



## Jade Gas Delivers Substantial Maiden Contingent Resources

- **Substantial maiden unrisks Gross Contingent Resources delivered for TTCBM Project in the South Gobi region of Mongolia:**
  - **1C: 118 Bcf, 2C: 246 Bcf and 3C: 305 Bcf**
- **The largest coal bed methane booking of Contingent Resources in Mongolia to date, highlighting the massive potential of the TTCBM Project**
- **Further expansion likely with Contingent Resources only assessed for the Red Lake area, which is approximately 30km<sup>2</sup> of the 203km<sup>2</sup> prospective area (permit size 665km<sup>2</sup>)**

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Jade Gas Holdings (ASX:JGH, **Jade** or the **Company**) is pleased to advise that it has delivered substantial maiden Contingent Resources at its flagship TTCBM Project in the South Gobi region of Mongolia.

### Mongolia's Largest Gas Contingent Resources Booking

Jade has delivered a Gross Contingent Resources estimate for the Red Lake area of 1C of 118 Bcf, 2C of 246 Bcf and 3C of 305 Bcf – the largest Contingent Resources for coal bed methane in Mongolia to date. The Contingent Resources estimate was compiled by the Jade technical team in Australia and Mongolia using standard industry practices. The estimate is deterministic based on mapping of net coal thickness, combined with desorbed gas content, gas composition, methane isotherm studies, ash and moisture content from testing undertaken on recovered core and pressure and permeability information from drill stem testing. RISC Advisory has audited the estimated volumes and considers them reasonable in aggregate.

### Commenting on the initial booking of Contingent Resources, Jade Managing Director and CEO, Chris Jamieson, said:

*"Our maiden Contingent Resources booking at our flagship TTCBM Project is the largest in Mongolia and, critically, only covers a small portion of the prospective area within our permit.*

*The initial Gross 2C Contingent Resources of 246 Bcf of gas is a solid foundation that demonstrates the significant scale and potential ahead of us. It should also signal confidence to the market and potential customers as the Company continues to execute on its ambition to become a meaningful Mongolian gas producer.*

*We are at an exciting time in our journey as we not only move the TTCBM Project through to the next stage of testing, but also explore and appraise our other highly prospective permits at Shivee Gobi, Eastern Gobi and Baruun Naran."*

**Table 1 - Unrisked Contingent Resources for TTCBM Project (Red Lake area only)**

TTCBM Project (Red Lake area only)	Unrisked Contingent Resources (Bcf)		
	1C	2C	3C
<b>Gross Recoverable Gas</b>	<b>118</b>	<b>246</b>	<b>305</b>
<b>Net Recoverable Gas</b>	<b>71</b>	<b>148</b>	<b>183</b>

Notes to table:

1. Contingent Resource estimates reported above have been prepared by Jade at an evaluation date of 31 July 2022.
2. Gross Contingent Resources represent 100% total of estimated recoverable volumes of methane.
3. Contingent Resource estimates have been made and classified in accordance with the SPE Petroleum Resources Management System 2018 ("SPE-PRMS") and sub-classified as "Development Unclassified".
4. Further pilot well drilling, planned for 2023, is required to demonstrate de-watering and gas flow rates, which will be required to mature the development plan, secure commercial agreements and achieve final investment decision.
5. Net Contingent Resources attributable to Jade represent the fraction of Gross Contingent Resources allocated to Jade, based on its 60% interest in the TTCBM Project. The net outcome is also dependent on sharing requirements of the Production Sharing Agreement ("PSA") which will vary according to production rate, capital and operating costs and gas pricing, which is currently indeterminate.
6. Volumes reported here are unrisked, no adjustment has been made for the risk that the project may not be developed in the form envisaged or may not go ahead at all (i.e. Chance of Development has not been applied).
7. Contingent Resources volumes shown have had shrinkage applied to account for CO<sub>2</sub> and N<sub>2</sub> and include only hydrocarbon gas. An allowance of 3% has been made for Fuel and Flare.
8. Contingent Resources presented in the tables are arithmetic totals for the three coal seams of interest, those being coal seams 0, III and IV.
9. Estimates have been made deterministically from mapping of coal seam thickness from core holes across the area incorporating measured gas content from desorption experiments, methane isotherm measurements, coal density, ash and moisture content, pressure and estimated pressure at abandonment. 1C volumes are mapped one well spacing unit (350m) from well control, 2C to three spacing units and 3C to five spacing units.
10. This work has been prepared by Mark Pitkin, General Manager Technical at Jade Gas Pty Ltd, a qualified Petroleum Engineer, who has over 25 years of experience and is a member of the Society of Petroleum Engineers. He agrees to the form and context in which the Contingent Resource estimates are presented in this Announcement.
11. The Contingent Resources presented are considered fair and reasonable incorporating the uncertainty in the raw geological information available and the technical interpretation at the time of the estimate.
12. RISC has audited the assessment and considers both the approach and volumes reasonable but considers producibility needs further verification.
13. The accuracy of estimates is a function of the quality and quantity of available data and of interpretation and judgement. Geological and reservoir performance data gathered subsequent to this estimate may warrant revision either upward or downward.

Excellent results have been delivered from the drilling to date at the TTCBM Project, with gas content of 12-18m<sup>3</sup>/tonne (dry ash free or DAF), an amount greater than some commercial fields in Queensland, high methane readings in the 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).

These results laid the foundation for the strong conversion of Prospective Resources to Contingent Resources in the Red Lake area. The area of the initial 2C Contingent Resource booking in Red Lake amounts to approximately 15% of the size of the prospective area<sup>1</sup> of the TTCBM Project permit, however, the Contingent Resources booking amounts to approximately 30% of the total Prospective Resources. This equates to a two times conversion rate of Prospective Resources to Contingent Resources when compared with the area from which the booking has been made. Jade plans to flow test the coal seams of interest (0, III, IV) within six months, with a more prolonged pilot production test planned for 2023 (pending MRPAM approval), both aimed at gaining further information on gas volumes, flow rates and coal permeability.

The Contingent Resources are sub-classified under the Project Maturity Sub-class as described in the SPE PRMS as “Development Unclassified” by Jade. The key contingencies are demonstrating producibility from a pilot drilling program to be drilled in 2023, and commerciality. A final investment decision on development, committing to a gas sales agreement and any other necessary commercial arrangements plus obtaining the usual regulatory approvals for production.

The 2C Contingent Resource area is approximately 30km<sup>2</sup> and is estimated to require between 150 to 230 wells to develop, depending on the results of the pilot drilling program.

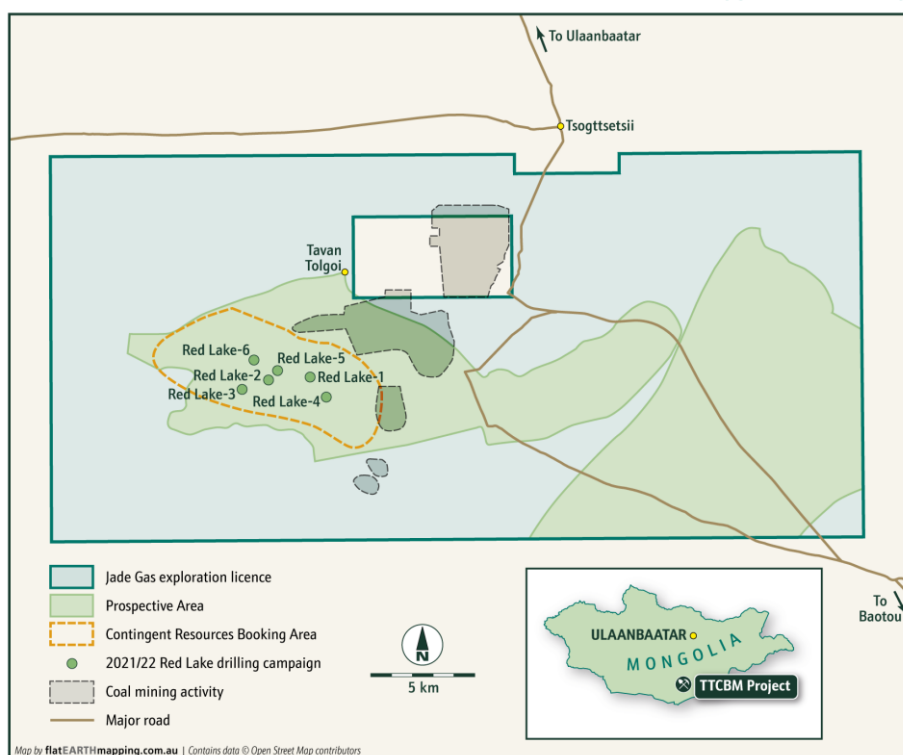


Figure 1 - Permit area showing the Contingent Resources booking area at Red Lake

<sup>1</sup> In the Independent Technical Specialist’s Report (24 June 2021), RISC Advisory used 203 km<sup>2</sup> for the ‘Best’ category estimate for the Prospective area and calculated a ‘Best’ Prospective Resource of 1,044 Bcf.



**JADE GAS**

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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 18,000km<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.