



Jade Completes 2023 Program as it progresses towards Gas Commercialisation

- Jade has completed its 2023 Program with success across wide areas of the TTCBM Project
- Focus remains on commercialising the Company's gas fields which span over 40km and which currently has a 246 Bcf¹ unrisked Gross 2C Contingent Resource with larger upside potential
- Key deliverables for CY2024 include:
 - ✎ Assess new priority targets at Baruun Naran, Red Lake, Vista, and Brownhill basin areas to extend existing resources further to the east and west;
 - ✎ Pilot Production Program drilling rescheduled to Q1 CY2024 to avoid well site activities in the extreme winter and minimise operational cost and risk;
 - ✎ Drilling has commenced to expedite appraisal of Baruun Naran area (BNG Project), adjacent to the TTCBM Project, to accelerate the path to securing a Production Sharing Agreement (PSA); and
 - ✎ Continue assessing partner options for 18,000km² Eastern Gobi and Shivee Gobi permits
- Commercial negotiations continue with strategic shareholder UBM to fast track delivery of gas to customers after its recently announced agreement to inject \$11m into Jade

Jade Gas Holdings (ASX:JGH, Jade or the **Company**) confirms its CY2024 project strategy for its gas projects in the south Gobi region of Mongolia.

CY2023 Program

Following Jade's recent \$11m capital raise with strategic shareholder, UB Metan LLC (UBM) (see ASX Announcement 2 November 2023), the Company is pleased to announce that it has completed its 2023 Program successfully with continued delineation of the gas bearing coal seams across wide areas of the TTCBM Project. The Company is preparing for pilot production operations in the Red Lake area and also assessing the coal basin further to the east. A number a key-deliverables have been identified which are designed to demonstrate larger potential, maximise resource value among Jade's projects, and ultimately

¹ 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.

Directors



produce gas economically with commercial scale to service the huge, and currently unmet, gas fired energy requirement of over 500MW on Jade's doorstep.

- **Exploration**

With the success of the CY2023 campaign at TTCBM, Jade has collected the essential technical data to identify and prioritise further appraisal and testing of high-graded targets in the area in the coming calendar year. Results from the recent Vista and Brownhill exploration drilling campaigns include the following wells with gassy intersections;

- 35.52m of gassy coal intersected (Vista-3);
- 38.90m of gassy coal intersected (Vista-4);
- 46.28m of gassy coal intersected (Vista-5); and
- 27.15m of gassy coal intersected (Brownhill-3).

The Company is focused on further developing the existing gas fields and extended coal gas accumulations encountered over a distance of 40km. The company will now look to assess priority targets at Red Lake, Vista, Brownhill and Baruun Naran areas and prove up gas resources further east and west of the current Red Lake, 246 Bcf¹ unrisked Gross 2C Contingent Resource. It is expected that a small seismic program in the new year will enhance the ongoing assessment, particularly after good results were achieved from the 2023 seismic program.

- **Baruun Naran**

Baruun Naran coal field (BNG Project) drilling conducted by Jade during 2022 successfully added to the extensive data set as a part of its Prospecting Agreement in joint venture with Mongolian Mining Corporation Limited. The Baruun Naran coal field is a continuation of the Tavan Tolgoi coal basin with an existing 410Mt JORC compliant coal resource². The first two wells drilled by Jade recovered 35 metres of gassy coal at BNG-1, and a further 26 metres of gassy coal at BNG-2 (see ASX Announcements 8 November 2022, and 31 January 2023).

The Company demonstrated that the BNG Project has high potential for gas bearing, productive coals, and represents a significant opportunity for further expansion of Jade's gas resources. When combined with MMC's wealth of knowledge on the coal deposit and an impressive well data set there is an excellent foundation for assessing potential for development of a coal seam resource from the field

As the calendar year draws to a close, and after rescheduling drilling at TTCBM, Jade has expedited the appraisal of the Baruun Naran area with two wells planned, weather permitting, to be completed by this calendar year end. Successful results from these wells will accelerate the path to securing a long-term Production Sharing Agreement (PSA) over the permit area. Jade currently holds a PSA over the TTCBM permit area, and is focused on securing further PSA's as a part of its diversification and commercialisation strategy.

Currently, the third well at the BNG Project, BNG-3 is drilling ahead with current depth at 273.8m.

² Refer MMC 2021 Annual Results Presentation



Figure 1: Drilling commences at BNG Project under its winterised environment

- **Pilot Production Program**

Due to a combination of factors, Jade has made the decision to re-schedule drilling the first horizontal well at the TTCBM Project. Despite best intentions from all parties, logistics and other issues, a number of service providers were unable to deliver and/or prepare equipment ready for use in line with the original schedule.

This time delay pushed Company operations into the extreme cold temperatures that will be experienced in the South Gobi over the next few months. Whilst originally the first well was forecast to spud in November and drilling into mid-December, a new date had to be set after extreme cold temperatures heighten operational risk and in turn the slight delay will provide the best chance of success for commercial gas production. The rescheduling will allow time for further refinement and interpretation of the recently completed Red Lake 2D seismic program to better assist well planning and drilling operations now set for Q1 CY2024.

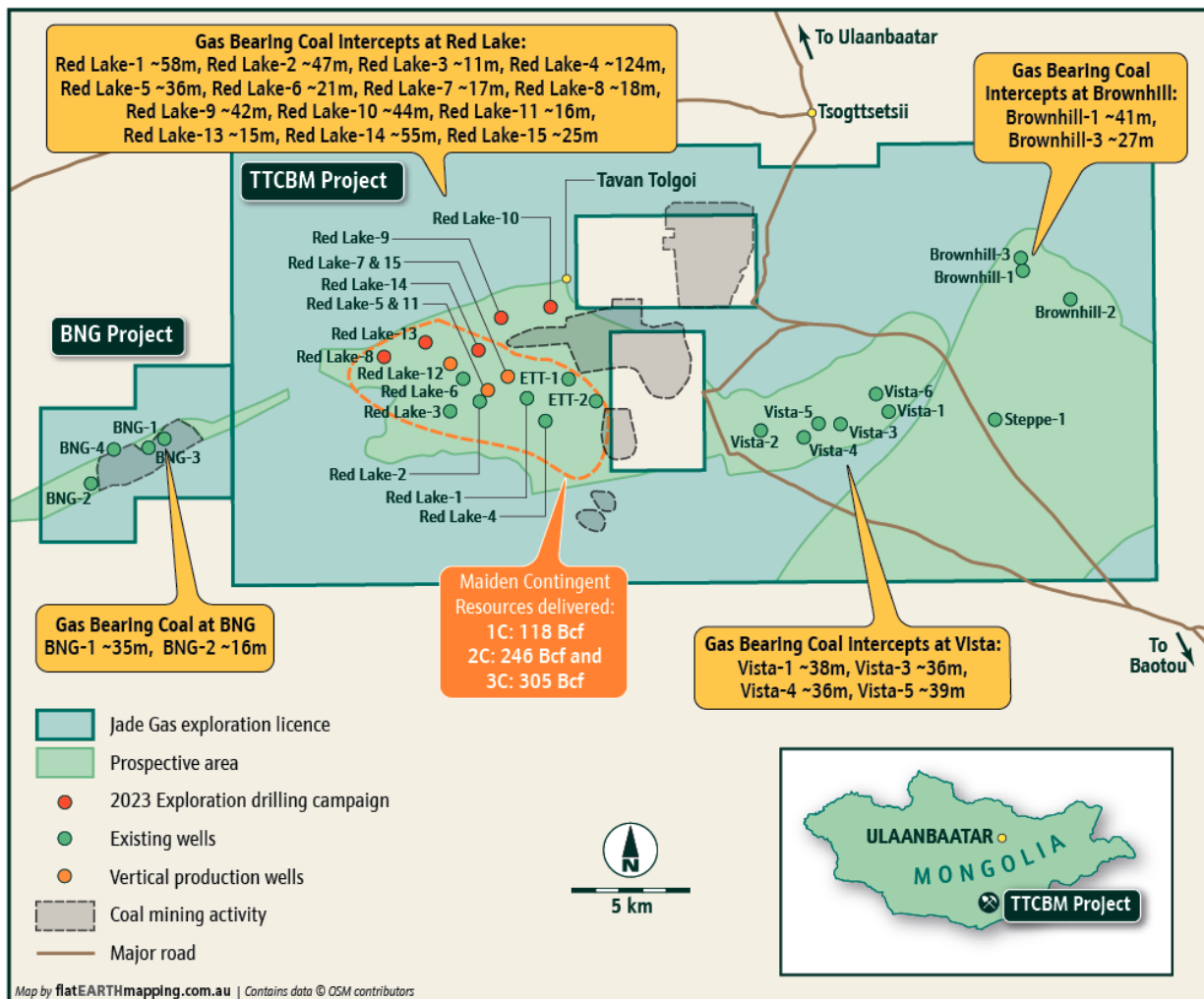


Figure 2: Wells drilled at TTCBM and BNG Projects

- **Eastern Gobi and Shivee Gobi permits**

As a part of its CY2024 plans, Jade is focused on the two 100% owned highly prospective and sizeable coal bed methane Prospecting Agreement permits, Shivee Gobi and Eastern Gobi, covering a total area of 18,000km², located to the north and east of the TTCBM Project and with an estimated gross unrisks 2U Prospective Resource of 5.4 Tcf³ (see ASX Announcement 28 April 2022). Since acquiring the permits (see ASX Announcement 8 February 2022), the Company has received growing interest from potential partners for collaboration. Over the year, Jade has had a number of discussions and intends to continue assessing partner options for the Eastern Gobi and Shivee Gobi permits.

- **Strategic Partnership with UB Metan LLC**

UBM is Mongolia's largest importer and distributor of natural gas, and largest shareholder of Jade Gas. UBM has been a key partner of Jade since its inception, supporting the Company in both financial and operational activities. The strength of the partnership is demonstrated by the recent announcement of \$11 million investment by UBM in Jade (see ASX Announcement 2 November 2023).

³ Refer ASX Release dated 28 April 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.



UBM recognise the essential requirement for natural gas during the transition to greener energy supplies in Mongolia. Jade continues commercial negotiations with its strategic shareholder UBM, with the ultimate aim to fast track delivery of gas to customers.

Commenting on the CY2023 Program and the CY2024 planned milestones, Jade Executive Chairman, Dennis Morton, said:

"The team has done a great job this year to successfully drill a large number of wells where we confirmed thick gassy coal intersections, and which also delivered a significant amount of critical data required to progress our commercial planning. We expect further success now at the BNG area as we currently drill to extend our gas resources further west.

As we look to our 2024 planned milestones, the year ahead will be transformational for the Company in the sense that our resource development initiatives will begin to crystallise into commercial outcomes. This is not only exciting for shareholders, but also for our potential customers in Mongolia who are focused on securing a cleaner source of energy.

With the support of UBM, our largest shareholder, we will continue to work towards getting gas out of the ground and delivered to customers in the shortest possible timeframe."

- ENDS -

Authorised for release on behalf of the Board by Joseph Burke, Executive Director.

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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 18,000km² 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.



Forward Looking Statements

This announcement contains various statements relating to intentions, future acts and events. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.