



MARCH 2025 QUARTERLY ACTIVITIES REPORT

- **Completion of first two gas production wells confirms outstanding gas potential from the Red Lake gas field in southern Mongolia**
- **Both wells are being equipped for production and are expected to be in production this quarter**
- **Negotiations continue on near term commercialisation opportunities with mid-stream CNG manufacturers for production capabilities to capture value from early gas flow**
- **A\$8.8m of the A\$11m UBM convertible note drawn down with A\$2.2m remaining**

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

Gas Production Program

Production Well One

As announced on 25 March 2025¹, Jade successfully drilled the first lateral coal seam well in Mongolia with significant gas recorded on the gas detector and significant visible gas observed in mud returns from the targeted coal seam IIIb. In addition, a high percentage of CH₄ (methane gas) composition was recorded which is also an excellent indicator for strong gas production from the seam (see Figure 1).

The well was drilled to a total depth of 1,567mMD (measured depth) with a lateral section of approximately 711m within coal seam IIIb at an average depth of 469m TVD. During drilling of the coal seam 699m of net coal reservoir was intersected resulting in 98.6% net coal pay.

Monitoring of mud gas was undertaken during drilling confirming that the target coal seam had good gas shows which was expected based on the desorbed gas content in offset core wells Red Lake 7, 15 and 16. A 5 ½" pre-drilled liner, staged cementing tool and 5 ½" casing string were set in the well, with the stage cementing packer located just above the entry point to seam IIIb in the heel of the lateral.

The drilling rig was then skidded to the second surface hole which had been previously drilled on the lease (see ASX Announcement 11 December 2024). The second lateral well runs parallel to the first well and approximately 100m to the south.

¹ Refer ASX Announcement "Amended - First Production Well Demonstrates Gas Potential".

Directors



Figure 1: Photo of visible gas observed in drilling mud returns from Production Well One and evident along the length of targeted seam IIIb



Figure 2: DWK Drill Rig on location at Production Well Two, Red Lake Gas Field, South Gobi

Production Well Two

Jade successfully drilled the second lateral coal seam well², whereby, as with the first well, significant gas readings were recorded on the gas detector and significant visible gas was observed in mud returns from the targeted coal seam IIIb.

The second well was drilled to a total depth of 1,507mMD with a lateral section of approximately 902m. Within the lateral section, 802m of net coal was intersected in the target seam IIIb, resulting in 88.9% net coal pay.

Monitoring of mud gas was undertaken during drilling confirming that the target coal seam had better than expected gas shows based on the desorbed gas content in offset core wells Red Lake 7, 15 and 16.

As with the first production well, a 5 ½" pre-drilled liner staged cementing tool and 5 ½" casing string was set in the well, with the stage cementing packer located just above the entry point to seam IIIb in the heel of the lateral.

² Refer ASX Announcement "Second Production Well Confirms Outstanding Gas Potential" dated 11 April 2025.



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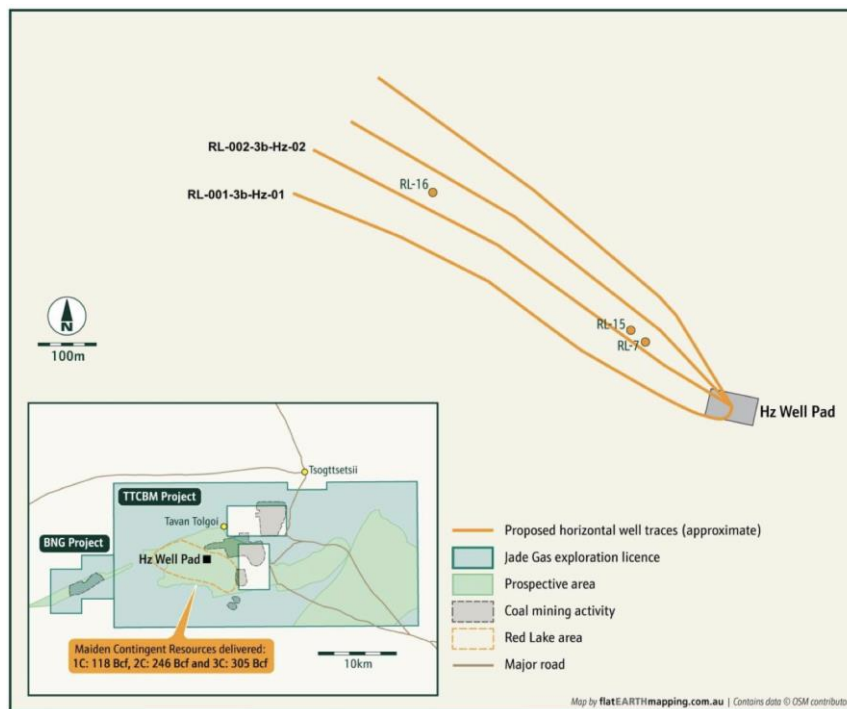


Figure 3: Horizontal Well Pad Location at TTCBM

After both wells have pumps and production equipment installed, the well will be placed in production with water and gas flows measured. Data gathered will be analysed and used to continue to refine development plans for the TTCBM field.

Commercialisation Opportunities

Following the success of the initial two gas production wells, Jade expects to complete an agreement with a mid-stream manufacturer of fully integrated Compressed Natural Gas (**CNG**) equipment, which will potentially enable the Company to immediately commercialise the gas from the two production wells.

These CNG facilities are easily transportable and are able to take lightly processed gas and convert into a saleable and marketable form, enabling the Company to be in a position to deliver to various markets in the immediate vicinity. These markets are in need of a cleaner and more secure fuel source, including the displacement of diesel which currently powers the large coal haulage truck fleet in the South Gobi.

Corporate

AGM

The Annual General Meeting (**AGM**) of the Company will be held on Friday, 30 May 2025. A formal notice in respect of the AGM is being prepared by Jade and will be announced, and a link to the formal notice and proxy form will be provided to Shareholders.

Annual Report

The Company released its Annual Report for the period to 31 December 2024, which can be found at the Jade website under the Investors section.

**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\$50k for the period ended 31 March 2025. These payments are for Directors fees, salary and superannuation.

Financial

Cash at bank at the end of 31 March 2025 was A\$740k. Exploration & evaluation expenditure for the quarter was A\$1.49m and related to the pilot production program.

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
	Shivee Gobi	Mongolia	Prospecting Agreement	100% via subsidiary Jade Gas Mongolia FLLC
	Eastern Gobi	Mongolia	Prospecting Agreement	100% via subsidiary Jade Gas Mongolia FLLC
	BNG	Mongolia	Prospecting Agreement	66% via subsidiary Baruun Naran Gas LLC

Mining Tenements disposed: Nil

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

- ENDS -

Authorised for release on behalf of the Board by Joseph Burke, Executive Director.

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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 Bcf³.



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 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.

³ 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.



Appendix 5B

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

Name of entity

JADE GAS HOLDINGS LIMITED

ABN

55 062 879 583

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(206)	(206)
	(e) administration and corporate costs	(338)	(338)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	2
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	6
1.9	Net cash from / (used in) operating activities	(536)	(536)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(1,489)	(1,489)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	24	24
	(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	(1,465)	(1,465)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	1,259	1,259
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
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	1,259	1,259

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,460	1,460
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(536)	(536)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,465)	(1,465)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,259	1,259

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	22	22
4.6	Cash and cash equivalents at end of period	740	740

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	740	1,460
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)	740	1,460

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	50
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.

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7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>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.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other		
Convertible note facility	11,000	8,772
7.4 Total financing facilities	11,000	8,772
7.5 Unused financing facilities available at quarter end		2,228
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.	
	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)	(536)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,489)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(2,025)
8.4 Cash and cash equivalents at quarter end (item 4.6)	740
8.5 Unused finance facilities available at quarter end (item 7.5)	2,228
8.6 Total available funding (item 8.4 + item 8.5)	2,968
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.46
<i>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.</i>	
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?
	The Company currently has sufficient placement capacity to be able to undertake a capital raising if and as required. Based on previous funding initiatives which have been well supported, the Company believes any steps taken would be successful in raising the funds required to continue with the planned level of operations.



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 April 2025

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.