



Jade Commences Second Production Well

Highlights

- Following successful completion of first production well, Jade has commenced drilling of its second horizontal production well at the Red Lake gas field
- First horizontal production well casing cementing operations completed with well to now be equipped for gas production
- Jade remains on track for first gas production mid-2025

Jade Gas Holdings Limited (ASX:JGH) (**Jade** or the **Company**) is pleased to announce drilling has commenced on the second Red Lake lateral gas production well. This second well immediately follows the successful completion of the first horizontal well¹ at the Red Lake gas field, located in the South Gobi region of Mongolia.

Gas Production Program

Located approximately 100m south from the first production well (RL-Hz-002), and drilled from the same pad, RL-Hz-001 is to be drilled to a target measured depth (**mMD**) of approximately 1600mMD on similar trajectory to RL-Hz-002, which intersected almost 700m of gas bearing coal in seam IIIb, with 98.6% net coal.

With the top section of the hole previously completed, the drilling of the horizontal section through to TD is expected to take approximately 12 days. After installation of the liner and production casing both wells will be completed with downhole pumps and commence dewatering in late April 2025.

Commenting on the drilling progress, Jade Executive Chairman, Dennis Morton, said:

"Excellent results from the first horizontal gas production well in our program have been enthusiastically received by all our shareholders and also stakeholders in Mongolia. This is the first ever horizontal coal seam gas production well to have been drilled in Mongolia. Our drilling contractor, DWK, has performed extremely well. We look forward to maintaining the momentum with the drilling of the horizontal section of RL-Hz-001, immediately followed by the downhole completions for both wells in order to commence coal dewatering operations and gas production."

¹ Refer ASX Release "Amended - First Production Well Demonstrates Gas Potential" dated 25 March 2025.

Directors



Figure 1: DWK Drill Rig Commencing Second Lateral Production Well at Red Lake

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

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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 Bcf².

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 the 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.

² 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.