



Jade Gas Drilling Program Focused on Increasing Resources

- **Jade to commence drilling of an additional four wells in the Red Lake area**
- **Initial program is designed to expand Contingent Resources and inform framework of further drilling programs**
- **A number of commercial customers on Jade's doorstep looking to secure future supplies of natural gas**
- **Extended testing of Red Lake area as part of the upcoming pilot program remains on track to commence March 2023**

Jade Gas Holdings (ASX:**JGH**, **Jade** or the **Company**) is pleased to confirm the commencement of its CY2023 exploration program, which is initially 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.

Red Lake Exploration Drilling

Jade's CY2023 drilling program received approval from the regulator, Mineral Resources and Petroleum Authority of Mongolia (**MRPAM**), which allows the Company to commence on-ground activities. New drilling will build on the successful 13 well program executed in CY2022 that delivered outstanding gas results leading to the largest gas booking of Contingent Resources in Mongolia at the time. The CY2023 exploration program is expected to commence in March with four wells to be drilled in the northern area of Red Lake.

Success from the drilling of these wells is designed to expand the size of the current 246 Bcf¹ unrisks Gross 2C Contingent Resources, help shape upcoming drilling programs and support commercial discussions that are in progress with potential customers.

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

Red Lake-5 was drilled to a total depth (**TD**) of 687 metres, with 36 metres of gassy coal intersected in the target coal seams, and Red Lake-7 reached TD at 501 metres with 62 metres of gassy coal intersected. These two wells will undergo further evaluation through flow testing and analysis for up to 90 days with flows expected to be primarily water. This will provide the necessary data around permeability that will be used in the design of the pilot program wells.

The equipment for the testing of Red Lake-5 and Red Lake-7 is currently being set up on site, with the test expected to commence in March 2023. The testing of these wells will provide important information regarding permeability of the coals to help the design of the upcoming pilot program later in the year.

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Path to Commercialisation

The Company continues to identify a clear pathway to market for gas produced by Jade, with a number of commercial customers on Jade's doorstep looking to secure future supplies of natural gas. Jade estimates that these future supplies will constitute more than 500 MW of future power demand, all within 200km of the TTCBM Project, meaning that the domestic Mongolian market will likely be the only focus of any future gas sales.

Commenting on the upcoming exploration drilling and extended testing and analysis, Jade Managing Director and CEO, Chris Jamieson, said:

"Off the back of a very successful 2022 campaign that delivered outstanding gas results and the largest gas resource in Mongolia at the time, we have established a significant footprint over 45km of gas field potential.

The initial four exploration wells at Red Lake will seek to expand our Contingent Resources to the north of the field. At the same time, we will be testing Red Lake-5 and Red Lake-7, which will provide us with vital information as we move forward with the pilot production program later in the year.

Jade Gas is focused on the important opportunity to support the clean energy transition within Mongolia and continues to be encouraged by both government and potential customers who acknowledge the important role that gas has to play in the domestic energy supply chain."

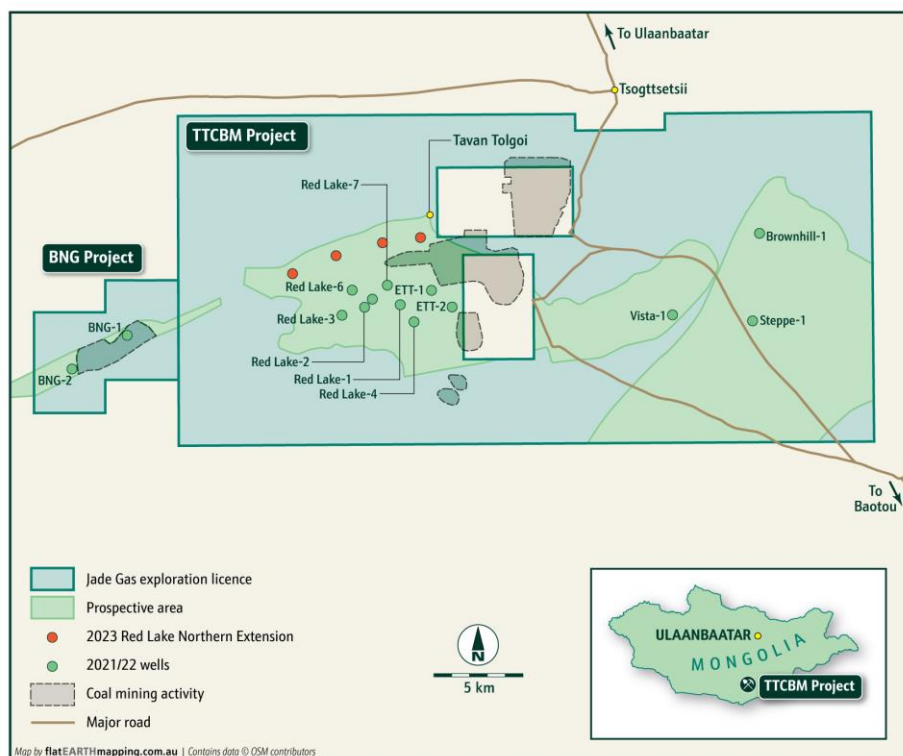


Figure 1 - Permit areas showing Red Lake Northern Extension drilling (red dots)

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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 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 18,000km² 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.