



\$70m LOI Signed for Red Lake Development

Highlights

- Letter of Intent signed with leading Chinese gas equipment manufacturer, Langrun, for non-dilutive project financing over the first stage of Jade's Phase 1 LNG Project development
- The deal contemplates financing of up to US\$46m (A\$70m), with key aspects including:
 - Drilling and production operations for the next 18 wells at the Red Lake gasfield;
 - Surface facilities to gather, process, and liquify the gas into a saleable LNG product;
 - A low upfront capital outlay option, to be funded by future Jade revenue; and
 - Potential to expand the terms to accommodate all 175 Phase 1 gas production wells.
- CBM project financing of this nature accelerated Qinshui basin development in China
- The collaboration aims to leverage Langrun's mid-stream gas processing expertise to optimise gas production for faster access to customer markets and ultimately early revenue

Jade Gas Holdings Limited (ASX:JGH) (**Jade** or **the Company**) is pleased to announce it has entered into a non-binding Letter of Intent (**LOI**) with Zhengzhou Langrun Intelligent Equipment Co., Ltd. (**Langrun**), a leading Chinese gas equipment manufacturer and operator primarily focused on Coal Bed Methane (**CBM**).

Midstream Gas Partnership to Support Production

As previously announced to the market, Jade has been in discussions over recent months with various potential partners with interest in project participation at various levels and structures. The Company has, after careful consideration, and in line with its commitments to develop the project for Mongolia, chosen to enter into an LOI with Langrun based on their proven operating and financial capability, and their previous experience with similar scale coal bed methane projects to Jades TTCBM Project. Notably, the widespread and prolific development of the Qinshui Basin in China was initially developed under similar project financing partnership structures.

The LOI with Langrun is designed to enable Jade to monetise the gas produced from initial production wells in Phase 1 development at the Red Lake gasfield through non-dilutive financing. Phase 1, which is an integral part of the Plan for Development of Operations (PDO), itself envisages a 175 well program across multi-well pad locations (Figure 1) and will focus on gas production from the three primary gas resource bearing seams, seam IIIb, seam IIIa and seam 0c.

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Ian Wang	Non-Executive Director
Uyanga Munkhkhuyag	Non-Executive Director



Langrun's expertise in the gas industry in China and in particular in CBM offers a great fit for Jade as the Company seeks options to fast track development of the Red Lake gas field and to optimise gas production for faster access to customer markets and ultimately early revenue.

Langrun's core businesses include;

- **Upstream Wellhead Development and Utilization** covering wellhead construction, gas collection and equipment production which is an important next stage in the development of the Red Lake gasfield.
- **Transportation Gas Equipment** focuses on the research and development, the manufacturing of gas equipment including providing a full set of core equipment for gas stations and supporting the efficient application of natural gas in the transportation field. This core part of Langrun's business provides core products including L-CNG/LNG pump skids, CNG hydraulic piston compressors and CNG/LNG dispensers.
- **Industrial Gas Infrastructure Construction** focuses on key industrial gas infrastructure, such as the construction and operation of pipeline gas projects to ensure the safe and stable supply of gas for industrial and civil use, as well as gas pressure regulating devices and metering skids for pressure regulation.

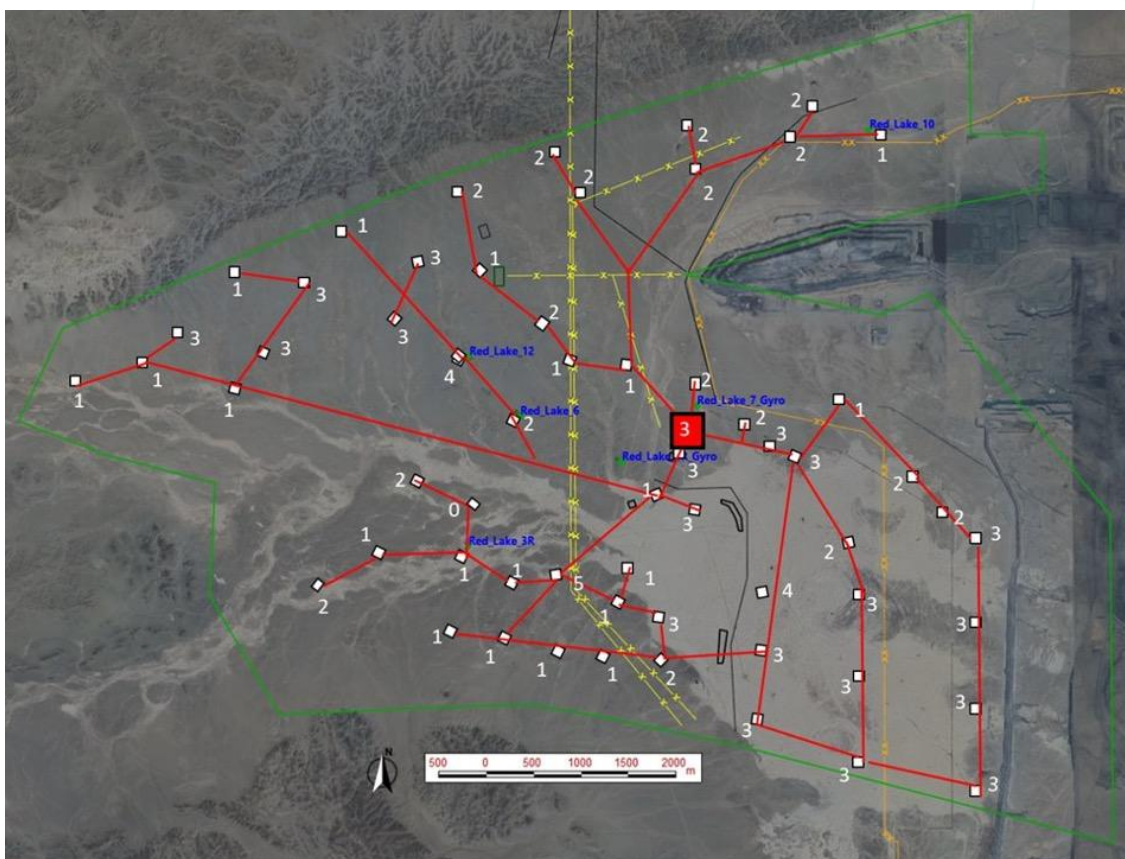


Figure 1 – Multi Well Pad locations of Production Wells under Phase 1 Development Plan Contemplated for the Red Lake Gasfield



Subject to agreement of definitive documentation, and government and regulator cooperation and other approvals, the Red Lake gasfield could potentially be developed to cover purification, pipeline and other transport, compression (for potential production of CNG), liquefaction (for production of LNG), refueling station construction, enabling gas sales for vehicle, industrial and other markets. Jade could provide the gas source, suitable land for construction of facilities, and operational rights, while Langrun will arrange the financing for drilling and associated production services, supply and install gas processing equipment and manage production operations. The initial phase will focus on 20 wells, of which the first two production wells came online in June with gas breakthrough in August 2025 (see ASX Announcement 12 August and 20 August 2025).

In subsequent phases of project development, the partnership may expand to cover additional wells and broader project development of Phase 1. The LOI also sets out confidentiality obligations and preconditions for cooperation. The LOI is non-exclusive and does not create any immediate financial obligations on Jade or its CBM Project Joint Venture partner Erdenes Methane LLC; all future project-specific arrangements will require separate, formal agreements. A binding agreement is subject to commercial flow rates being achieved at the first two production wells, regulator and Mongolian government approval. A revenue sharing arrangement is to be negotiated based on each party's contributions.



Figure 2 – Jade Gas visit to Langrun facilities in Zhengzhou, China



A partnership with Langrun could have a number of potentially significant advantages for Jade:

- A low upfront capital outlay option;
- The ability to retain its project ownership; and
- Clear pathway to earlier gas sales and long-term optionality with respect to its ability to fund future development across Red Lake and other permit areas.

Commenting on the LOI with Langrun, Jade Executive Director, Joe Burke, said:

“Langrun are well known to us, having also worked with our drilling contractor DWK for many years. Having a collaboration of this nature with a company with such vast experience in gasfield developments of this stage would be a huge advantage as we focus on the most appropriate pathway to develop the Red Lake gasfield.

Considering the high gas potential demonstrated now at Red Lake, our focus remains on moving quickly to gas production and customer markets for early revenue.”

Langrun CEO Wang Yongtao added:

“We look forward to working with the Jade Gas team to help the Company monetise its gas assets.

We share in Jade’s view that there is a significant opportunity for gas in the southern Mongolian region, and Langrun has the experience and understanding to execute on this vision to take advantage of the gas demand in the region, particularly for LNG and CNG where we have a rich experience.

Jade has the potential for a large-scale, long-term energy project that can have a significant impact on the energy dynamic of the southern Mongolia and northern China region, and we want to be a part of that.”

About LANGRUN

Zhengzhou Langrun Intelligent Equipment Co., Ltd. (Stock Code: NEEQ/BSE837224) is a listed company in the gas sector, registered in Zhengzhou High-tech Industrial Development Zone of Henan Province. As a long-term strategic partner of PetroChina, the company has jointly established 4 joint ventures in Henan Province, operating 7 mother station/gate stations and undertaking the social responsibility of city gas distribution, transportation and sales. Meanwhile, its products have been included in the equipment supplier list of Sinopec, making it a leading enterprise in domestic gas equipment manufacturing. Relying on a professional technical team and profound industry accumulation, the company has passed multiple system certifications such as ISO9001 and HSE, owns more than 140 patents and a full set of industry qualifications, and possesses core competitiveness in the field of gas equipment manufacturing and technical services.



Figures 3 & 4 – Examples of Langrun LNG Equipment and Infrastructure

Proposed Director Options Issue

The Company also advises its intention to issue 10,000,000 unquoted options to Director Ian Wang, exercisable at A\$0.053 and expiring on 23 October 2028. The options are proposed to be issued under the Company's Employee Securities Incentive Plan, in recognition of the significant work undertaken by Dr Wang in assisting with the development of the Red Lake Gasfield. The proposed issue of options will be subject to shareholder approval at the Company's next shareholder meeting, the date for which has not yet been scheduled. Full details will be provided in the relevant notice of meeting.

- ENDS -

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

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Cautionary Statement and Disclaimer

This announcement contains information regarding a non-binding Letter of Intent (LOI). The LOI represents an initial, non-binding expression of interest only and does not create any legal obligations on either party. Any potential transaction or commercial arrangement remains subject to further negotiation, due diligence and the execution of formal binding agreements. There is no certainty that discussions will result in a binding agreement or that the proposed arrangements will proceed. Investors should not rely on the LOI as a basis for any investment decision.

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,

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.



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.

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