



Jade Raises A\$3.63m to Accelerate Gas Production Strategy

Highlights

- Jade has received firm commitments for A\$3.63 million at 3.3c per share in a well-supported placement to new and existing professional and sophisticated investors
- Funds will primarily be used to support the Company's strategic initiatives with respect to long-term development options to achieve significant gas revenues from the Red Lake gas field
- The Company is at an inflection point with its initial four well program underway aimed at establishing commercial gas production in the coming months.

Jade Gas Holdings Limited (ASX:JGH) (**Jade** or the **Company**) is pleased to announce that it has received firm commitments to raise A\$3.63 million (before costs) at 3.3c per share in a well-supported placement to new and existing professional and sophisticated investors (as defined in sections 708(8) and 708(11) of the Corporations Act) (**Placement**).

Placement Details

110,000,000 fully paid ordinary shares (New Shares) will be issued pursuant to the Company's existing ASX Listing Rule 7.1 capacity, raising A\$3.63 million (before costs). The New Shares will rank pari passu with the Company's existing fully paid ordinary shares.

The Placement issue price of 3.3c per share represents:

- an 18.2% discount to the closing price of JGH shares on 29 November 2024 (3.9c); and
- an 18.2% discount to the 10-day volume weighted average price (3.9c)(**VWAP**)

Settlement of the Placement is expected to take place on or around 6 December 2024, with allotment and quotation of New Shares expected to occur on 9 December 2024.

The Placement was arranged by the Company, with referral and brokerage fees paid of between 5% and 6% on certain tranches as appropriate.

Use of Funds

Jade is transitioning quickly to resource development phase focused on a pathway to first gas production in the near-term. The Company has a significant opportunity to take advantage of high local gas demand, in particular for Liquefied Natural Gas (**LNG**) to replace diesel consumption in the South Gobi region. Phase one drilling operations have already commenced on four initial gas production wells that are designed to establish gas flow rates leading to commercial gas production and first revenue generation.

Directors

Proceeds of this capital raise will be used to support the Company's strategic initiatives with respect to long-term development options to scale operations at the Red Lake gas field to ultimately build a meaningful operation generating gas revenues.

Funding Position

Post completion of the Placement, Jade is capitalised to complete its initial production well program through to confirming gas flow and reserve booking. Aside from the Placement funds, Jade has agreed with its strategic shareholder, UB Metan LLC (**UBM**) an amendment to the payment schedule under the original convertible note deed and to complete the final tranche drawdown of the remaining A\$3.44m of the A\$11m convertible note by 31 January 2025. The updated payment schedule is on the same terms as those agreed under the original convertible note deed (see ASX Announcement 2 November 2023).

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

For further information contact:

Dennis Morton
Executive Chairman
+61 412 995 696
dennis@jadegas.com.au

Aaron Bertolatti
Company Secretary
abertolatti@jadegas.com.au

Elvis Jurcevic
Investor Relations
+61 408 268 271
ej@jadegas.com.au

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.

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.

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.

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 the gas produced may, in the long-term, provide an economically viable and 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 Jade's strategy will 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.