



Jade Enhances MOU with UB Metan to Supply Newly Built LNG Fuelling Station

Highlights

- Jade confirms it has enhanced its MOU with UB Metan LLC, its strategic shareholder, and the largest distributor of gas in Mongolia
- The updated MOU will focus on UBM's newly built LNG fuelling station located 10km from Jade's TTCBM Project
- UBM intends to scale its LNG capabilities to displace up to 13,000 diesel haulage trucks located in the Tavan Tolgoi area
- Jade's TTCBM Gas Project is set to support cleaner emissions by displacing costly and carbon intensive diesel that is currently sourced from Russia
- The partnership with UBM continues to demonstrate the high demand for gas in multiple markets underpinning Jade's pathway to gas reserves, gas offtake agreements and project commercialisation

Jade Gas Holdings Limited (ASX:JGH) (**Jade** or the **Company**) confirms that it has enhanced and extended its existing Memorandum of Understanding (**MOU**) with UB Metan LLC (**UBM**), its strategic shareholder and the largest distributor of gas in Mongolia, to focus on supplying gas to UBM's newly built LNG fuelling station, which will provide a new domestic source of energy in the South Gobi region progressively displacing diesel.

Enhanced MOU Overview

Jade signed a non-binding MOU (see ASX Announcement 5 April 2022) and agreed a strategic capital placement (see ASX Announcement 14 March 2023) with UBM to pursue a strategic partnership to decarbonise Mongolia with a cleaner source of energy. The recent completion of UBM's LNG fuelling station has raised the priority for the companies to enhance the existing MOU and fast track negotiations toward an agreement for a local and secure gas supply from Jade's TT CBM Gas Project. The enhanced MOU provides a visible path forward for Jade to potentially commercialise its gas assets.

It is envisaged that under the enhanced and extended MOU, the parties will focus resources to assess and evaluate midstream requirements to facilitate the conversion of Coalbed Methane (**CBM**) to Liquefied Natural Gas (**LNG**), and the delivery mechanism to connect with UBM's existing LNG wholesaling operations. The infrastructure is likely to involve low cost and small scale, scalable skid mounted LNG equipment.

Directors



LNG Fuelling Station

The UBM built LNG fuelling station is strategically located in close proximity to local mines and the major road to the Chinese border. Its location is less than 10 km from Jade's TTBCM Project in the South Gobi region of Mongolia (Figure 1) and became operational late February 2024, with valuable data to be collected on fuel usage and efficiency during the trial period. This is UBM's first LNG fuelling station outside of Mongolia's capital, Ulaanbaatar (**UB**), and has been built in order to exploit a significant opportunity in the region by supplying LNG as fuel for up to 13,000 diesel haulage trucks, progressively displacing diesel with LNG. The transition to LNG is designed to deliver a large reduction in carbon emissions, supporting the company's Environmental, Social and Governance (**ESG**) ambitions, along with cost and operational optimisation.

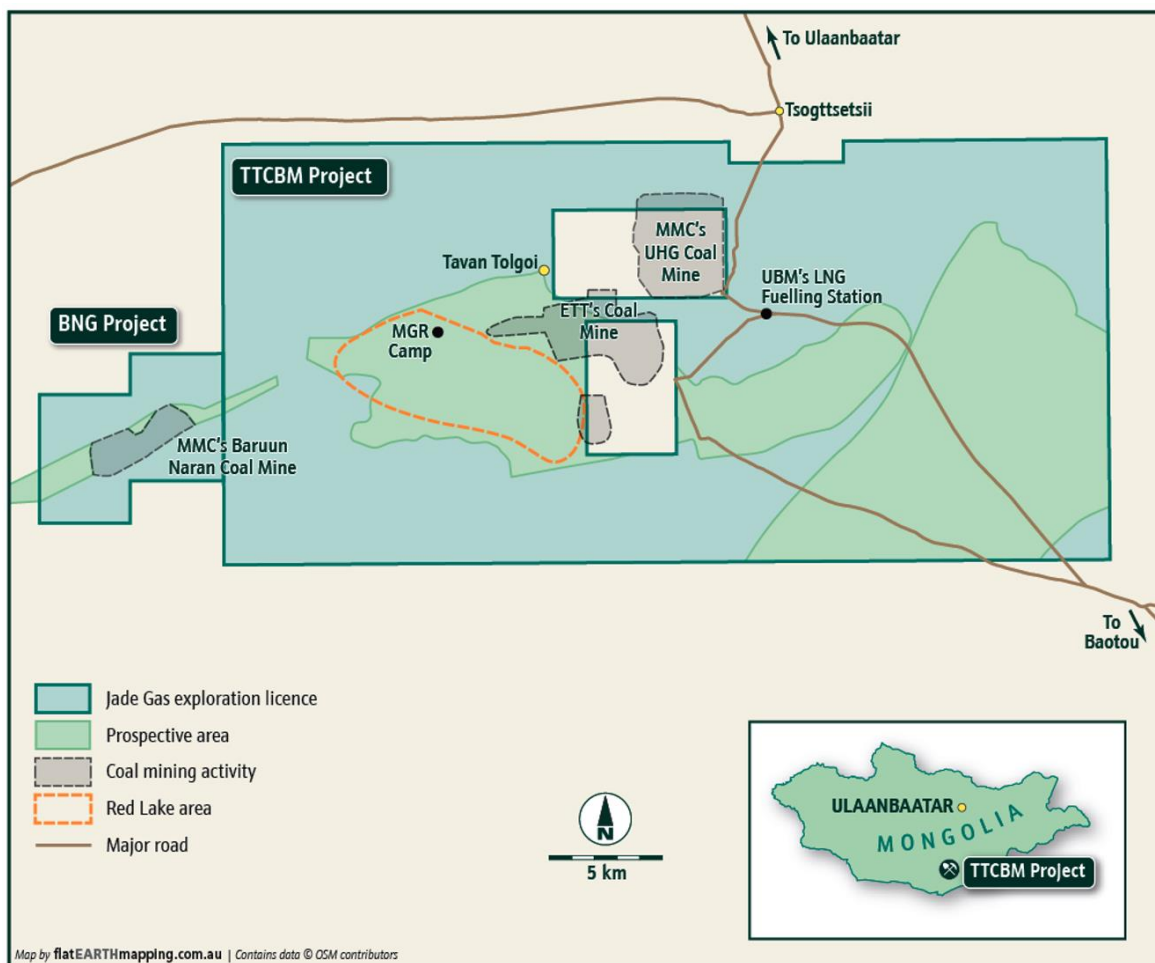


Figure 1: Strategic location of UBM's LNG Fuelling Station in proximity to local mines and Jade's MGR Camp

The LNG fuelling station has commenced servicing a new LNG market in the South Gobi region of Mongolia. Presently, LNG is sourced from Russia, which is then railed over 2,000 km to UB. From UB, the LNG container vessel is transferred to trucks and driven to the station at Tavan Tolgoi, where it is unloaded into storage facilities. Jade directly supplying gas to the LNG station, as a domestic fuel located close to the LNG terminal, is expected to provide material advantages to the market, and importantly, it is expected to increasingly displace imported and highly pollutant diesel from Russia.



Figures 2 and 3: Photos showing UBM's recently opened LNG Fuelling Station

Commenting on the enhanced MOU with UBM, Jade Executive Chairman, Dennis Morton, said:

"We are clearly seeing a shift in the demand for cleaner sources of energy with gas becoming a high priority in the diesel dominated South Gobi region. Jade's gas assets are on the doorstep of this demand, so it is logical that we now enhance discussions with existing partners like UBM, already well advanced in retailing LNG in Mongolia, to establish a commercial pathway for our gas and sell it into the local markets on a mass scale.

Displacing diesel in the region is a significant opportunity, not only for Jade, but for our partners and the government to support their ESG related emissions reduction goals. In parallel, Jade also represents a strategic new domestic and secure energy supply that is connected to real markets."

- 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 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 Bcf¹.



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.

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.

Jade's 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

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.

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.