



Gas Production Program on Track to Deliver in 2025

Highlights

- **Production well drilling and completion program continues with initial two of four wells underway**
- **Crucial monitoring well completed, a key component in the horizontal production well program**
- **Jade well advanced to deliver on commercial strategy targeting gas flows in 2025 to enable customer contracts and reserves booking**
- **Remaining exploration wells from the 2024 program successfully completed and encountered multiple gassy coal intersections consistent with broader Red-Lake results.**

Jade Gas Holdings Limited (ASX:JGH) (**Jade** or the **Company**) is pleased to announce its gas production well program is progressing at the Red Lake gas field in the south Gobi region of Mongolia.

Gas Production Program

Drilling of the first two surface wells from a single drilling pad is completed, laying the foundation for the completion of the lateral components in the coming weeks. This is part of the initial four production well program which aims to demonstrate commercial gas production and establish gas reserves. The Company aims to take advantage of high local gas demand, in particular for Liquefied Natural Gas (**LNG**) sales to replace diesel consumption in the South Gobi region.

A crucial monitoring well which will be utilised to support the horizontal program was drilled to 385 metres where 4 1/2" production casing was set. The well was then drilled through the target coal seam, seam III to provide depth control at the toe for the horizontal program, confirm continuity of gas content along the length of the lateral and provide a monitoring point to observe pressure response in the coal seam. The well intersected 10.8 metres of gassy coal compared to prognosed thickness of 10 metres and intersected the coal approximately 7 metres higher than expected. This data has been used to confirm the trajectory of the horizontal wells. The preliminary gas content estimate is approximately 14 m³/t (DAF), pending completion of core studies, which compares favourably to the Red Lake-7 gas content in seam IIIb at the heel of the lateral of 15 m³/t (DAF).

Jade's drilling contractor, DWK is currently operating the largest rig of its kind in Mongolia that is being used to exploit Coal Bed Methane (**CBM**) and is intended to remain at the TTCBM project to support the next 20 well program planned in 2025.

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Figure 1: DWK rig in place for Jade's lateral well program

2024 Exploration Program Finalised

The Red Lake gas field hosts a Gross Contingent Resources estimate of 1C / 118 Bcf, 2C / 246 Bcf and 3C / 305 Bcf¹, which was the largest Contingent Resources for coal bed methane in Mongolia booked at the time (see ASX Announcement 23 August 2022). In addition to the production program currently underway, during Q3 and Q4 2024 Jade drilled an additional three exploration wells on the Red Lake field.

Results from Red Lake wells 17-19 included:

- Red Lake-17 was drilled to Total Depth (**TD**) of 483 metres and encountered 115 metres of coal intervals, including 32.6 metres of gassy coal. (The original RL17 encountered difficult drilling conditions in the shallow sections and a decision was made to slightly relocate the well for re-drill as RL-17R);
- Red Lake-18 drilled on the boundary of Jade's prospective area was drilled to TD of 432 metres and encountered 52 metres of coal intervals, including 2.6 metres gassy coal; and
- Red Lake-19 was drilled to TD of 321 metres and encountered 37 metres of coal intervals, included 14.7 metres of gassy coal.

¹ The Contingent Resources referred to in this announcement were first reported by the Company on 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.



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

"The Company is at an inflection point as we continue with our production drilling program which is set to deliver Mongolia's first domestic source of commercial gas.

Jade has multiple customer markets on its doorstep with LNG as a replacement for diesel emerging as a significant opportunity that the Company can leverage. Once gas flow rates are established in the coming months, this will enable a number of important milestones confirming commercial gas production, customer contracts, and ultimately first revenues."

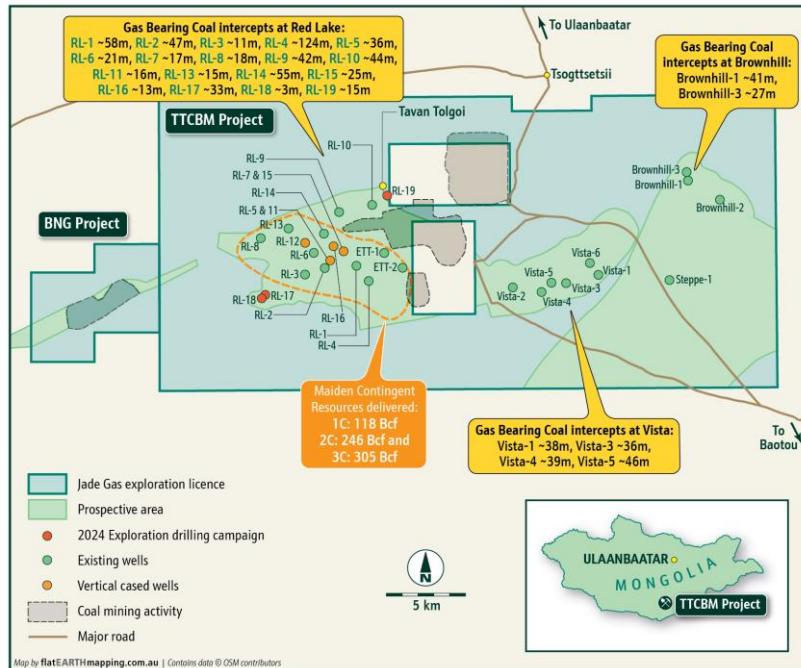


Figure 2: Map showing wells drilled at TTCBM Project

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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.

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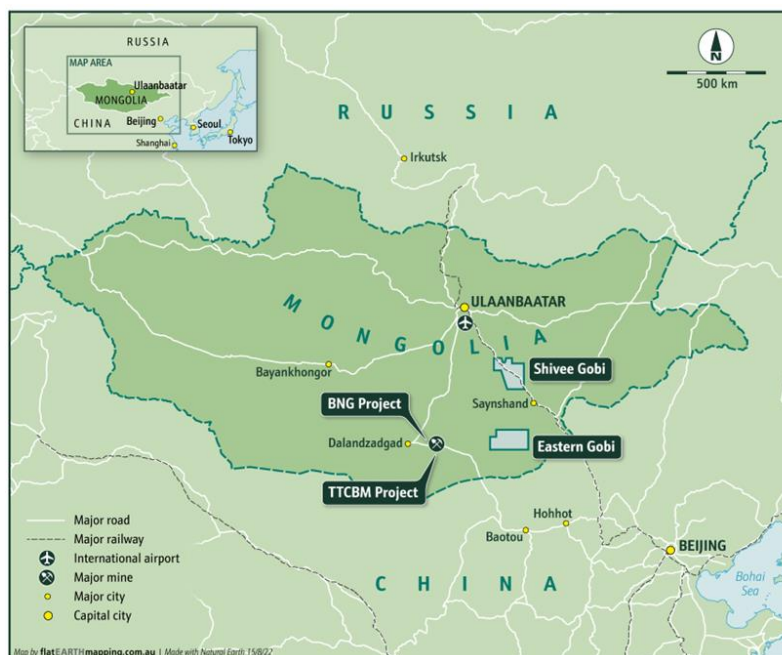


About Jade Gas Holdings Ltd

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.