



Major Success as First Production Well Flows Gas

Highlights

- **Major success confirmed by gas flow to surface at Jade's first production well**
- **Marks a major de-risking milestone for establishing a commercial gas operation**
- **Provides the foundation for proof of concept and for completion of study work that will outline the scale of the full field development plan once flow rate data is confirmed**
- **The second production well is performing to expectations with gas flow expected shortly**
- **Jade continues to progress a number of commercial initiatives to take advantage of its pathway to become a significant gas operator in Mongolia.**

Jade Gas Holdings Limited (ASX:JGH) (Jade or the Company) is pleased to announce that it has achieved a material outcome with gas flow from its first horizontal production well, marking a critical milestone achievement for the Company, and a first of its kind for Mongolia in the development of the Tavantolgoi CBM Project (**the Project**).

Brought on-line on 9 June 2025 (see ASX announcement 10 June 2025), the dewatering process has been carefully managed, limiting daily fluid level drops to ensure the well bore remained stable. After 56 days of removing water from the coal, gas pressure has developed in the RL-Hz-001 casing, signifying commencement of gas production from the coal. As part of good operating practices, the casing gas was flared to assist with further reducing the bottom hole pressure and on-going dewatering.

Over the coming weeks further gas flaring and water pump rate adjustments will be made to achieve stable continuous production. This deliberate gentle reduction of the pressure in the coal is to minimise damage to the well and maximise the peak rate that is expected to develop over this period. Jade's fully integrated services drilling contractor, DWK, leveraged its vast experience with production wells of this type in China's Qinshui Basin, to deliver gas to surface for Jade within the expected period. The geological similarities of the fields, indicate the possibility that the broader field development should occur at similar speed and scale.

This milestone significantly de-risks the Project with gas flow breakthrough demonstrating the Company's ability to extract gas from the coal seams in the Red Lake Field. It advances the Project's operational readiness ahead of compelling study work, including the Plan for Development and Operations (**PDO**), or field development plan, which is anticipated to be finalised once sustained gas flow rates are established above minimum commercial limits. The study work outlines the potential scale of planned operations, reinforcing Jade's intent to establish the Red Lake project as the first commercial gas operation in Mongolia.

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Importantly, this milestone, a first of its kind in Mongolia, also confirms proof of concept, in that the Company believes that the Red Lake gas field has the capacity to produce gas to support a scalable and significant LNG operation.

Commenting on the gas flow milestone, Jade Non-Executive Director, Dr. Ian Wang, said:

“With the well type now proven for gas flow, we plan to replicate this throughout the Red Lake Gas field to deliver a long-term, significant supply of gas to the region. Our field development plan is substantially completed and will be ready for execution once gas flow data from the first two production wells is known in the coming weeks. Further to this, the gas flow data collected will also enable a reserve booking at Red Lake and complete our regulatory requirements for the Plan for Development and Operations (PDO).”

This milestone now sets our pathway for Jade to become a significant gas operator in Mongolia, and with demand growing in large customer markets on our doorstep, we are building that momentum at the right time.”



Figure 1: Gas flaring of well RL-Hz-01 confirming proof of concept for the Project

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Next Steps

The Company will complete gas flow rate measurements and further reservoir evaluation at the first production well RL-Hz-001. The second horizontal production well RL-Hz-02 continues to perform to expectations and gas flow from this well is expected shortly which will offer additional data to support to the Company's horizontal production well development plan and gas delivery volumetrics.

Once gas flow rates are known across both wells, the field development plan (PDO) will be finalised. The PDO plans a staged development with low upfront capex and optimised production outcomes.

Concurrently, Jade also continues to progress a number of other initiatives focused on maximising value including partner discussions for fast tracking meaningful production and cashflows, project debt options, and a dual listing on Hong Kong Stock Exchange leveraging existing valuations secured by Mongolian natural resources companies.

- 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

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.



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.

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.



Map showing location of Jade Gas assets in the South Gobi region of Mongolia.



APPENDIX 1 | Listing Rule 5.30 Information

LR 5.30	Requirement	Company Statement
(a)	Name and type of well	RL-001-3b-Hz-01 Red Lake 001 pad, seam 3b, horizontal well number 1 Horizontal coal seam gas well
(b)	The location of the well and the details of the permit or lease in which the well is located.	Horizontal coal seam gas well, Tavantolgoi XXXIII PSA area, Mongolia X: 4830740.4830 , Y: 533483.4159 (WGS 84, Zone N48)
(c)	The entity's working interest in the well.	100% funding, 60% production
(d)	If the gross pay thickness is reported for an interval of conventional resources, the net pay thickness.	Not applicable
(e)	The geological rock type of the formation drilled.	Coal
(f)	The depth of the zones tested.	Average depth along lateral 485m TVD. Lateral length 902m, 802.2m net coal.
(g)	The types of test(s) undertaken and the duration of the test(s).	Extended production test. Commenced 9 June. Gas flared 61 days after commencement. Test continuing to further drawdown coal.
(h)	The hydrocarbon phases recovered in the test(s).	Gas
(i)	Any other recovery, such as, formation water and water, associated with the test(s) and their respective proportions.	Production to 8am (Mongolian time) on 10 August was 1,213 m3 formation water from coal seam 3b. Initial casing gas flared (volume not measured).
(j)	The choke size used, the flow rates and, if measured, the volumes of the hydrocarbon phases measured.	Not applicable. Gas flared. Flow rate and volume not measured.
(k)	If flow rates were tested, information about the pressures associated with the flow and the duration of the test.	Not applicable
(l)	If applicable, the number of fracture stimulation stages and the size and nature of fracture stimulation applied.	Not applicable
(m)	Any material volumes of non-hydrocarbon gases, such as, carbon dioxide, nitrogen, hydrogen sulphide and sulphur.	Not applicable, no samples taken.
(n)	Any other information that is material to understanding the reported results.	Net coal in Red Lake 7 and 15 coreholes, located at the heel of the lateral, is approximately 11 metres. Gas content in Red Lake 7 is 14-15 m3/t (DAF) measured by desorption testing of wireline core. Gas samples taken during desorption at Red Lake 7 averaged 95.8% methane, 3.9% CO2 and 0.3% N2. Well operating philosophy is to lower fluid level by 3-5 metres per day. Production testing will continue with further lowering of the fluid level followed by maintaining fluid level as low as possible in the well to desorb gas from coal and progress the development of peak gas rate.

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