ASX Announcement

11 April 2025

JADE GAS

Second Production Well Confirms Outstanding Gas Potential

Highlights

- **Horizontal drilling successfully completed at second gas production well with over 800m of net coal reservoir intersected, resulting in a combined 1,500m of gassy coal**
- **Both wells are now being equipped for production and are expected to be online and producing within the next 3 to 4 weeks**
- **Total gas measured in well 2 by the gas detector and observed in the drilling mud encouragingly indicated higher gas levels than was measured in the first production well**
- **Following the success from the initial two gas production wells, negotiations are underway to provide near term commercialisation opportunities via CNG production capabilities to capture value from the early gas flow**

Jade Gas Holdings Limited (ASX:**JGH) (Jade** or the **Company**) is pleased to announce further, significant progress with recent gas production drilling program activities at the Red Lake gas field in the South Gobi region of Mongolia.

Gas Production Program

Jade has successfully drilled the second lateral coal seam well in Mongolia, whereby, as with the first well[1], significant gas readings were recorded on the gas detector and significant visible gas was observed in mud returns from the targeted coal seam IIIb.

The well was drilled to a total depth of 1,507m MD (measured depth) with a lateral section of approximately 902m. Within the lateral section, 802m of net coal was intersected in the target seam IIIb, resulting in 88.9% net coal pay.

Monitoring of mud gas was undertaken during drilling confirming that the target coal seam had better than expected gas shows based on the desorbed gas content in offset core wells Red Lake 7, 15 and 16.

As with the first production well, a 5 $^{1}/_{2}$ inch pre-drilled liner staged cementing tool and 5$^{1}/_{2}$ inch casing string are being set in the well, with the stage cementing packer located just above the entry point to seam IIIb in the heel of the lateral.

[1] Refer ASX Announcement "Amended - First Production Well Demonstrates Gas Potential" dated 25 March 2025

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Joseph Burke	Executive Director
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Activities will now focus on completion of these first two wells and production testing. After the pumps and production equipment are installed, the water and gas flow will be analysed and used to continue to refine the planned development operation of the TTCBM field.

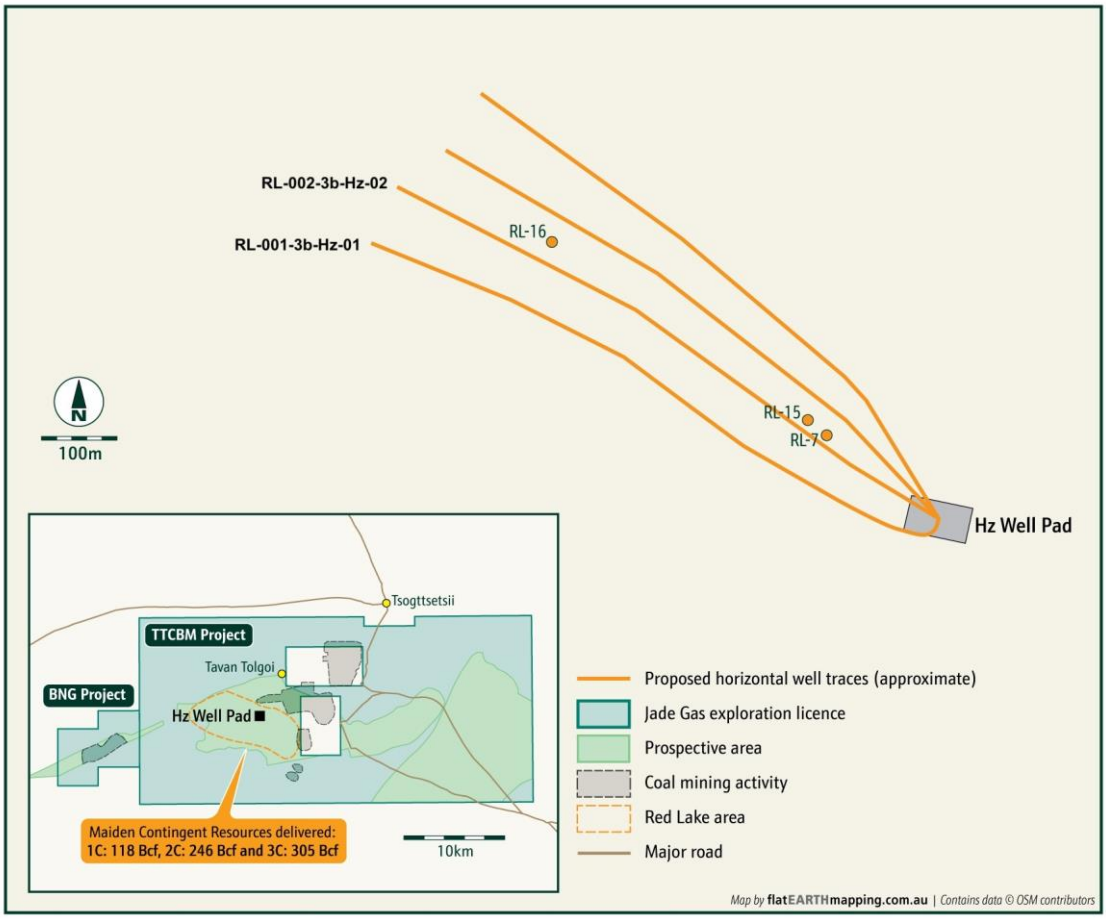

Figure 1: Horizontal Well Pad Location at TTCBM

Commercialsation Opportunities

Following the success of the initial two gas production wells, Jade expects to complete an agreement with a mid stream manufacturer of fully integrated Compressed Natural Gas (CNG) equipment which will enable the Company to commercialise the gas from these initial wells.

These CNG facilities are easily transportable, and are able to take lightly processed gas and convert into a saleable and marketable form, enabling the Company to potentitally deliever to various markets in the immediate vicinity. These markets are in need of a cleaner and more secure fuel source, including the displacement of diesel which currently powers the large coal haulage truck fleet in the South Gobi.

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

"Production drilling results confirm our confidence in the Red Lake Gas Field being a future world class gas producer. We will complete these first two production wells and bring them online as soon as possible. We then eagerly await confirmation of gas flow rates.

The Tavan Tolgoi basin is located within an area with high energy demand for electricity, fuel for engines and as a base load energy supply to underpin intermittent renewables. This is a wonderful situation for the Company as all gas sales options target high energy replacement costs.

We are not too far away from gas production and gas sales in some form. Our gas commercialisation plan is built around a modular and scalable LNG project, but we are also canvassing other, nearer term, and lower capex opportunities in the form of CNG, a product that is also utilised in displacing diesel in coal haulage trucks and which we expect will be under great demand."

Elton Dong of DWK added, "When drilling the first production well, and our first well in Mongolia, we took a little more time so as to understand the coal seam during the lateral part of the drilling process. After the success and understanding of the first well, it allowed us to complete the second well quicker.

In addition, this second well outshines the first well with higher gas readings supporting the Company's desire to quickly commercialise the gas. As with similar wells we have drilled in the Qinshui Basin in China, we will now look to put these two wells into production within the next few weeks and move on to drilling the next wells."

- ENDS –

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 Bcf[2].

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 18,000km^2 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.

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 2** **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.	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.	Not applicable
(g)	The types of test(s) undertaken and the duration of the test(s).	Not applicable
(h)	The hydrocarbon phases recovered in the test(s).	Not applicable
(i)	Any other recovery, such as, formation water and water, associated with the test(s) and their respective proportions.	Not applicable
(j)	The choke size used, the flow rates and, if measured, the volumes of the hydrocarbon phases measured.	Not applicable
(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
(n)	Any other information that is material to understanding the reported results.	Lateral length of 902m in seam IIIb of which 802.2m was coal based on gamma ray logging while drilling. Average depth of lateral 485m TVD. 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. Standard mud-gas logging equipment was employed on the horizontal to monitor gas shows during drilling of the lateral. Mud gas percentage ranged from 9% to 93%, with methane being the predominant gas ranging from 52% to 100%. Mud gas is not a means of measuring flow rate or gas saturation, rather an indicator that the coal is gas bearing.