JADE GAS

For personal use only

DECEMBER 2025 QUARTERLY ACTIVITIES REPORT

- **Two production wells online during the quarter with continuous gas flow**
- **Gas composition analysis showed exceptionally high methane content (>97%) with very low carbon dioxide levels (<1%) confirming commercial development pathways**
- **Upgrade to site power infrastructure ensuring robust future gas production**
- **Appointment of Mr Chris Newport as Managing Director and CEO**
- **Appraisal phase of Red Lake nearing completion with Plan for Development of Operations (PDO) and Production License submissions to follow**
- **A$70m Letter of Intent signed with Langrun for Red Lake development**
- **Over A$5m raised via a placement and share purchase plan**
- **A$1.1m prepayment made towards next well in preparation of expanding the field development at Red Lake**
- **Cash at bank, convertible note and director loan capacity of A$5.79m in total available at end of quarter.**

Jade Gas Holdings Limited (ASX:**JGH, Jade** or **the Company**) provides its December 2025 quarterly activities report for its coal bed methane gas project at the Tavan Tolgoi basin in Mongolia (**TTCBM Project**), in the South Gobi region of Mongolia.

Operations Update for the Quarter

Jade had two production wells (RL-Hz-001 and RL-Hz-002) online during the quarter with continuous gas flow observed. Following first gas from both wells during August, production has transitioned to continuous flaring. The wells are currently powered by on-site diesel generation, and once stable gas flow is established, gas fired power generation options will be implemented (see ASX Announcement 28 August 2025).

The Company reported operating data on a monthly basis during the quarter. A summary of the key metrics is outlined below.

1. Production Metrics

Metric	Current Quarter	Previous Quarter	% Change	Total to 31 Dec 2025
Total Gas Produced (m³)	126,014	41,111	+207%	167,125
Number of Producing Wells	2	2	-	2
Average Daily Production (m³)	1,370	447	+207%	n/a
Water Produced (m³)	3,538	4,948	-28%	8,938

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.
- Gas Desorption Indicators: As the pressure decreases further into the coal seam with on-going dewatering, the Company expects to see gas rates build.

3. Well and Drilling Activities

As announced in December, production was suspended on Hz-01 well for an unplanned event associated with a generator switch over for maintenance (see ASX Announcement 22 December 2025). This downtime event resulted in production engineers reducing the gas flow rates below 700m^3 per day while maintaining the casing pressure to protect the integrity of the well. Careful and successful management of operations were undertaken to stabilise the water levels for several days to keep the downhole pump running smoothly. This allowed production engineers to increase flow rates in a careful and deliberate manner, primarily to protect well integrity, and return flow rates to previously reported base lines. At the end of December 2025, measurements had recovered to an aggregate flow of 1,542m^3 per day. Flow rates continue to improve toward levels where gas produced from the wells can be utilised on-site to power operations, effectively displacing imported diesel consumption.

- RL001-3b-Hz-01 was fully operational during the quarter with the latest operations report (December) showing 98.92% uptime.
- RL001-3b-Hz-02 was fully operational during the quarter with the latest operations report (December) showing 99.87% uptime.

4. Forward Outlook

Upcoming Activities: The gas flow rates from both wells are expected to continue to increase. Upon achieving commercial flow rates, an economic assessment of forecast well performance will be undertaken to support finalisation of the full field development plan (Plan for Development and Operations).

Upgrade to Power Infrastructure

On 22 December 2025, the Company reported an upgrade to power infrastructure at the Red Lake gas field. Jade is installing automatic instantaneous switch gear to its weatherproof equipment that is primarily supplying power to site operations across the two producing wells. The new equipment is designed to add redundancy to power infrastructure that is intended to ensure robust future gas production. In the event of power outage (planned or unplanned) caused by primary equipment failure, the updated architecture will result in an automatic instantaneous switch-over of power supply from the operating generator to the backup generator or the local power grid.

The Company activated the redundancy plan following a minor outage experienced on production well 1 where production was suspended briefly for an unplanned maintenance event associated with a generator switch over for maintenance. This event was quickly dealt with; however it resulted in temporary reduced

For personal use only

rates of production of both water and gas as the pump speed was reduced accordingly in order to minimise any longer term effects of the unplanned outage.

As communicated in ASX Announcement 28 August 2025, Jade will transition the primary source of power for site operations from diesel to cleaner gas delivered from its initial production wells when desired levels are reached. This is expected to be achieved in the first half of CY2026

High Gas Purity Confirms Commercial Development Pathways

Announced on 11 December 2025, detailed gas composition analysis from horizontal production wells at the Red Lake gas field has confirmed very high levels of methane and minimal carbon dioxide at its flagship project in South Gobi region, Mongolia.

To support broader commercial initiatives in train, including the opportunity to displace diesel at Jade's own site operations, the Company undertook gas composition tests on the gas produced from the two producing lateral wells. Gas composition analysis returned:

Production Well	Methane Content	CO_2 Content
RL-Hz-01	97.2%	<1.0%
RL-Hz-02	97.4%	<0.9%

The results are highly encouraging from both technical and commercial perspectives. This high-quality gas result supports recoverable resource estimates and market optionality for the supply of Liquefied Natural Gas (**LNG**) and Compressed Natural Gas (**CNG**), gas fired power generation, as well as the potential to supply another high-margin operation.

Methane of this high purity is highly desirable as a key chemical feedstock. Although LNG/CNG customer markets remain the Company's primary focus, methane is a fundamental building block in the chemical industry for synthesizing methanol and hydrogen processing. The low inert and carbon dioxide fractions also support improved volumetric efficiency, higher energy density, and reduced compression and treatment requirements. Jade will consider these additional markets as it continues partner discussions and its economic study.

The findings will be integrated into Jade's ongoing subsurface modelling and production planning, part of the Company's broader field development strategy aimed at establishing a long-term, cost-efficient supply of high-quality gas from its Mongolian asset base.

Appointment of Managing Director

On 3 November 2025 the Company announced the appointment of Mr Chris Newport as its Managing Director, effective 10 November 2025. Mr Newport is a prominent oil and gas senior executive having worked over 40 years in business development and executive roles including at BHP Petroleum, Santos, Gulf Indonesia, Amerada Hess, NuEnergy Gas and others. Most recently, Chris was advising on strategic and commercial development for a private Coal Bed Methane (CBM) company in Mongolia. Chris is a global energy developer with experience in commercializing and developing oil and gas resources, building frontier energy markets and securing financial commitment to investment in infrastructure and field developments.

For personal use only

Chris's extensive experience is key in the next stage of Jade Gas's development for the TTCBM project. The Company believes he is well credentialed to drive Jade towards revenue pathways and to build strong technical and commercial foundations for future business growth that will ultimately establish Red Lake into a regionally significant energy project.

$70m LOI Signed for Red Lake Development

On 10 November 2025, the Company announced it had entered into a non-binding Letter of Intent (LOI) with Zhengzhou Langrun Intelligent Equipment Co., Ltd. (Langrun), a leading Chinese gas equipment manufacturer and operator primarily focused on Coal Bed Methane (CBM).

As previously had been announced to the market, Jade has been in discussions with various potential partners with interest in project participation at various levels and structures. The Company, after careful consideration, and in line with its commitments to develop the project for Mongolia, chose to enter into an LOI with Langrun based on their proven operating and financial capability, and their previous experience with similar scale coal bed methane projects to Jades TTCBM Project. Notably, the widespread and prolific development of the Qinshui Basin in China was initially developed under similar project financing partnership structures.

Commercial and Operational Initiatives

The Company is progressing toward completion of the Red Lake appraisal phase, submission of the PDO, and certification of gas resources and reserves by the Minerals Council of Mongolia. This next phase will trigger the issue of a production license for Red Lake gas field and enable Jade to move Red Lake into commercial development and execute future gas sales agreements in accordance with the terms of the Company's Production Sharing Agreement (**PSA**) and with the approval of Mineral Resource Authority of Mongolia (**MRPAM**).

The Company is currently undertaking a new energy and water review in the South Gobi region for energy and water resources (a by-product of CBM production). It is evident that the area is significantly undersupplied of both resources and energy prices of US$50-55/mmbtu are being paid for fuel used in vehicles and power plants. The trucked natural gas market presents a compelling opportunity for the Company, thousands of long-haul coal transport trucks requiring daily refuelling within close proximity to Red Lake and currently dependent on diesel imported from Russia.

Corporate

Over A$5m raised via private placement and Share Purchase Plan (**SPP**).

In November 2025, the Company raised A$5,005,000 at A$0.035 per share (before costs) in a well-supported placement to new and existing sophisticated and professional investors. 143,000,000 fully paid ordinary shares were issued under the Company's existing ASX Listing Rule 7.1 and 7.1A capacities. In addition to the placement, Jade launched a non-underwritten Share Purchase Plan, at the same offer price. The SPP raised A$117,000 and a total of 3,342,849 fully paid ordinary shares were issued.

For personal use only

Related Party Payments

In line with its obligations under ASX Listing Rule 5.3.5, the Company confirms the payments to related parties of the Company as per item 6.1 of the attached Appendix 5B was A$243k for the period ended 31 December 2025. These payments are for Directors fees, salary and superannuation.

Financial

Cash at bank at the end of 31 December 2025 was A$1.81m. A total of A$5.79m remains accessible. under cash and financing facilities. A loan facility with Director Joseph Burke for US$2.38m (A$3.61m) is in place and A$2.38m remains undrawn as at quarter end (see ASX Announcement 30 July 2025). The Company has in place a convertible note facility with UB Metan LLC for A$11m. The notes are unsecured, incur interest at 10% per annum, convert at A$0.045 and have a maturity date of 12 months from the date the funds are received in full, (see ASX announcement 2 November 2023). As at the quarter end A$1.6m remains undrawn.

Exploration & evaluation expenditure for the quarter was A$2.2m related to the gas production program. This included a 50% prepayment of approximately A$1.1m made towards the next horizontal well in preparation of expanding the field development at Red Lake.

Disposal of Tenements

During the quarter, the Company relinquished two prospecting licenses, Shivee Gobi and Eastern Gobi to focus fully on its flagship Red Lake gas field project. Having completed the work activities required under the Prospecting Agreements with MRPAM, both tenements were returned in good standing.

Schedule of Tenements – Mongolia

Licence Number	Project	Country	Licence Type	Jade Gas Holdings Interest
628	TTCBM	Mongolia	Exploration	60% via subsidiary Methane Gas Resource LLC
628	BNG	Mongolia	Prospecting Agreement	66% via subsidiary Baruun Naran Gas LLC

Beneficial percentage interests held in farm-in or farm-out agreements: Nil

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed: Nil

Authorised for release by the Board of Jade Gas Holdings Ltd.

For further information contact:

Chris Newport
Managing Director
cgn@jadegas.com.au

Aaron Bertolatti
Company Secretary
abertolatti@jadegas.com.au

Elvis Jurcevic
Investor Relations
ej@jadegas.com.au

For personal use only

Forward Looking Statements

This announcement contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'potential', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance, or achievements to be materially different from those expressed or implied by such forward-looking information.

Cautionary Statement and Disclaimer

This announcement contains information regarding a non-binding Letter of Intent (LOI). The LOI represents an initial, non-binding expression of interest only and does not create any legal obligations on either party. Any potential transaction or commercial arrangement remains subject to further negotiation, due diligence and the execution of formal binding agreements. There is no certainty that discussions will result in a binding agreement or that the proposed arrangements will proceed. Investors should not rely on the LOI as a basis for any investment decision.

For personal use only

For personal use only

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*.



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.

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.

* 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.

For personal use only

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

JADE GAS HOLDINGS LIMITED

ABN	Quarter ended ("current quarter")
55 062 879 583	31 December 2025

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(463)	(1,003)
	(e) administration and corporate costs	(338)	(1,117)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other	6	29
1.9	**Net cash from / (used in) operating activities**	**(792)**	**(2,086)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(426)	(472)
	(d) exploration & evaluation	(2,200)	(5,156)
	(e) investments	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	24
	(d) investments	-	140
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	**Net cash from / (used in) investing activities**	**(2,626)**	**(5,464)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,122	5,122
3.2	Proceeds from issue of convertible debt securities	-	1,840
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(279)	(279)
3.5	Proceeds from borrowings	146	1,402
3.6	Repayment of borrowings	(35)	(188)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	**Net cash from / (used in) financing activities**	**4,954**	**7,897**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	280	1,460
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(792)	(2,086)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,626)	(5,464)

For personal use only

For personal use only

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,954	7,897
4.5	Effect of movement in exchange rates on cash held	(2)	7
4.6	**Cash and cash equivalents at end of period**	**1,814**	**1,814**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,814	280
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,814**	**280**

6.	**Payments to related parties of the entity and their associates**	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	243
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

For personal use only

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities[1]	3,597	1,221
7.2	Credit standby arrangements	-	-
7.3	Other Convertible note facility[2]	11,000	9,346
7.4	**Total financing facilities**	14,597	10,567

7.5	**Unused financing facilities available at quarter end**	4,030

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

[1] Loan facility with Director Joseph Burke for US$2,375,000 ($3,597,000). The Loan is unsecured, incurs interest at 8% per annum and is repayable at the earlier of 29 July 2027 or a date agreed between the parties. Refer to ASX announcement dated 30 July 2025.

[2]Convertible note facility with UB Metan LLC for $11,000,000. The Notes are unsecured, incur interest at 10% per annum, convert at $0.045 and have a maturity date of 12 months from the date the funds are received in full. Refer to ASX announcement dated 2 November 2023.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(792)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,200)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,992)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,814
8.5	Unused finance facilities available at quarter end (item 7.5)	4,030
8.6	Total available funding (item 8.4 + item 8.5)	5,844
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.9

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Yes

8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
Yes, the Company continues to engage with a range of parties interested in participating in its projects through various potential funding structures, and the Company currently has sufficient placement capacity to be able to undertake an equity capital raise if and as required. Based on previous funding initiatives which have been well supported, the Company believes any steps would be successful.	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Yes, for the reason noted in 8.8.2 above.	
Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2026

Authorised by: By Authority of the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

For personal use only