ASX Announcement

30 October 2026

JADE GAS

SEPTEMBER 2026 QUARTERLY ACTIVITIES REPORT

- **Non-binding Collaboration Agreement signed with Chinese-led consortium contemplating the funding of 100% of Phase 1 capital expenditure, estimated at US$762.5m (A$1.1bn)**
- **Jade plans targeted 2D and 3D seismic surveys to assess deeper gas potential beneath the established coal seams at TTCBM**
- **Initial Plan for Development of Operations (PDO) lodged with the Mongolian regulator for approval**
- **502km² Production Licence area agreed with the Mongolian regulator, covering approximately 80% of the existing Exploration Licence**
- **Placement to raise A$11.0m (before costs) at A$0.12 per share completed**

Jade Gas Holdings Limited (ASX:**JGH, Jade** or **the Company**) provides its September 2026 quarterly activities report for its coal bed methane gas project at the Tavan Tolgoi basin in the South Gobi region of Mongolia (TTCBM Project).

Non-Binding Agreement to Secure Estimated A$1.1bn Development Funding for Red Lake

On 20 July 2026, the Company announced a non-binding Collaboration Agreement (Agreement) with a Chinese-led consortium contemplating the funding of Phase 1 of the TTCBM Project, (the Consortium) (refer ASX Announcement dated 20 July 2026).

Under the proposed collaboration, the Consortium would act as lead engineering, procurement, construction and commissioning (EPCC) contractor for Red Lake's Phase 1 development. The Consortium would fund 100% of the approved contract cost, covering 175 wells, associated infrastructure and LNG facilities. Total investment is estimated at US$762.5m (A$1.1bn), based on an average drilling and completion cost of US$3.5m (A$5m) per lateral, stimulated well and a scalable LNG liquefaction facility.

Jade will be responsible for permitting, regulatory approvals, grid line capacity, land access and drill site preparation. The Consortium will undertake field development works, including drilling, camp facilities, related infrastructure and a battery energy storage system (BESS).

Funding Structure

The proposed funding structure is non-dilutive to existing Jade shareholders. The Consortium will receive 80% of gas sales revenue, after application of Production Sharing Agreement (PSA) terms, until Scope of Work Costs are fully recovered, with Jade receiving 20%. Thereafter, Jade will receive 70% of gas sales profit and the Consortium 30% for the producing life of wells covered by the Agreement. Jade retains its existing tenure and ownership interest in the Red Lake CBM Project throughout development.

The 175-well Phase 1 development represents approximately 20% of drilling contemplated within the Red Lake Development Area, covering approximately 60km² of the Company's broader 629km² PSA permit area. Based on preliminary analysis, the Consortium has indicated that the field could support up to 1,400 wells.

LNG Facility

The Agreement contemplates funding and development of a scalable, skid-mounted LNG liquefaction facility at Red Lake to support the first 40 production wells. Its estimated US$150m (A$215m) cost forms part of Phase 1 capital expenditure to be borne by the Consortium. A separate definitive agreement will govern the facility, subject to necessary board, shareholder, regulatory and government approvals.

These arrangements reflect the proposed terms announced on 20 July 2026 and remain subject to negotiation and execution of definitive binding agreements.

Definitive Agreements and Timing

The parties initially targeted binding agreements by the end of Q3 2026, agreeing to use best endeavours to execute within 60 days of the Agreement, with an automatic 30-day extension or further mutually agreed extension. Subject to execution of definitive agreements, development works are expected to commence in late 2026, with drilling targeted towards the end of Q1 2027, subject to completion of those works and suitable weather conditions.

An update on negotiations and the revised signing timetable is provided under "Subsequent to the End of the Quarter" below.

Jade Targets Deeper Gas Potential

Jade is advancing plans to investigate the deeper gas potential of its flagship TTCBM Project in Mongolia and assess whether its established coal-measure gas system forms part of a larger, vertically extensive gas system.

Exploration and development activities to date have focused predominantly on the shallower gas-bearing coal seams underpinning the Company's current development strategy. The proposed deeper exploration program will broaden this focus to assess additional prospective coal seams and potential non-coal gas reservoirs.

Jade plans to undertake targeted 2D and 3D seismic surveys to improve its understanding of the deeper geological structure and stratigraphy at TTCBM. The surveys will be designed to image the sequence beneath the currently targeted coal seams, map key geological features and identify prospective horizons for further investigation.

The program complements Jade's existing development strategy, with the Company's near-term focus remaining on the development and commercialisation of its established TTCBM gas resources.

PDO Submitted and 502km² Production Licence Area Agreed

On 24 August 2026, the Company announced that, following certification of its maiden coal bed methane (CBM) reserves, it had lodged its initial PDO with the Mongolian Minerals Reserve Council (MRC) for approval (see ASX Announcement 24 August 2026). The PDO establishes the framework for the development and operation of the TTCBM Project, including drilling, dewatering, gas production and the long-term management of field operations. Approval of the PDO will represent a key regulatory milestone towards securing long-term production rights.

In parallel with the PDO submission, Jade agreed the proposed Production Licence area with the Mongolian regulator. The agreed Production Licence area of 502km² is approximately 80% of the existing Exploration Licence area (629km²). The agreed area encompasses the Red Lake Development Area, which contains

Jade's maiden CBM reserves and is the initial focus of the Company's development activities, together with the prospective Vista and Brownhill resource areas.

The granting of the Production Licence will provide Jade with the tenure and rights required to develop, produce and monetise its gas resources.

CORPORATE

A$11.0m Capital Raised via Placement

On 20 July 2026, the Company announced that it had received firm commitments for a placement to raise A$11.0m (before costs) at A$0.12 per new share (Placement). The Placement was subsequently completed during the quarter, raising A$11.0 million before costs. The Placement price represented a 14.3% premium to the Company's last traded price and an 11.3% premium to the 15-day VWAP through the close of trading on 14 July 2026. Evolution Capital and Yelverton Capital acted as Joint Lead Managers to the Placement.

Proceeds from the Placement will be used to advance the Company's commercial and strategic initiatives, including a proposed Hong Kong Stock Exchange (HKSE) listing, to support the Company's existing PSA through tenure preservation, pre-development activities and the assessment of additional development opportunities across the TTCBM Basin and for general corporate purposes.

Appointment of Dr Ian Wang as Executive Director

On 20 July 2026, the Company announced the transition of Dr Ian Wang from Non-Executive Director to Executive Director, effective immediately. Dr Wang joined the Board on 1 July 2023.

Financial

Cash at bank as at 30 September 2026 was A$19.04m. Exploration and evaluation expenditure for the quarter was A$1.3m, related to the gas production program and preparation for drilling activities.

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 were A$202k for the period ended 30 September 2026. These payments are for Directors' fees, salary and superannuation.

Half-Year Report

The Company released its Half-Year Report for the half-year ended 30 June 2026 on 31 August 2026.

SUBSEQUENT TO THE END OF THE QUARTER

Drilling Commenced on First Multilateral Well at Red Lake

On 19 October 2026, the Company announced that drilling had commenced on its third horizontal production well at the Red Lake CBM Project (see ASX Announcement 19 October 2026). The well will test an advanced multilateral completion design incorporating five lateral sidetracks from the main wellbore and is the first well of its kind in Mongolia.

The well comprises approximately 3,700 metres of total drilling, including a targeted 2,950 metres of in-seam multilateral drilling in Seam IIIb, the same coal seam intersected by the two existing producing wells. The design has the potential to expand the well's drainage area, improve gas recovery and achieve higher flow rates. Drilling, completion, dewatering and gas production results will be used to optimise future well configurations and support preparations for the major drilling program targeted for 2027.

Drilling and completion of the well are expected to be finalised before the end of November 2026, subject to operational conditions and drilling outcomes.

Red Lake Financing and Development Update

The Company also advised that it has made significant progress in negotiations with the Consortium towards definitive financing and development agreements for Phase 1 of the Red Lake CBM Project. Phase 1 comprises 175 production wells with estimated capital expenditure of US$762.5m (A$1.1bn). Under the proposed arrangements, the Consortium would fund 100% of Phase 1 capital expenditure (see ASX Announcement 20 July 2026).

Discussions have advanced on the allocation of project responsibilities, cost-recovery mechanisms and the financing structure. The proposed arrangements will preserve the legal authority and accountability of the Company's subsidiary, Methane Gas Resource LLC (MGR), as holder of the PSA, while providing for the Consortium to undertake the agreed development activities under the definitive agreements.

The signing timeline has been revised to reflect the complexity and scale of the transaction. Updated draft agreements are expected shortly and the parties are working towards execution of binding financing and development agreements during November 2026. The proposed transaction remains subject to finalisation of definitive documentation and the satisfaction of relevant approvals and other agreed conditions.

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
	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.

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Disclaimer

The Collaboration Agreement is non-binding and establishes a framework for the parties to progress the proposed collaboration and associated funding arrangements. The parties intend to negotiate, and where agreed, enter into definitive binding agreements setting out the detailed commercial terms of the proposed transaction. Any such agreements will remain subject to further negotiation, due diligence, the receipt of all necessary internal corporate and regulatory approvals and the satisfaction of agreed conditions precedent. No funding commitment or other consideration is payable under the Collaboration Agreement itself and there can be no assurance that definitive agreements will be executed or that the proposed collaboration or associated funding arrangements will proceed.

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.

About Jade Gas Holdings Ltd

Jade Gas Holdings Ltd is a gas developer focused on the coal bed methane (CBM) potential of Mongolia, having transitioned from explorer to developer following the formal approval of Mongolia's first-ever natural gas reserves in June 2026. Jade's flagship project is the CBM gas project over the Production Sharing Agreement (PSA) area of Tavantolgoi XXXIII unconventional gas basin (TTCBM Project). Jade operates and manages the project through its subsidiary Methane Gas Resource LLC (MGR), a joint venture (JV) company with the Mongolian Government.



Jade also entered into a JV with Hong Kong Mongolian Mining Corporation (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 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 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 compressed and/or liquefied natural gas projects. Achievement of Jade's strategy will displace the heavy reliance on imported petroleum products, particularly 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
- Decarbonising the economy by improving the energy mix with cleaner fuel sources
- Delivering environmental and health benefits for the people and country of Mongolia

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	30 September 2026

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	6	14
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(378)	(1,169)
	(e) administration and corporate costs	(607)	(1,675)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	70	76
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other	-	-
1.9	**Net cash from / (used in) operating activities**	**(909)**	**(2,754)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(7)
	(d) exploration & evaluation	(1,300)	(2,578)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(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**	**(1,300)**	**(2,585)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	11,000	24,800
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	53	133
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(739)	(1,614)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(400)	(750)
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**	**9,914**	**22,569**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	11,340	1,814
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(909)	(2,754)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,300)	(2,585)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9,914	22,569

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.5	Effect of movement in exchange rates on cash held	(3)	(2)
4.6	**Cash and cash equivalents at end of period**	**19,042**	**19,042**

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	3,042	4,340
5.2	Call deposits	16,000	7,000
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)**	**19,042**	**11,340**

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	202
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.

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]	3,470	432
7.2	Credit standby arrangements	-	-
7.3	Other Convertible note facility[2]	11,000	9,346
7.4	**Total financing facilities**	14,470	9,778

7.5	**Unused financing facilities available at quarter end**	4,692

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 ($3,470,000). 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)	(909)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,300)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,209)
8.4	Cash and cash equivalents at quarter end (item 4.6)	19,042
8.5	Unused finance facilities available at quarter end (item 7.5)	4,692
8.6	Total available funding (item 8.4 + item 8.5)	23,734
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	10.7

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?

N/A

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?
N/A	
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?
N/A	
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 October 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.