



## Jade Gas Generates Gas Flare During Extended Testing

- Extended testing of Red Lake-5 and -7, for up to three months, has commenced
- Gas flare generated from pressure buildup in the casing of Red Lake-5
- Information from testing to assist with drilling of horizontal Pilot Production wells

Jade Gas Holdings (ASX:JGH, **Jade** or the **Company**) is pleased to confirm the commencement of its extended testing of the Red Lake-5 and Red Lake-7 wells in the Red Lake area of its TTCBM Project permit, in the south Gobi region of Mongolia.



Figure 1 – Red Lake-5 gas flare generated from the annulus of the well

**Commenting on the extended testing of Red Lake-5 and -7, Jade Managing Director and CEO, Chris Jamieson, said:**

*"The commencement of the extended testing of Red Lake-5 and Red Lake-7 is a crucial phase in terms of data gathering for our pilot production program later in the year.*

*It was pleasing to see a flare generated from gas pressure build up in Red Lake-5 yesterday, and while the flow was brief and un-metered, it was an encouraging early sign.*

*Red Lake-5 and Red Lake-7 will provide key information regarding permeability of the coals and water quality that will assist in the design of our horizontal pilot production wells, the laterals of which are expected to be around one kilometre in length.*

*Our partners and stakeholders should see this as another step closer to Jade delivering on its strategy for a new secure and robust source of critical energy for Mongolia."*

### **Extended Testing and Analysis of Red Lake-5 and -7**

Extended testing operations on the Red Lake-5 and -7 wells commenced late last week, with the wells currently stabilising and an un-metered gas flare from the annulus of Red Lake-5 generated.

#### **Directors**

The objectives for the extended test are to:

1. Confirm stabilised inflow rates to assist in predicting performance of lateral wells planned for Q3 2023;
2. Obtain water samples from the coal seams to ascertain water quality and management requirements; and
3. Liberate gas from the coal seams to obtain a flowing gas sample for compositional analysis, which is expected to support the high methane contents observed from the coal samples at surface.



*Figure 2 – Red Lake-7 prior to commencement of extended testing*

**- ENDS -**

**Authorised for release on behalf of the Board by Chris Jamieson, Managing Director and CEO.**

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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 18,000km<sup>2</sup> 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.