



## Monthly Operations Report – June 2025

### Highlights

- **Stable dewatering activities continue across both gas production wells at the Red Lake gas field**
- **Critical desorption pressure with first gas flows expected to be realised within this quarter**
- **Wells are being drawn down in line with best-practice operations in Qinshui Basin**

Jade Gas Holdings Limited (ASX:JGH) (**Jade** or **the Company**) is pleased to provide the monthly operations update on production activities at the Red Lake Gas Field in the South Gobi region of Mongolia.

### Operations Summary - Positive Progress Continues Toward First Gas Production

Pumping activities continue across both gas production wells, RL-Hz-01 and RL-Hz-02, at the Red Lake gas field with stable dewatering operations maintained since the wells were brought online (see ASX Announcement 10 June 2025). The dewatering process is sufficiently lowering reservoir pressure, which is tracking to plan and in line with expectations. The Company anticipates that critical desorption pressure will be realised during the quarter to achieve early gas flow.

### Commenting on the progress, Jade Non-Executive Director, Dr Ian Wang, said:

*“The Company is buoyed by the rate of progress being achieved at our first two lateral gas production wells. We are seeing similar parallels to the development of gas operations the team has experienced previously in the Qinshui Basin in China relative to how our Red Lake operation is progressing.*

*At this stage, activities continue according to plans which anticipate first gas flows to be achieved this quarter. The importance of this for the development of Mongolia’s domestic gas industry cannot be understated.”*

### 1. Production Metrics

Metric	Current Month	Previous Month	% Change	Year-to-Date Total
Total Gas Produced (m <sup>3</sup> )	-	-	N/A	-
Number of Producing Wells	2	-	N/A	2
Average Daily Production (m <sup>3</sup> )	-	-	N/A	-
Water Produced (m <sup>3</sup> )	248.1	-	N/A	248.1

#### Directors

Water produced from both wells is trucked to the nearby Tavan Tolgoi coal mine (operated by Erdenes Tavan Tolgoi) for beneficial use in their operations.

## 2. Reservoir and Technical Progress

- **Operating Philosophy:** The wells are being operated in line with best-practice operations for lateral wells in the Qinshui Basin in China, the analogue field for Red Lake. Currently, the fluid level in the wells is being lowered by 3-6 metres per day to minimise rapid drawdown on the coal that can cause premature collapse of the seam and damage the coal. The drawdown rate is being closely monitored and managed by the onsite production operations team and may be adjusted depending on the performance.
- **Gas Desorption Indicators:** The coals in the Red Lake Field are slightly undersaturated and it is estimated that the flowing bottom hole pressure may reach critical desorption point during the coming months. The pressure in the casing will increase as gas begins to desorb ahead of establishing continuous gas flow rate.

## 3. Well and Drilling Activities

- **Existing Wells:**
  - a. RL001-3b-Hz-01 commenced operations on 9 June and was operational for the remainder of the month, with 100% uptime.
  - b. RL001-3b-Hz-02 commenced operations on 9 June and was operational for the remainder of the month, with 100% uptime.

## 4. Forward Outlook

- **Upcoming Activities:** It is expected that the wells will continue to produce an increasing volume of water until the critical desorption pressure is reached, at which time gas is expected to be produced. The production operations team will continue to monitor well performance and adjust the draw down rate in line with best practice and consistent with the experience of the team in similar well production activities in the Qinshui Basin.
- **Additional Seismic:** To assist with further refinement of future drilling campaigns, the Company will assess the need for the acquisition of additional 2D and 3D seismic within the Red Lake field currently designated for early well locations.



**Figure 1: RL-Hz-01 being readied for production**



**Figure 2: Water trucked to nearby coal mine operation**

**- 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<sup>1</sup>

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<sup>2</sup> 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.

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<sup>1</sup> 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.