



Jade Brings First Gas Production Wells Online

Highlights

- **Jade achieves critical milestone with Mongolia's first ever horizontal CBM production wells brought online**
- **Gas flow rates expected to build progressively as the dewatering process continues**
- **Gas industry executive, Chris Whiteman appointed interim CEO**
- **Jade on path to realise its important aspiration of replacing diesel fuel with lower cost, cleaner gas fuel for transport fleets in the South Gobi region of Mongolia**

Jade Gas Holdings Limited (ASX:JGH) (**Jade** or the **Company**) is pleased to announce the successful commencement of production from its first two Coal Bed Methane (**CBM**) gas production wells at the Red Lake gas field in the South Gobi region of Mongolia.

Production Commenced

Following recent commissioning activities and approval received from the regulator, Mineral Resources and Petroleum Authority of Mongolia (**MRPAM**) to commence operations, Jade has initiated the start of the pumping and dewatering process, effectively commencing first production from its two gas production wells at the Red Lake gas field.

This marks a critical milestone for the Company and the development of a gas industry in Mongolia with the first horizontal CBM gas production wells delivered in the country. Water is being pumped from coal seam IIIb from both horizontal wells RL-Hz-002 and RL-Hz-001 with initial gas breakthrough expected in the coming weeks. Gas flow rates are expected to build progressively as reservoir pressure decreases over time. The operating team will monitor dewatering and gas flow with results to be reported in due course.

Jade believes that there is outstanding gas potential as previously indicated, including significant visible gas observed in mud returns, and high percentage of CH₄ (methane gas) composition (see ASX Announcements 24 March 2025, and 11 April 2025).

Jade is now on a clear pathway to capitalise on the significant unmet and growing gas demand initially in the South Gobi region. Multiple customer markets exist on the Company's doorstep for cleaner energy, with gas as a replacement (in compressed or liquified state) for diesel fuel which serves the long haul trucking operations in the area, and as an input to power generation for the many large mining operations.

Jade Gas Holdings Ltd

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Directors

Dennis Morton	Executive Chairman
Joseph Burke	Executive Director
Daniel Eddington	Non-Executive Director
Ian Wang	Non-Executive Director
Uyanga Munkhkhuyag	Non-Executive Director



Jade is also continuing to progress negotiations with partners on these near-term commercialisation opportunities, with a focus on Liquefied Natural Gas (**LNG**) and Compressed Natural Gas (**CNG**) capabilities to capture value from the early gas flow. Partnerships and other structures are under consideration with equipment manufacturers to assist Jade with faster access to customer markets and ultimately early revenue.



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Figures 1 & 2: Photos showing CBM Gas Production Wells online at the Red Lake field

Pivot to Production

In preparation for the Company's next phase, Jade will renew its executive and operational capabilities with a focus on building the team to execute on commercial opportunities and the development activities of the Red Lake gas field and associated infrastructure. As a result, the following changes have been made effective immediately:

Chris Whiteman - Transitions to Interim Chief Executive Officer

Chris Whiteman is an experienced energy sector executive with broad experience in corporate advisory, business development and commercial operations within the industry. Mr Whiteman joined Jade Gas at its inception in 2019, and has been a key member driving the growth of the Company from private to its listing on the ASX, and its rapid and successful development of the Company's flagship Tavan Tolgoi CBM Project. Mr Whiteman is currently Jade's Head of Commercial. Mr Whiteman began his career in corporate advisory at Taylor Collison Limited and has also contributed expertise to Santos Ltd and TRU Energy. He holds a



Bachelor's Degree in Economics from the University of Adelaide, and is a non-executive director at Animoca Brands Corporation Limited and iCandy Interactive Limited.

Refer to Appendix A for the key Terms of Mr Whiteman's engagement.

Dennis Morton – Steps down as Executive Chairman

Jade's current Executive Chairman, Dennis Morton, has stepped down from the Board, having been instrumental in leading Jade Gas to initial production. Over the last two years, Mr Morton has led the Company's project execution strategy overseeing the resource development and pilot production phase. The Company sincerely thanks Dennis for his leadership during this critical period in the Company and wishes him well with his future endeavours.

Board Renewal

The Company is currently contemplating further changes to the Board composition to appoint experienced natural resources' industry executives to compliment first gas production which it will announce in due course. These additions, including in-country appointments, will support the ~25 staff already in place in Mongolia as production ramps up.

Importantly, these will be designed to support Jade's transition to gas production and to capitalise on the substantial commercial opportunity for the development of a gas industry in Mongolia. Jade has an aspiration to replace diesel transport fuel with lower cost, lower emission gas fuels for transport fleets in the South Gobi region of Mongolia.

Commenting on the gas production milestone, incoming Jade interim Chief Executive, Chris Whiteman, said:

"A great milestone has been reached now that the two horizontal wells are on-line. The team is to be commended on attaining this milestone in a relatively short timeframe since work on this high potential project commenced. We look forward to seeing the results as we continue to push ahead with early development plans and commercial progress."

Outgoing Chairman, Dennis Morton, added:

"It has been a great privilege to work with the talented team at Jade Gas, both in Australia and Mongolia over the last few years. This is a special project and I am pleased to have been able to assist the teams to achieve this noteworthy event. I always believed in the potential of the project and now we are about to observe how it performs. I will continue to be a keen observer of progress and look forward to hearing of further success in the short term."

- 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 Bcf¹

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 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 18,000km² 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.

¹ 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.



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.

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APPENDIX A: INTERIM CEO'S REMUNERATION

The key terms of Mr Whiteman's remuneration are as follows:

1. Commencement date: 09 June 2025;
2. Term: Up to six months (unless extended by mutual agreement);
3. Base salary: A\$300,000 per annum (plus superannuation);
4. LTI Award: 10,000,000 Performance Rights. The Performance Rights will expire at 5:00 pm (WST) on the date that is four (4) years from the date of issue (Expiry Date). The Performance Rights will vest when the Volume Weighted Average Price (VWAP) of the Company's shares as calculated over 20 consecutive trading days is equal to or exceeds \$0.08 at any time but not longer than the Expiry Date. Performance Rights will be issued pursuant to the Company's Employee Securities Incentive Plan; and
5. Termination: Notice period of 3 months by either party or by the Company paying the equivalent of 3 months' notice in lieu of service;

All other executive engagement terms are standard for this type of agreement.