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ASX Announcement

14 March 2023

JADE GAS

Jade Raises A$10.7 million at 6 cents via Strategic Placement

- **Strategic Placement of A$10.7 million at a 6 cent share price agreed with UB Metan LLC,**
- **Placement proceeds to be primarily used for pilot production**
- **Commercialisation activities commenced with UBM in anticipation of pilot production success**
- **UBM is Mongolia's largest importer of gas and will become a 19.9% shareholder as a result of the Placement**

Jade Gas Holdings (ASX:**JGH, Jade** or the **Company**) is pleased to advise that it has executed a subscription agreement with UB Metan LLC (**UBM**) for approximately A$10.7 million (before costs) via the placement of 178,630,800 fully paid ordinary shares in Jade (**Placement**). The Placement was undertaken at an issue price of A$0.06 per share.

Strategic Placement to UB Metan LLC

UBM is Mongolia's largest importer of natural gas, in the form of LNG, and is looking to increase its usage of natural gas as it targets the transition of haulage trucks in Mongolia from diesel to natural gas. There are currently thousands of trucks running on diesel, with emissions improvements, efficiency gains and cost savings to be made once these trucks are converted to gas. UBM estimates that its own requirements will be in the order of 400,000 tonnes of LNG (approx. 22 PJ of natural gas) per annum.

Placement Details

Shares in the Placement will be placed with UBM, a strategic investor (who qualifies under s.708(8) to (12) of the Corporations Act). The Placement will raise A$10,717,848 million (before costs), with 178,630,800 fully paid ordinary shares to be issued under the Company's existing ASX Listing Rule 7.1 and 7.1A capacity (**New Shares**). The New Shares will rank equally with the Company's existing fully paid ordinary shares. The timeline of activities associated with the Placement are outlined in Table 1. The issue price of A$0.06 per share represents:

- A 27.7% premium to the last closing price of JGH shares on 9 March 2023 of A$0.047 per share; and
- A 23.7% premium to the 30-day volume weighted average (VWAP) price of JGH shares.

Under the terms of the Placement UBM will be entitled to nominate a candidate to the Jade Board of Directors.

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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

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Use of Funds

Jade intends to use the funds received from the Placement primarily for the pilot production program, which is designed to prove the commercial capability of the TTCBM Project, and for general and corporate purposes.

Commenting on the Strategic Placement with UBM, Jade Managing Director and Chief Executive Officer, Chris Jamieson, said:

> *"Our strategic partnership with UBM is very important in the context that we both share a mutual goal to decarbonise Mongolia with a cleaner source of energy. Importantly, Jade is aiming to become a meaningful and new domestic option with secure and reliable gas.*
>
> *UBM represents real and visible demand for gas and this strategic placement demonstrates an escalation of desire by both companies to effect change with cleaner energy."*

UBM Chief Executive Officer, Basjargal Bold, added:

> *"We are very pleased to provide continued financial support to Jade for its TTCBM Project. We believe that the results Jade has accomplished over the past twelve months justify its move to the pilot production phase of this project and we look forward with great anticipation to the results from the production testing.*
>
> *There are an estimated 13,000 haulage trucks in the Tavan Tolgoi area and it is UBM's intention to commence construction of an LNG fueling station as we look to convert these trucks from diesel to LNG. This will be a positive step forward from a cleaner emissions perspective, as well as provide us with efficiency improvements and cost savings for the fleet of trucks. In order to realise such a sizeable conversion of trucks, we will need a secure and large local source of natural gas.*
>
> *Jade and its TTCBM Project is the logical source for this gas and we look forward to working with Jade to further entrench our relationship as the Company readies the TTCBM Project for first gas flows early in 2024."*

Table 1: Placement Timeline

Trading Halt and Placement conducted	Pre-Market Friday, 10 March 2023
Trading Halt lifted and announcement of Placement	Pre-Market Tuesday 14 March 2023
Settlement of New Shares under the Placement	Week commencing 27 March 2023
Issue (and normal trading) of New Shares issued under the Placement	Week commencing 27 March 2023

All dates and times are indicative only. The commencement and quotation of New Shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, the Company reserves the right to amend this timetable at any time, either generally or, in particular cases, without notice.

- ENDS -

Authorised for release on behalf of the Board by Joseph Burke, Executive Director.

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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 has also acquired two new prospective CBM permits, Shivee Gobi and Eastern Gobi. Both permits cover an area of over 18,000km^2 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.