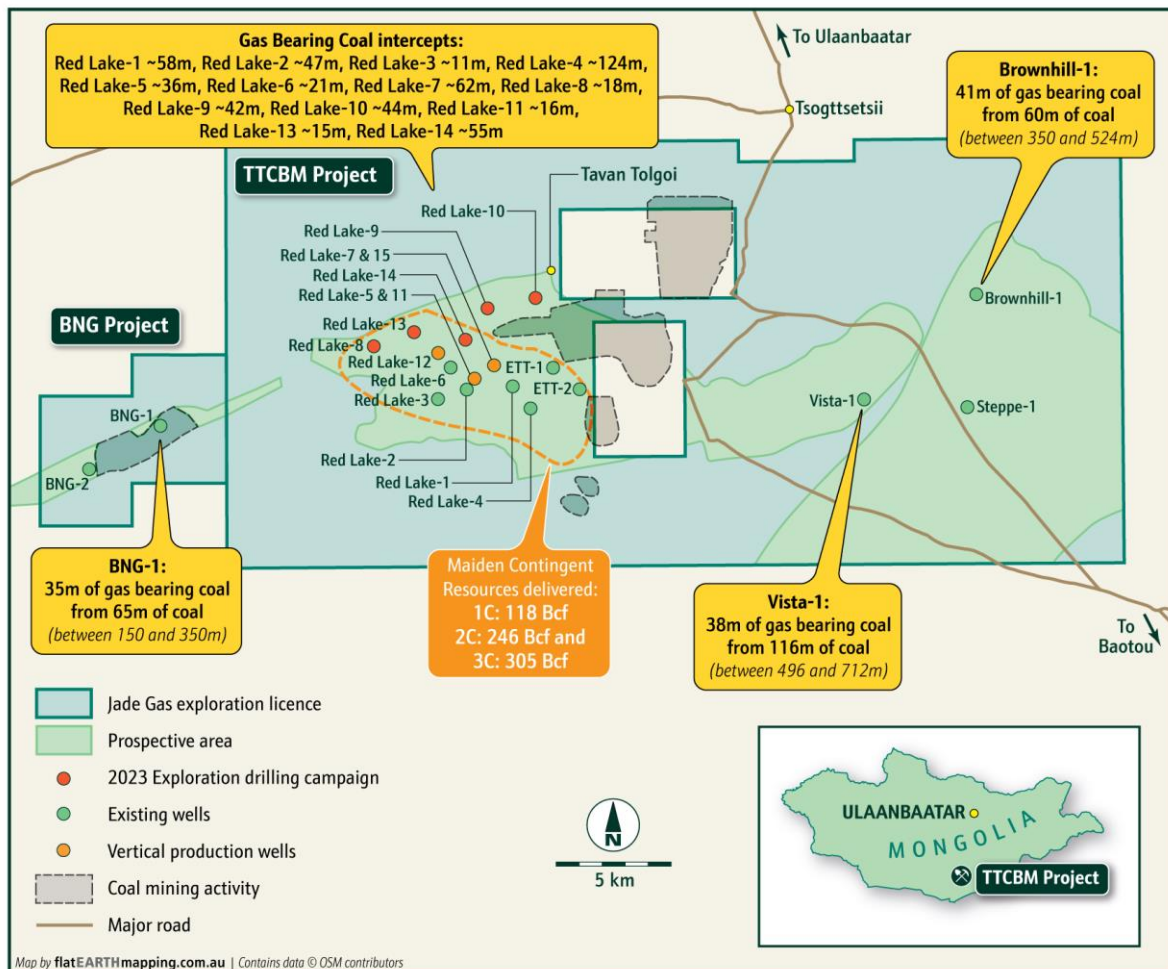


Figure 1 - Permit areas showing Red Lake Northern Extension drilling (red dots) and vertical pilot wells (orange dots)

While the permeability in seam 0 at Red Lake-12 is good, gas content levels in the seam are very low which is believed to be structural, similar to Red Lake-6, and will be investigated more thoroughly once the 2D seismic survey is completed and data analysed.

The 2D seismic survey is expected to commence in June and will cover the majority of the Red Lake permit, providing a clearer picture of the structure of the coal seams of interest in the basin. The information gathered and processed from this survey will assist with the location and direction of the Pilot Production horizontal wells, as well as provide an understanding of faulting throughout survey area.



Red Lake-13, a corehole drilled to the north-west of Red Lake-12, intersected approximately 15 metres of gassy coals in seam III and seam 0. The well was not tested for permeability.

Red Lake-14 is an additional exploration well to the north-east of Red Lake-12, reached total depth at 442 metres and intersected 54.7 metres of gassy coal in all three coal seams of interest. This well was included in the drilling program to de-risk the proposed horizontal wells to be drilled in the third quarter of the year.

Red Lake-15 will be drilled as the final vertical Pilot Production intercept well, which will have 7" casing inserted and cemented. Once done, pumps will be installed along with surface facilities.

### **Pilot Production Program**

The Pilot Production program is expected to commence in September this year. Jade has selected the contractors that will perform the drilling and directional services (Major Drilling and Schlumberger) of four horizontal Pilot Production wells which will intersect the four vertical production wells at Red Lake-5, 7, 11, and 15. Each well will have a lateral section of around one kilometre which is designed to provide a much larger exposure to the gassy coal intersection when compared with a vertical well.

The plan is to have the horizontal wells drilled and completed via the vertical well. The flow testing will start on each well once completed, resulting in an acceleration of first water and gas flows. The Pilot Production program is expected to take up to six months, after which there will be a 2P Reserve booking over the Pilot Production area, followed by the completion of a Definitive Feasibility Study.

**- ENDS -**

**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.