JADE GAS

JADE GAS SIGNS NON-BINDING AGREEMENT TO SECURE AN ESTIMATED A$1.1 BILLION DEVELOPMENT FUNDING FOR RED LAKE

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.

Highlights

- Jade has executed a non-binding Collaboration Agreement with PT Beijing Energy Linking (“**PTBEL**”) as Lead Contractor and Sub-Contractors PetroChina and Hunan Geology & Mining Technology Co Ltd, (“**Consortium**”).

- **The Collaboration Agreement contemplates the funding of 100% of Phase 1 capital expenditure, estimated at US$762.5m (A$1.1bn) with binding agreements targeted for execution by the end of the current quarter.**

- Phase 1 comprises 175 wells, only approximately 20% of the total drilling currently contemplated across the 60km² Red Lake Development Area, itself part of the Company’s broader 665km² permit area.

- Under the terms of the Collaboration Agreement the PTBEL Consortium has agreed to make up to 10 drilling rigs available for short term deployment, with initial mobilisation targeted to commence between February and March 2027.

- It is contemplated that 100% of the capital expenditure required for the Phase 1 Drilling Program will be funded by the PTBEL to be agreed as an approved contract cost in a field Services Contract that will be negotiated by the parties and that Jade Gas will retain its project ownership, with the PTBEL to be repaid through a future gas sales revenue sharing arrangement.

- Funding contemplates associated infrastructure including an expanded camp facility, roads, communications, water handling and battery energy storage systems (BESS) to support an accelerated drilling program.

- Separately, the Agreement contemplates a c.US$150m (A$215m), scalable LNG liquefaction facility, forming part of the total Phase 1 capital estimate above, intended to enable initial monetisation of the first c.40 wells, with modular additions to follow as production grows.

- PTBEL, PetroChina and Hunan Geology & Mining Technology Co Ltd bring significant financial strength, proven CBM drilling and large-scale project execution expertise from the Qinshui and Ordos Basin CBM developments in northern China, the closest operating analogue to Jade's Red Lake CBM Project.

- The Red Lake CBM Project has the potential to become a major new energy development, not only in Mongolia but within the Asia Pacific region.

- In addition to the Collaboration Agreement, commitments have been received for an A$11 million placement at $0.12 per share, representing a 14.3% premium to the Company's last closing price with funds to be used to support a potential Hong Kong listing.

Jade Gas Holdings Limited (ASX: **JGH**) ("**Jade Gas", "Jade"** or "**the Company"**) is pleased to announce it has executed a non-binding Collaboration Agreement ("**Agreement**") with PT Beijing Energy Linking ("**PTBEL"**) under which PTBEL is to be appointed as Lead Contractor and will fund the development of Phase 1 of the Company's flagship TTCBM Project in Mongolia.

Under the Agreement, PetroChina and Hunan Geology & Mining Technology Co Ltd ("**CNHGM**") are to be engaged as Sub-Contractors to develop the Project, with the parties working toward execution of definitive agreements by the end of the current quarter.

Jade Gas Executive Director Joe Burke with Mr Wang Wei from PTBEL at the signing of the Collaboration Agreement

This milestone follows a period of strong operational and regulatory progress for Jade, including approval of the Appraisal Report in April (see ASX Announcement 28 April 2026), and the subsequent approval under MRPAM regulations, of the maiden reserves report for the Red Lake CBM Project, the first natural gas reserves ever approved in Mongolia (see ASX Announcement 1 June 2026).

Commenting on the collaboration, Jade Gas Executive Director Mr. Joe Burke said:

"The world is at an inflection point in energy. Supply chains that were taken for granted have been exposed as fragile, and the race to secure reliable, proximate gas resources has never been more urgent. This partnership is a direct expression of that reality.

Subject to execution of definitive agreements, securing a partnership of this scale with PT Beijing Energy Linking, PetroChina and Hunan Geology & Mining Technology Co Ltd - three of China's most capable energy and drilling focused organisations, reflects the strategic value the world's largest energy market sees in what Jade Gas has built in Mongolia.

This was always the vision. A domestically produced gas resource in Mongolia that imports virtually all of its energy needs. What today represents is confirmation that the right partners, with the capital and the technical capability to develop this project at pace, share that vision.

The financial and technical strength of our partners, combined with their proven execution track record in the Qinshui and Ordos Basins, positions Red Lake to be developed at a scale and speed that would not have been possible alone. This collaboration provides a clear pathway to bring significant volumes of Mongolian gas to market, displacing diesel, supplying LNG, and contributing to the energy security of an entire region.

This Agreement marks the beginning of development at one of Asia Pacific's most strategically located gas projects. For the shareholders who have been with us through exploration, appraisal, and the first Mongolian gas reserve approval, this is just the beginning."

Collaboration Agreement (Detailed)

Under the terms of the proposed collaboration, PTBEL is to be appointed as the lead engineering, procurement, construction and commissioning (EPCC) contractor for the Phase 1 development of the Red Lake CBM Project. PTBEL will appoint one or both of PetroChina and CNHGM as subcontractors. The parties are targeting execution of the binding agreements by the end of the current quarter.

It is contemplated that the PTBEL Consortium will fund 100% of the approved contract cost of the Phase 1 Drilling Program, which will include the 175-well drilling program and associated infrastructure and LNG facilities. Total Phase 1 investment is estimated at US$762.5m (A$1.1bn), based on an estimated average drilling and completion cost of US$3.5m (A$5m) per lateral, stimulated well (based on current well design estimates of 600–1,000m depth, up to 1,000m lateral section, stimulated well design) and a scalable LNG liquefaction facility, with modular additions to the facility to follow as production grows.

Under the terms of the Collaboration Agreement Jade Gas will be responsible for any permitting and regulatory approvals (including security, environment, environmental approvals and community engagement), grid line capacity, land access, drill site preparations, internal roads, water storage and drainage systems.

PTBEL will be responsible for field development works, including the selection of qualified subcontractors, the implementation of well planning, drilling, directional drilling, gas metering and integration testing; and the construction of camp facilities and related infrastructure, in addition to a BESS to facilitate the supply of power to drilling rigs and de-watering works.

The parties will jointly work together to formulate the development, drilling and production plan for the Phase 1 Drilling Program in accordance with an agreed development, drilling and production plan (**Development Plan**).

It is contemplated that any capital expenditure incurred by the PTBEL Consortium to complete the Phase 1 Drilling Program will be recovered through a priority share of cash proceeds collected from the sale of gas produced after the payment of statutory royalties, state revenue and income tax, and otherwise in accordance with the production sharing contract governing the Project (**Gross Gas Revenue**).

Funding Structure

The collaboration arrangements contemplate a revenue-sharing mechanism as between PTBEL and Jade that is separated in two phases. During the first phase, PTBEL will be allocated the majority share of revenue (80%) generated from gas sales (after application of the PSC terms) until the Scope of Work Costs, comprising drilling and surface infrastructure as described above, have been recovered in full. The remaining 20% of revenue during this period will be allocated to Jade.

Following PTBEL's full recovery of the Scope of Work Costs, the allocation will revert such that Jade will be apportioned the majority share of profit from gas sales (70%), with PTBEL receiving the remaining 30%, for the producing life of the wells covered by the Agreement.

Well design learnings reflected in this program are the direct result of the Appraisal Report findings. Importantly, Phase 1 development of 175 wells represents only approximately 20% of the overall drilling contemplated within the Red Lake Development Area, which itself covers approximately 60km² within the Company's broader 665km² PSA permit area. Further development across the remaining area is expected in subsequent phases, to be confirmed.

The parties will use best endeavours and efforts to negotiate in good faith and execute the necessary definitive agreements within 60 days following the date of the Agreement, with an automatic extension of 30 days upon expiry of such initial 60-day period or such further extended date as the parties may mutually agree upon (**Expiry Date**).

Although the Collaboration Agreement is non-binding, the Company considers its execution to be material as it represents a significant step towards securing funding for the Company's Phase 1 development. The proposed funding is expected to comprise a substantial portion of the anticipated Phase 1 capital expenditure. The Company considers that all material terms of the non-binding Collaboration Agreement have been disclosed in this Announcement, but there can be no assurance that definitive agreements will be entered into or that the proposed funding will proceed.

Accelerated Development Timeline

Whilst non-binding, the Collaboration Agreement is intended to accelerate development activity associated with the Project relative to the Company's previous timeline estimates, with up to 10 drilling rigs expected to be initially deployed. Drilling is targeted to commence between February and March 2027, subject to completion of the development works outlined below and suitable weather conditions at the back end of the Mongolian winter.

Subject to and following execution of the binding and definitive agreements, project development works are expected to commence in late 2026, establishing the pre-drill site, engineering and logistics required for an undertaking of this scale, including:

- **Well planning and engineering**: finalising well design, trajectory, casing and cementing program, drilling procedures, and equipment specifications using existing geological and offset well data
- **Site preparation**: preparing drilling pads and access roads across the initial pad locations in the Phase 1 development area
- **Approvals**: securing regulatory permits from local and regional governing bodies, confirming land accessibility, and completing any required environmental compliance activities.
- **Operational readiness**: procurement, preparation and recruitment of the expanded workforce and support services, and establishing logistics, water management, and production tie-in plans
- **Safety and risk management**: completing hazard and risk assessments, verifying well control measures, implement emergency response procedures, and conduct workforce training.

In parallel, substantial supporting infrastructure will be developed, including expansion of the existing camp at Red Lake into an estimated 500–750-person facility, along with additional services required to support such sized camp, such as medical, catering, communications and recreation facilities.

LNG Facility

In addition to upstream development, as part of the collaboration arrangements the PTBEL Consortium and Jade Gas intend to explore the funding and development an LNG Liquefaction Facility at a current estimated cost of US$150 million (A$225 million) that will form part of the total capital expenditure estimate to be borne by PTBEL. This will involve the procurement and construction of a scalable, skid-mounted LNG facility in the Red Lake area to support the first 40 production wells, with modular additions to facilities as production profile of the Project grows. The LNG Liquefaction Facility is intended to facilitate the sale of gas produced by the Project to high value LNG markets in a staged and scalable undertaking.

The parties have agreed that the engineering, procurement and construction of the LNG Liquefaction Facility will be documented under a separate definitive agreement, and will be subject to receipt of necessary board, shareholder, regulatory and government approvals.

Funding Structure and Future Phases

The proposed funding structure is based on a future gas sales revenue-sharing arrangement. The structure is non-dilutive to existing Jade shareholders. Jade retains its existing tenure and ownership interest in the Red Lake CBM Project throughout the development period. The Consortium is repaid exclusively through future gas sales revenue sharing once production is underway.

The Consortium may consider entering further agreement (in substantially the same form as the Agreement) to lead and manage the drilling campaigns for Phase 2 drilling (will be an additional 265 wells totaling 400 wells) and Phase 3 drilling (will be an additional 360 wells totaling 800 wells), reflecting the current expectation for full field development. **The Consortium has indicated and has contemplated that, based on its preliminary analysis, the field has the capacity to support up to 1,400 wells.** This suggests that the proposed Phase 1 development of 175 wells represents only approximately 12% of the total drilling inventory currently contemplated within the Red Lake Development Area. This estimate excludes additional development opportunities associated with other discovered reservoirs within the project area, including Vista and Brownhill.

The Collaboration Agreement further contemplates exploration of additional development partnerships across any other Production Sharing Contracts in which Jade holds or will hold a majority interest in Mongolia, as well as exploration and evaluation of other conventional and unconventional hydrocarbons within the existing PSC.

Placement Details

The Company has also received firm commitments for a Placement to raise A$11.0 million (before costs) at A$0.12 per new share. The Placement price represents a 14.3% premium to the Company's last traded price and a 11.3% premium to the 15-day VWAP through the close of trading on 14 July 2026.

A total of 91,666,668 shares will be issued under the Placement, raising A$11.0 million, with the shares to be issued pursuant to the Company's additional 15% placement capacity under ASX Listing Rule 7.1. In addition, participants will receive one (1) free attaching unlisted option for every two (2) new shares subscribed for, exercisable at A$0.18 per share and expiring three (3) years from the date of issue. Approximately 45,833,334 attaching options will be issued, which would raise a further approximately A$8.25 million (before costs) if exercised in full.

Proceeds from the Placement will be used to progress commercial and strategic initiatives (including a proposed listing on HKSE), field operations including site preparations and associated access routes, costs of the offer and working capital.

Mandate - Evolution Capital and Yelverton Capital

Under terms of a joint lead manager mandate, the Company will pay fees totaling of 6% of the Placement amount (plus GST). In addition, Evolution Capital and Yelverton Capital will be issued a total 20,000,000 unlisted broker options, exercisable at A$0.18 and expiring 3 years from the date of issue (Broker Options). The Broker Options will be issued pursuant to the Company's ASX Listing Rule 7.1 placement capacity.

Table 1 – Timeline of Activities

Announcement of Placement	20 July 2026
Settlement of New Shares under the Placement	30 July 2026
Issue (and normal trading) of New Shares issued under the Placement	31 July 2026

Corporate Update

The Company is also pleased to announce the transition of Dr. Ian Wang from Non-Executive Director to Executive Director of Jade Gas Holdings effective immediately. Dr Wang joined the Board of Jade on 1 July 2023 and in addition to his guiding technical expertise, has been instrumental in assisting the team filter through a multitude of inbound approaches from China based energy sector participants.

Dr. Wang's practical understanding and hands-on experience in CBM exploration and development across China, particularly in advancing projects from exploration through to commercial production, make him exceptionally well suited to support the Company's strategy of monetising the Red Lake CBM Project.

Dr. Wang will receive a fixed remuneration base salary of A$240,000 (exclusive of superannuation subject to maximum contribution rate) and the Company will grant 15,000,000 Options, exercisable at A$0.18 per Option and expiring three years from the date of issue, subject to shareholder approval.

The Company will also issue 20,000,000 Performance Rights to corporate advisors. The Performance Rights will vest upon the Company's Shares achieving a 20-day VWAP of A$0.18 and will expire three years from the date of issue. The Performance Rights will be issued pursuant to the Company's available placement capacity under ASX Listing Rule 7.1.

About Our Collaborators

PT Beijing Energy Linking (PTBEL)
PTBEL is a subsidiary of Beijing Energy International Holding Co. Ltd ("BJEI"), a clean energy company listed on the Hong Kong Stock Exchange (00686.HK). BJEI is one of the largest renewable energy operators in Asia, with a global portfolio spanning solar, wind, hydropower, hydrogen, energy storage and gas-fired generation.

BJEI's grid-connected installed capacity exceeded 15,286 MW as at December 2025.The company operates across every major provincial market in China and holds power assets internationally, including in Australia and Vietnam. BJEI carries the backing of substantial Chinese shareholders, providing balance-sheet depth, sovereign-grade credit standing and access to capital that places it among the most formidable energy groups in the region.

Learn more: http://www.bjei.com

PetroChina
PetroChina is a subsidiary of China National Petroleum Corporation ("CNPC") — the largest oil and gas producer in China, one of the largest energy companies globally, a perennial top-ranked member of the Fortune Global 500. CNPC is a pillar of China's national energy security sector. When CNPC's drilling arm commits to a project, it does so with the full technical and institutional weight of the Chinese energy system behind it.

The drilling and services arm of PetroChina employs more than 27,000 people and fields over 600 operational teams, including 283 onshore drilling rigs, one of the largest drilling fleets under single ownership anywhere in the world. Core projects include the Southwest Oil & Gasfield, Changqing Oilfield and Tarim Oilfield. It is a recognised global leader in the most demanding wells drilled anywhere, in complex, deep, high-pressure, shale gas and sour gas, and has been central to developing China's most significant unconventional gas basins, including the Sichuan and Ordos Basins, the closest operating analogue to Jade's Red Lake CBM Project. These are the operators who built China's gas fields.

CNNC Hunan Geology & Mining Technology Co., Ltd.

- CNNC Hunan Geology & Mining Technology Co., Ltd. is a specialised mining-technology and geological services company within the China National Nuclear Corporation (CNNC) uranium/mining business, focused on mineral and drilling-related technologies in Hunan province. Leveraging the strong geological exploration and drilling capabilities of CNNC Geological Exploration Group, the company's business covers CBM & Mineral exploration drilling
- Well cementing & mud logging services
- Self-owned top-drive deep well rigs and professional CBM drilling

CNNC comprises more than 265 units of drilling and support equipment, including coring, cementing and logging units, with an annual exploration capacity of over 1million metres per year. The Company offers Integrated EPC Management over drilling, mud, casing and wellsite covering shallow-to-deep CBM/coal measures, gas drilling for all well types, CBM vertical well batch development wells, on-site drilling operations, full-process vertical well service, CBM directional drilling trajectory control and supporting services, horizontal and intersection wells, multi-lateral horizontal well drilling, CBM content sampling, desorption sampling and full-depth mud logging. The Company has significant experience drilling in Shanxi Province at the Jincheng Panhe and Shizhuangnan CBM Blocks – the core CBM development area of the QinShui Basin, and in Xianxi Province at the Huainan Panyi Coal Mine Deep Gas Pre-Drainage Project.

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

For further information contact:

Joe Burke	Aaron Bertolatti	Gigi Penna
Executive Director	Company Secretary	Investor Relations
jburke@jadegas.com.au	abertolatti@jadegas.com.au	gigi@calderahouse.com.au

About Jade Gas Holdings Ltd

Jade Gas Holdings Limited 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 Coal Bed Methane 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 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 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.

JADE GAS

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.

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 statements concerning Jade, including statements regarding the collaboration with PTBEL, potential project development activities, and the Company's future plans, strategy and objectives. Forward-looking statements can generally be identified by the use of words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “target”, “forecast”, “project”, “potential”, “continue”, “should”, “seek”, and similar expressions. These statements are based on information available to the Company as at the date of this announcement and on assumptions and expectations that the Company considers to be reasonable as at that date. Forward-looking statements are not guarantees or predictions of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. Actual results, performance or achievements may differ materially from those expressed or implied by the forward-looking statements. Investors should not place undue reliance on forward-looking statements. Except as required by the ASX Listing Rules, the *Corporations Act 2001* (Cth) and applicable law, Jade does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.