



## Jade Gas Continues to Demonstrate Scale Potential at TTCBM

- Jade confirms further success from all four wells completed in Red Lake
- Considerable gassy coal intersections of:
  - 18.3 metres of gas bearing coal recovered (Red Lake-8)
  - 41.9 metres of gas bearing coal recovered (Red Lake-9R)
  - 44.2 metres of gas bearing coal recovered (Red Lake-10)
  - 16.1 metres of gas bearing coal recovered (Red Lake-11)
- Results demonstrate resource expansion potential of TTCBM Gas Project and its significant 246 Bcf<sup>1</sup> unrisks Gross 2C Contingent Resources
- Evaluation of drill core is underway to confirm gas content and permeability
- Red Lake-12, fourth and final vertical pilot well, at 83 metres
- Extended testing and analysis of Red Lake-5 and Red Lake-7 commenced as planned

Jade Gas Holdings (ASX:JGH, Jade or the **Company**) is pleased to confirm the first four wells in its CY2023 program, have reached total depth (TD) with considerable gassy coals intersected. The Red Lake program is targeting natural gas from three coal seams of interest in the northern extension of the Red Lake area within its TTCBM Project permit, in the south Gobi region of Mongolia.

**Commenting on the successful drilling results in the northern area of Red Lake, Jade Managing Director and CEO, Chris Jamieson, said:**

*"These highly successful results continue to demonstrate the scale potential that supports our thesis that the TTCBM Gas Project can deliver a significant new domestic source of energy in the South Gobi region of Mongolia.*

*There is a massive need and demand profile across Mongolia and on our doorstep to transition to cleaner energy. Jade is now well positioned as a visible option.*

*The Company also continues to confidently advance discussions with potential commercial customers, as we progress activities toward pilot production this year."*

<sup>1</sup> 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 Gas Holdings Ltd

ACN 062 879 583  
ASX: JGH

### Australian Registered Address

Level 1,66 Rundle Street  
Kent Town, SA 5067, Australia

T +61 437 603 294  
E [info@jadegas.com.au](mailto:info@jadegas.com.au)  
W [www.jadegas.com.au](http://www.jadegas.com.au)

### Directors

Dennis Morton	Non-Executive Chairman
Chris Jamieson	Managing Director and CEO
Joseph Burke	Executive Director
Daniel Eddington	Non-Executive Director
Peter Lansom	Non-Executive Director

## **Red Lake Exploration Drilling**

Jade's CY2023 exploration drilling program is focused on expanding the size of its current 246 Bcf unrisks Gross 2C Contingent Resources at the TTCBM Project, shaping the upcoming pilot production drilling program, and commercial discussions that are in progress with potential customers.

Red Lake-8, the first well in the 2023 exploration drilling program, was spudded on 5 March and drilling was concluded at 750.5 metres in seam 0. Core samples were obtained, with 18.25 metres of gas bearing coal recovered which are currently desorbing to assess gas content. A diagnostic fracture injection test (**DFIT**) was undertaken to obtain information on the magnitude of the minimum stress to calibrate the geomechanical model, which is being built to assist in well design for the horizontal pilot wells to be drilled later this year.

Red Lake-9 was spudded on 11 March and drilled to 419.5 metres when hole issues were encountered above the gas bearing target seams. The well was redrilled (Red Lake-9R) and successfully reached total depth of 525.5 metres on 3 April, intersecting 41.85 metres of gas bearing coals between 430 and 510 metres. Coal samples from the well are being desorbed to estimate gas content. Two drill stem tests were successfully conducted on the target seams and are being interpreted.

Red Lake-10 was spudded on 8 April and reached total depth of 426.5 metres on 16 April. 44.20 metres of gas bearing coal was recovered, with the well logged, DSTs completed in the primary target seams along with a DFIT to further calibrate the geomechanical model.

Red Lake-11 commenced drilling on 5 April and reached total depth of 621 metres on 19 April. The well was cased to 570 metres, approximately 8 metres above the target interval. The target seam III was cored, and 16.05 metres of gas bearing coal recovered and undergoing desorption testing for gas content. Seam III will be the target for a horizontal pilot well, planned to be drilled early in the second half of this year. Red Lake-11 will be used as the vertical pumping well for the horizontal intercept.

Red Lake-12, the fourth and final vertical pilot production well, spudded on 22 April and is currently cementing 7" casing at 83.0 metres.

The Company has commenced evaluation of the drill core from the four wells, which will include permeability testing to assess the ease with which fluids will flow through the coals. Core sampling and desorption analysis will be completed on-site at Jade's mobile desorption lab, with results expected in the coming weeks.

## **Red Lake Extended Testing**

The Red Lake-5 and Red Lake-7 wells, which were completed with pumping equipment in early March, are undergoing extended evaluation for up to 90 days, with Red Lake-5 being pumped from seam 0 and Red Lake-7 being pumped from seam III. Gas was previously flared from the annulus at Red Lake-5 and further gas samples will be taken from the well in due course. The data gathered will provide important permeability information that will be used in the design of the pilot program wells later in the year.

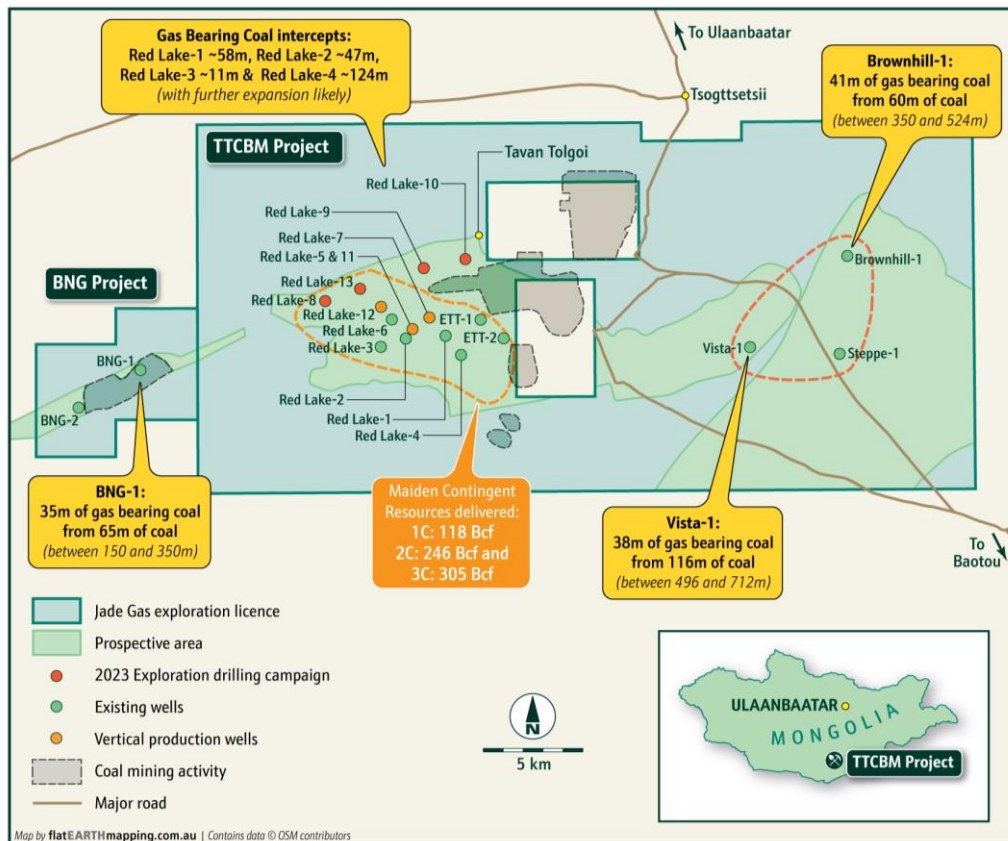


Figure 1 - Permit areas showing Red Lake Northern Extension drilling (red dots) and vertical pilot wells (orange dots)



Figure 2 - Red Lake-8 with mobile desorption lab

- ENDS -



**JADE GAS**

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

**For further information contact:**

Chris Jamieson  
Managing Director and  
Chief Executive Officer  
+61 487 173 244  
[cjamieson@jadegas.com.au](mailto:cjamieson@jadegas.com.au)

Justin Green  
Financial Controller and  
Company Secretary  
+61 437 603 294  
[jgreen@jadegas.com.au](mailto:jgreen@jadegas.com.au)

Elvis Jurcevic  
Investor Relations  
+61 408 268 271  
[ej@jadegas.com.au](mailto:ej@jadegas.com.au)

## 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.