



## Monthly Operations Report – July 2025

### Highlights

- **Both Red Lake Gas Field wells continue to perform in line with expectations**
- **Dewatering activities continuing**
- **Pressure draw down continues to be in line with expectations with gas desorption anticipated very soon**
- **First gas production expected in the current Quarter**

Jade Gas Holdings Limited (ASX:JGH) (**Jade** or **the Company**) is pleased to confirm both Red Lake Gas Field wells continue to perform in line with expectations with gas production expected very soon.

### Operations Summary - Continued Progress Toward First Gas Production

Following commencement of operations on 10 June 2025, stable pumping has been sustained for the coal bed methane production wells RL-Hz-01 and RL-Hz-02 at the Red Lake gas field. Dewatering operations have remained steady since the wells came online (see ASX Announcement dated 10 June 2025). The reduction in reservoir pressure is progressing according to plan and consistent with expectations. The Company forecasts achieving the critical desorption pressure during the current quarter with gas production expected soon thereafter.

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

*"The ongoing operations at both wells are in-line with our expectations. We continue to approach the projected desorption pressure and we anticipate gas desorption from the wells over the coming weeks.*

*The observations of well performance are similar to what we have seen in our analogue basin, Qinshui, in northern China – if we can emulate the rapid development of those fields, we expect to create exceptional value for our shareholders."*

### 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	2	N/A	2
Average Daily Gas Production (m <sup>3</sup> )	-	-	-	-
Water Produced (m <sup>3</sup> )	1,831.7	451.8	405	2,283.5

#### 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 approximately 5 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 was fully operational during the month of July with 100% uptime
  - b. RL001-3b-Hz-02 was fully operational during the month of July with 100% uptime

## 4. Forward Outlook

- **Upcoming Activities:** The wells are expected to continue to produce water until the critical desorption pressure is reached, at which time gas is expected to be produced. The production operations team 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:** The technical team is assessing the need for additional 2D or 3D seismic surveys to be conducted over part of the Red Lake field during 2H 2025.

- ENDS -

Approved 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 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.

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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<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.

