



Jade Resumes Drilling at BNG Project to Upgrade Resources

Highlights

- Jade resumes drilling remaining five of eight wells at Baruun Naran Gas Project
- First three wells successfully intersected gassy coal with BNG-3 recording Jade's second thickest interval to date of 104.6 metres gassy coal
- Further success at BNG will support an upgrade 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

Jade Gas Holdings Limited (ASX:JGH, Jade or the **Company**) confirms that it is continuing a drilling campaign to complete the remaining five of eight prospecting wells at the Baruun Naran area (**BNG**), adjacent to the TTCBM Red Lake area.

BNG Drilling Program

Jade's BNG Project is located immediately adjacent and to the west of Jade's flagship TTCBM Red Lake Project. The Company believes the BNG Project has high potential for gas bearing coals and is working with joint-venture partner Khangad Exploration LLC, a subsidiary of Hong Kong listed Mongolian Mining Corporation LLC (HKEX:975).

The first three of eight prospecting wells at BNG were successfully drilled and reported (see ASX Announcement 18 December 2023), with the BNG-3 well recording the second thickest gassy coal interval to date of 104.6 metres.

Drilling for the remaining five wells has commenced with the first well BNG-4 spudded with a target depth of 900 metres (see Figure 1 for location of the planned wells). It is planned that the five wells will be completed within Q2 2024.

Further success at BNG is expected to support the conversion of 2U Prospective Resources to 2C Contingent Resources in the existing BNG permit (see Table 1), and importantly provide an accelerated pathway to securing a long term Production Sharing Agreement (**PSA**) over the permit area. Ultimately, this will provide Jade with two significant energy projects in the South Gobi region, highly needed at a time with clean energy demand growing rapidly from multiple customer markets.

Directors



Table 1: Current Gross 2U Prospective Resource estimate of the BNG Project¹

Prospective Resource Range	Unit	Low	Best	High
Baruun Naran Project	Bcf	13	65	186

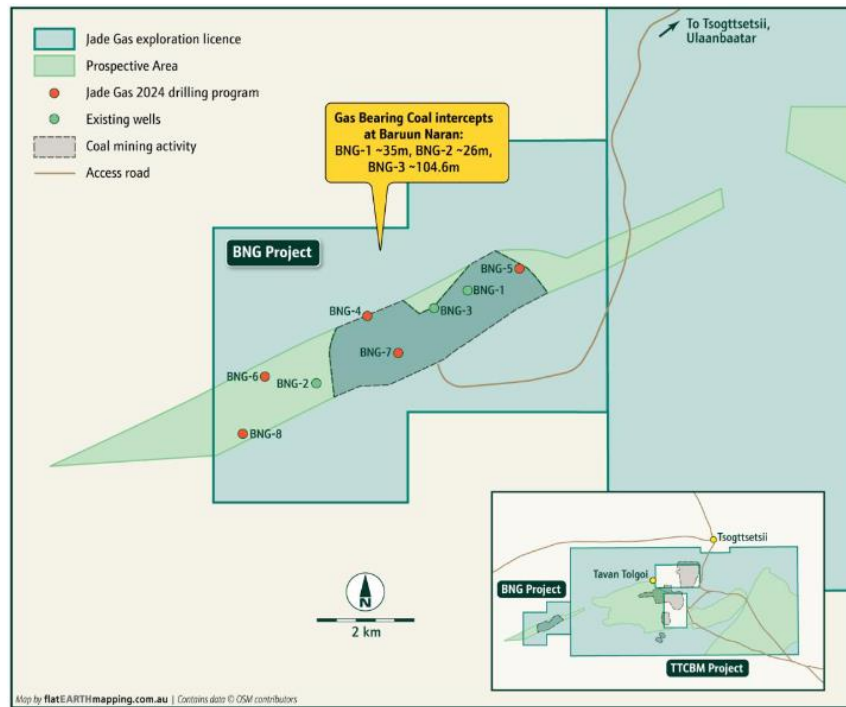


Figure 1: Map showing planned wells to be drilled as a part of the Prospecting Agreement program



Figure 2: Drill rig and lab ready for the resumption of Drilling at the BNG Project

¹ See ASX Release dated 19 August 2022. The Company confirms that it is not aware of any new information or data that materially affects the information included in this release and that all the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

**Commenting on the BNG drilling program, Jade Executive Chairman, Dennis Morton, said:**

"The resumption of drilling at the BNG Project kicks off our 2024 field activity program after a pause for the winter. The BNG Project is growing in importance as a solution for the energy shortage in the area. Our partner, MMC – a very large energy user, is eager to see this field developed as fast as possible to enable it to reduce reliance on imported diesel for its operations. With a busy drilling schedule over the next few months, we hope to expedite the appraisal phase and move the JV one step closer to production"

- ENDS -

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

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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.

Cautionary Statement

The estimated quantities of gas that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons.

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 Bcf².

² 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.



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 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.