



## Jade Commences Contingent Resource Assessment; Update on TTCBM Project Drilling

- **Contingent Resource assessment commenced, targeting completion in early Q3 CY2022**
- **Red Lake-6 expected to spud over the coming week<sup>1</sup>**
- **Red Lake-5 suspended due to mechanical issues; equipment being sourced to remove stuck drill pipe; well currently at 522 metres depth**
- **Timing of extended production test for Red Lake-5 and Red Lake-6 unchanged**
- **Strong gas results delivered from four wells drilled to date**

Jade Gas Holdings (ASX:JGH, **Jade** or the **Company**) advises that it has engaged RISC Advisory to audit Jade's Contingent Resource Booking for the Red Lake area, which is expected to be completed early in Q3 2022. The Contingent Resource assessment will provide an estimation of the potentially recoverable gas from the Red Lake area based on the information generated from the TTCBM Project drilling to date.

The sixth well in the TTCBM drilling program, Red Lake-6, is expected to spud within the week (pending approval from the regulator MRPAM). Red Lake-5 is currently suspended, with the drilling contractor advising Jade that a section of the drill string is stuck down hole and currently unable to be retrieved. Significant efforts have been made to recover the drill string, however, the rig on site does not have adequate horsepower to extract it.

While Red Lake-6 is drilling, an alternative rig and equipment will be sourced to extract the drill string from Red Lake-5. Should an appropriate rig and equipment not be available, a new Red Lake-5 well will be drilled at the expense of the drilling contractor.

Strong results have been delivered to date from the TTCBM Project drilling program, with gas content observed in Red Lake-1 of 12-17m<sup>3</sup>/tonne (dry ash free or DAF), an amount greater than some commercial fields in Queensland, high methane readings in our coal seams of interest (98% methane for seams III and 0 and 92.5% for seam IV) as well as an average of 60 metres of gas bearing coal from each well (Red Lake-4 having 124 metres of gas bearing coal). All of these results lay a robust foundation for the Contingent Resource assessment of the Red Lake area as well as the extended production phase in the second half of 2022.

The Red Lake-5 and Red Lake-6 wells will be used in the extended production test. There is no change in the timing for this test which will provide key information on well performance and deliverability to ultimately support assessment of commercial development options.

<sup>1</sup> Pending MRPAM approval

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### 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



Figure 1 - Permit area showing well locations at Red Lake

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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 is a gas exploration company focused on CBM potential of Mongolia. Jade's flagship project is the Coal Bed Methane gas project over the PSA area of Tavantolgoi XXXIII unconventional gas basin. 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 company of the Mongolian Government. The JV was formed with the intention to explore, develop and produce gas from the TTCBM Project 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.