



Jade Outlines its Drilling Campaigns for 2024

- Jade confirms the detail plans for its initial 2024 drilling program aimed at further expanding the already defined ~45km gas field extent and additional potential in the South Gobi region of Mongolia
- Program continues to focus on the TTCBM Red Lake area as well as the adjacent BNG project
- The TTCBM program will include the drilling and completion of lateral pilot production wells to test gas production rates
- Drilling activities will continue at Baruun Naran following success at BN-3 where 104.6m gassy coal was intersected – the second thickest gassy coal interval intersected to date (reported last quarter)
- A tender process is underway to confirm key contractors for Red Lake’s production pilot operations which are expected to commence in the coming weeks
- Exploration activities to commence in 2024 on the high gas resource potential at Shivee and Eastern Gobi, including the drilling of core holes
- Discussions with customer, partner and plant/facilities suppliers continue in order to determine the quickest pathway to commercial production.

Jade Gas Holdings Limited (ASX:JGH, **Jade** or the **Company**) confirms 2024 exploration activities, designed to expand its already established 45km gas field extent in the south Gobi region of Mongolia.

2024 Drilling Program

Following the highly successful 2023 exploration campaign, Jade has completed a full technical review which has led to confirmation of initial 2024 operations including a drilling program in the Red Lake and Baruun Naran areas. 2023 Company operations ended on a high note with Baruun Naran-3 well (BN-3) intersecting the second thickest gassy coal interval (104.6 metres) ever intersected by Jade. Results from the 2023 drilling and testing operations have provided the basis for determining the 2024 work program, which has already been presented to and approved by the Mineral Resources and Petroleum Authority of Mongolia (**MRPAM**).

Australian Registered Address

Directors

A tender process is underway to confirm contractors for the Red Lake program which is expected to be announced by the end of the calendar month. Drilling at Baruun Naran will recommence soon under the Company's resource evaluation program. The initial part of the 2024 program is designed to determine the quickest pathway to commercial production across Jade's gas projects which have already established potential over a ~45km gas field footprint.

Commercial negotiations continue with strategic investors to fast track the delivery of gas to customers.

Red Lake Area

6 new exploration wells are planned (Red Lake wells 16-21) with a primary objective to expand the existing 246 Bcf resource¹, leverage seismic data/interpretation to maximise understanding of regional structure, and test shallow gassy coal seams. The 2023 seismic data will be used to guide the location of some of these wells. 3 wells (RL19, 20 and 21) are aimed at delineating coal resource in areas of low well spatial density and quality data in southwest and south parts of the Red Lake area (outlined in the map below).

The Company will also drill 4 lateral wells as a part of the pilot production program to establish gas production rates from the targeted coals. These lateral wells were deferred from Q4 2023 due to a combination of factors (refer ASX release dated 22 November 2023). Under the terms of the Production Sharing Agreement (PSA), Jade must undertake a tender process to ensure the most capable and appropriate service providers are engaged for such a strategic project for the country.

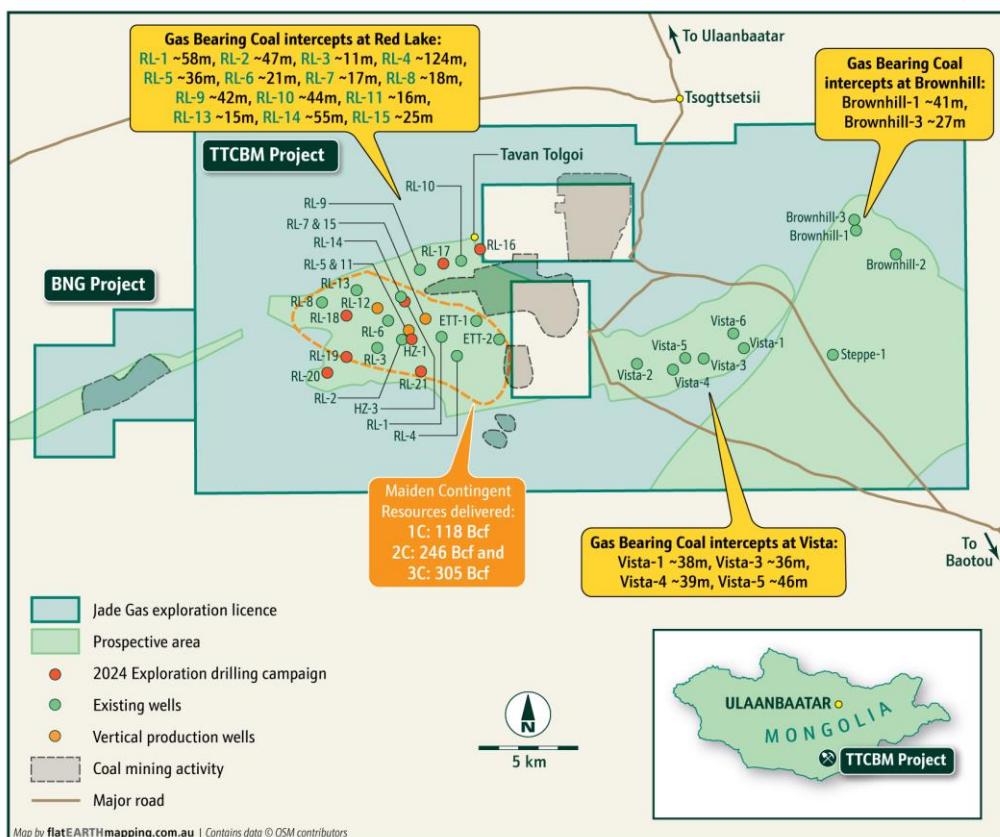


Figure 1: Map showing planned wells to be drilled as a part of the 2024 PSA program

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.



Baruun Naran (BNG)

The remaining 5 prospecting wells are aimed at gathering necessary data to fully delineate target known gassy coal seams, particularly at depth. The first three of these BNG wells have already successfully intersected:

- 35.0m of gassy coal (BNG-1, previously reported ASX Release 8 November 2022);
- 26.0m of gassy coal (BNG-2, previously reported ASX Release 13 December 2022); and
- 104.6m of gassy coal (BNG-3, previously reported ASX Release 19 December 2023).

Further success at BNG is expected to support the conversion of 2U Prospective Resources to 2C Contingent Resources in the existing BNG permit, and importantly provide an accelerated pathway to securing a long term Production Sharing Agreement (**PSA**) over the permit area. This will ultimately see Jade with significant equity and operatorship of the two key energy projects in the South Gobi, at a pivotal time for the country with clean energy demand growing rapidly from multiple customer markets.

BNG is a Joint Venture (**JV**) with Hong Kong listed Mongolia Mining Corporation Limited (**MMC**), which holds the CBM rights over MMC's Baruun Naran coal mine, immediately adjacent to the TTCBM Project. MMC is Mongolia's largest publicly traded miner with a vision is to become the country's largest diversified mining company. Jade is working alongside MMC to further appraise and determine the commercial pathway for gas in this project.

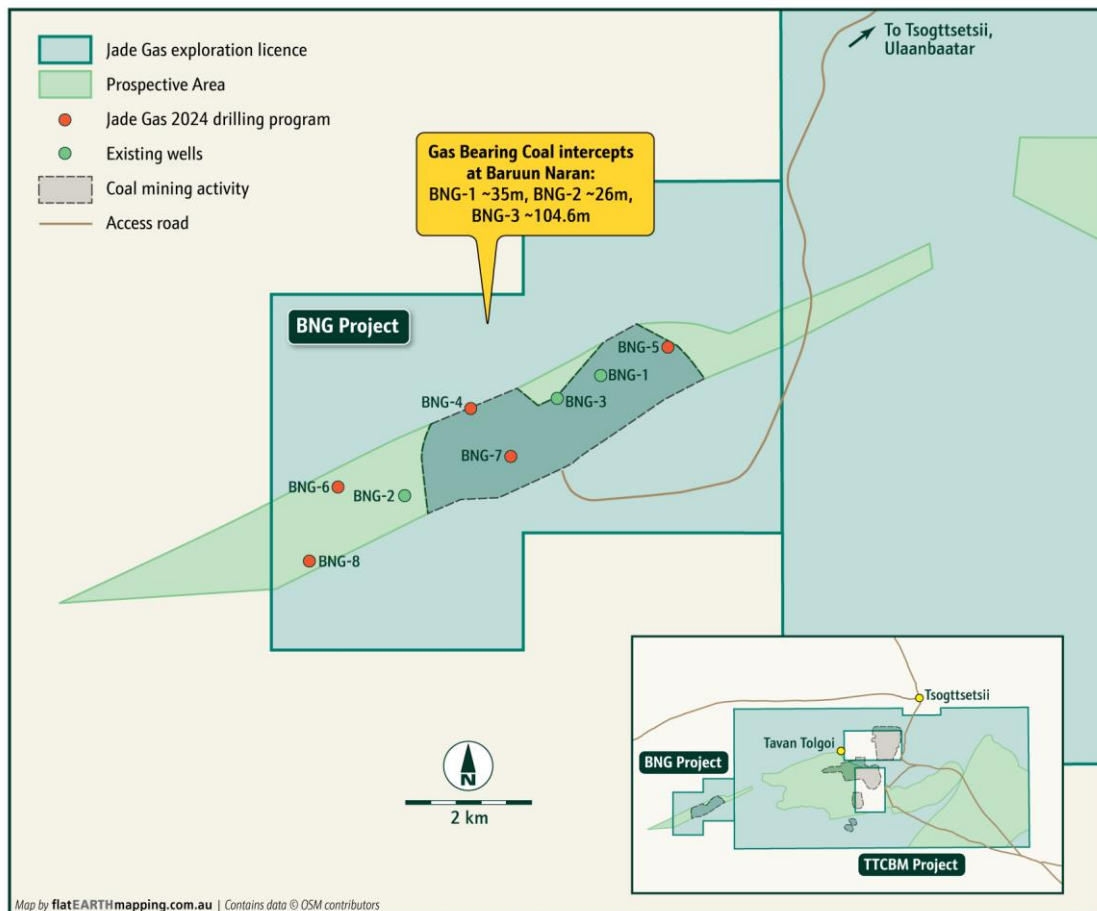


Figure 2: Map showing planned wells to be drilled as a part of the Prospecting Agreement program



Shivee and Eastern Gobi Permits

Within the 2024 program, Jade aims to progress two 100% owned, highly prospective, and sizeable coal bed methane projects at Shivee Gobi and Eastern Gobi, covering a total area of 18,000km². These projects are located to the north and east of the TTCBM Project and have an estimated gross unrisked 2U Prospective Resource of 5.4 Tcf².

Jade holds Prospecting Agreements over both permit areas and retains some flexibility on the timing and extent of drilling activities. Whilst the major focus will remain on Red Lake and BNG, the Company will undertake further desktop analysis with the potential for drilling and permeability testing in the second half of 2024. This work will also assist the Company in identifying exploration upside potential.

Given the favourable location of the permits, there is considerable interest from potential partners for involvement at varying levels. The Company will continue to assess such partnering options.

Commenting on the initial 2024 exploration program, Jade Executive Chairman, Dennis Morton, said:

"We are expecting another very busy year of both inground activity as well as mid and downstream commercial progress. The exploration program has been designed to provide additional certainty on the broader potential, but the real, immediate value add is expected to come through the drilling of the lateral wells and commencement gas production.

As we expedite a path to production, we expect the interest in the country's highest potential cleaner energy project to further increase, and we look forward to working with the regulator MRPAM as well as all our in-country stakeholders to deliver a successful program."

Financing Update

On 2 November 2023, the Company announced that it had obtained financing of A\$11M from Jade's strategic shareholder, UB Metan LLC (**UBM**) via the issue of unsecured convertible notes. Funds have been advanced to Jade as and when needed and pursuant to the payment schedule detailed in the Convertible Note Deed. The final tranche is expected to be paid by 30 April 2024 following shareholder approval for the transaction. As required by ASX Listing Rules, Jade must provide shareholders with an Independent Expert Report (**IER**) in advance of this meeting to evaluate the transaction. The IER process has taken longer than anticipated and the Company now expects that it will be in a position to release a Notice of Meeting to confirm details for the extraordinary general meeting in the coming weeks.

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

² Refer ASX Announcement 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.



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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 operates and manages 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 TTCBM Project has a 2C Gross Unrisked Contingent Resource of 246 Bcf³.



Jade also entered into a JV with Hong Kong listed Mongolia Mining Corporation Limited (**MMC**), for the CBM rights over MMC’s Baruun Naran coal mine, immediately adjacent to the TTCBM Project, called the **BNG Project**. MMC is Mongolia’s largest publicly traded miner with a vision is to become the country’s largest diversified mining company. With a known coal resource and operating mine at Baruun Naran, Jade is working with MMC to further appraise and determine the commercial pathway for gas in this project.

³ 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.



Furthermore Jade holds two prospective **CBM** permits, **Shivee Gobi** and **Eastern Gobi**. Together the permits cover an area of over 18,000km² and are well located within existing coal basins and near coal deposits and mines.

Jades strategy is to develop all of its projects so that gas produced may, in the long-term, provide a reliable supply option to the power and transport sectors in Mongolia, initially in the South Gobi. The company is pursuing multiple commercialisation options to participate in the heavy vehicle transport and power sectors through both compressed and/or liquified natural gas projects. Achievement of this strategy would partially displace the heavy reliance on imported gas and gas liquid products, especially diesel fuel, and coal fired power. This will increase the security of energy supply for Mongolia as well as provide significant improvement in air quality and other environmental outcomes.

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.