



## High Gas Purity Confirms Commercial Development Pathways

### Highlights

- **Gas composition analysis confirms exceptionally high methane content (>97%) with very low carbon dioxide levels (<1%)**
- **Results demonstrate high quality gas profile which supports the Company's primary high-margin LNG customer market opportunity**
- **The outcome also provides Jade with optionality for the potential to supply additional markets as a key chemical feedstock.**

**Jade Gas Holdings Ltd (ASX:JGH) (Jade or the Company)** is pleased to announce that detailed gas composition analysis from horizontal production wells at the Red Lake gasfield has confirmed very high levels of methane and minimal carbon dioxide at its flagship project in South Gobi region, Mongolia.

### Extremely High Methane Content and Minimal CO<sub>2</sub>

To support broader commercial initiatives in train, including the opportunity to displace diesel at Jade's own site operations, the Company undertook gas composition tests on the gas produced from the two producing lateral wells. Gas composition analysis returned:

Production Well	Methane Content	CO <sub>2</sub> Content
RL-Hz-01	97.2%	<1.0%
RL-Hz-02	97.4%	<0.9%

The results are highly encouraging from both technical and commercial perspectives. This high quality gas result supports recoverable resource estimates and market optionality for the supply of Liquefied Natural Gas (**LNG**) and Compressed Natural Gas (**CNG**), gas fired power generation, as well as the potential to supply another high-margin operation.

Methane of this high purity is highly desirable as a key chemical feedstock. Although LNG/CNG customer markets remain the Company's primary focus, methane is a fundamental building block in the chemical industry for synthesizing methanol and hydrogen processing. The low inert and carbon dioxide fractions also support improved volumetric efficiency, higher energy density, and reduced compression and treatment requirements. Jade will consider these additional markets as it continues partner discussions and its economic study.

#### Directors

The findings will be integrated into Jade's ongoing subsurface modelling and production planning, part of the Company's broader field development strategy aimed at establishing a long-term, cost-efficient supply of high-quality gas from its Mongolian asset base.

**Commenting on the Gas Composition results, Managing Director, Chris Newport, said:**

*"We are pleased with these excellent gas composition results from the horizontal wells at our Red Lake gasfield, which confirm the high methane purity of our gas resource. This result broadens our range of commercial options, improves project economics and validates our exploration strategy as we move closer to commercialisation."*

**- ENDS -**

**Authorised for release by the Board of Jade Gas Holdings Ltd.**

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**Forward Looking Statements**

This announcement contains various statements relating to intentions, future acts and events. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

**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 operates and manages 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 TTCBM Project has a 2C Gross Unrisked Contingent Resource of 246 Bcf<sup>1</sup>

Jade also entered into a JV with Hong Kong listed Mongolia Mining Corporation Limited (MMC), for the CBM rights over MMC's Baruun Naran coal mine, immediately adjacent to the TTCBM Project, called the BNG Project. MMC is Mongolia's largest publicly traded miner with a vision is to become the country's largest diversified mining company. With a known

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<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.

coal resource and operating mine at Baruun Naran, Jade is working with MMC to further appraise and determine the commercial pathway for gas in this project.

Furthermore Jade holds two prospective CBM permits, Shivee Gobi and Eastern Gobi. Together the 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.

Jade's strategy is to develop all of its projects so that gas produced may, in the long-term, provide an economically viable and reliable supply option to the power and transport sectors in Mongolia, initially in the South Gobi. The Company is pursuing multiple commercialisation options to participate in the heavy vehicle transport and power sectors through both compressed and/or liquified natural gas projects. Achievement of Jade's strategy will displace the heavy reliance on imported gas and gas liquid products, especially diesel fuel, and coal fired power. This will increase the security of energy supply for Mongolia as well as provide significant improvement in air quality and other environmental outcomes.



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.