

23 October 2020

## OPERATIONS UPDATE

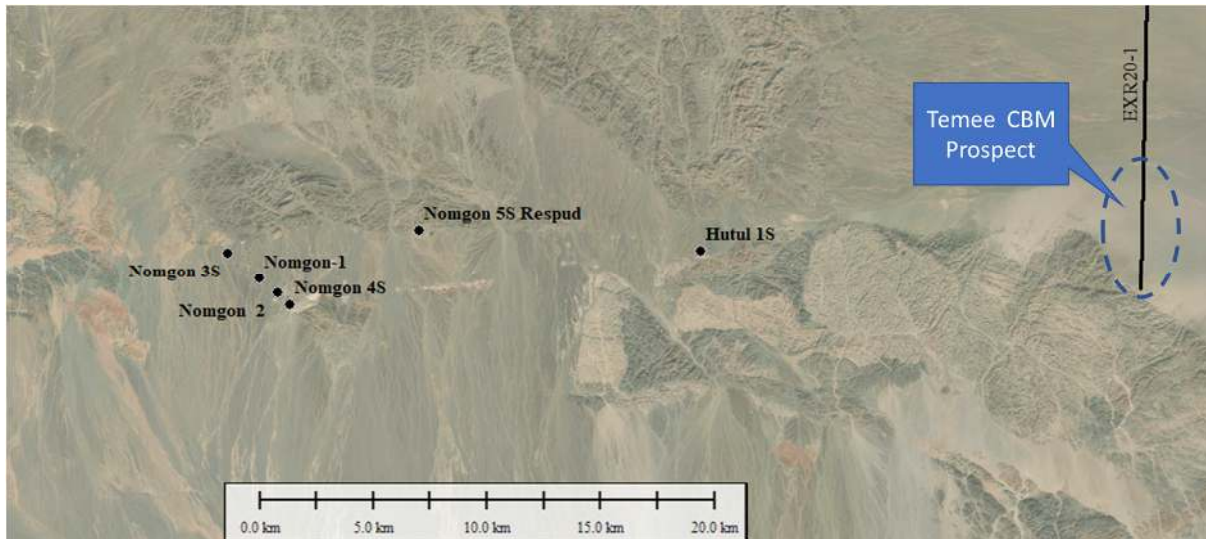
### HIGHLIGHTS

- Second drilling rig put to work as the Hutul 1S strat-hole is due to spud tomorrow
- Strong final gas content results from Nomgon-2
- Appraisal work ongoing with the Nomgon 5S strat-hole
- Seismic interpretation confidence growing for multiple new drilling targets

Elixir Energy Limited (“Elixir” or the “Company”) is pleased to provide an update on operations in its 100% owned Nomgon IX CBM PSC.

The exploration leg of Elixir’s 2020 program is ramping up again, with the imminent spud of a new strat-hole well and advanced planning for further wells in the months to come. Appraisal work in the Nomgon sub-basin proceeds on multiple fronts: laboratory work; ongoing drilling; basin modelling; seismic interpretation as well as planning next year’s proposed pilot production test well.

Elixir has recently engaged its Mongolian drilling contractor, Erdenedrilling (ED), to put a second drilling rig to work in the Nomgon PSC. ED is currently mobilizing its high-powered Schramm rig to the Hutul 1S drilling location – some 20 kilometres to the East of the Nomgon-1 well. Hutul 1S is due to spud tomorrow. This low cost strat-hole is stepping out from the Nomgon sub-basin which has been the focus of drilling work in 2020 to date. The well could identify a new sub-basin – or potentially a large extension of the Nomgon sub-basin.



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Elixir Energy Ltd is a gas exploration company focused on the 100% owned Nomgon IX coal-bed methane (CBM) production sharing contract (PSC) located in the South of Mongolia, proximate to the Chinese border. The 30,000 km<sup>2</sup> PSC was executed in September 2018 and has a 10+ year exploration period.

## ASX ANNOUNCEMENT

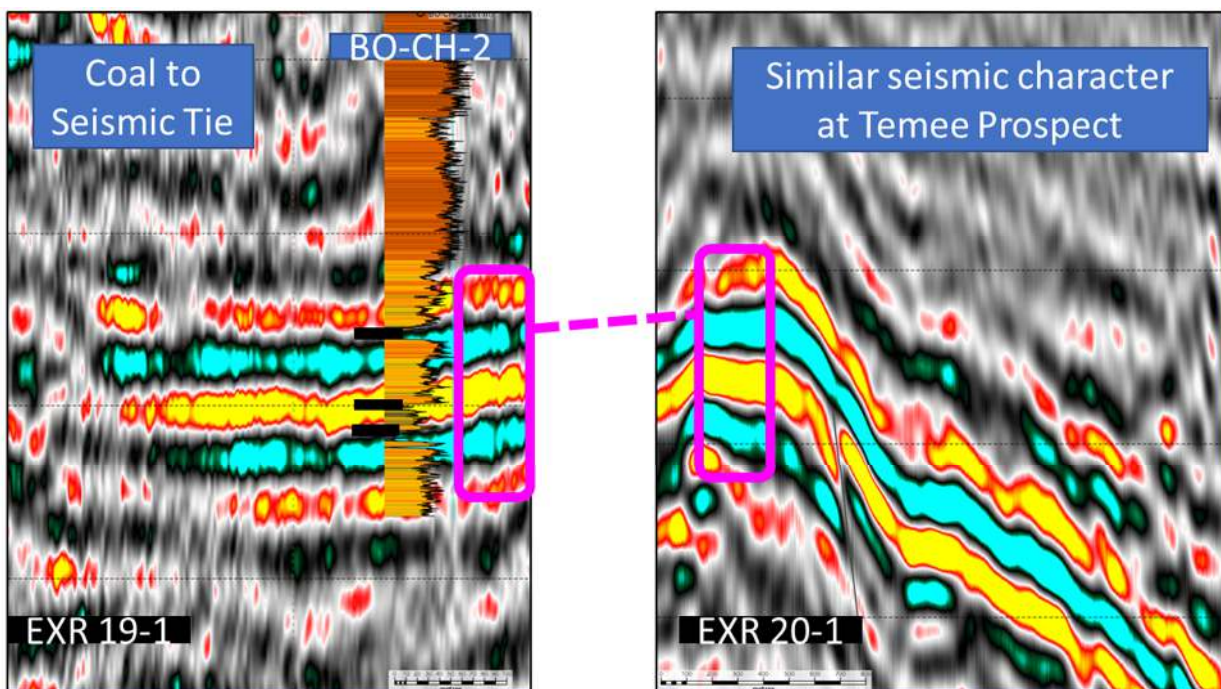


Final gas content results have now been obtained on coal samples obtained from the Nomgon-2 core-hole. These recorded dry ash free (DAF) numbers in the main seam averaging 8.6 m<sup>3</sup>/tonne. This is very similar to the 8.9 m<sup>3</sup>/t measured in the Nomgon-1 well (as announced on 26 June 2020).

Gas Adsorption Analysis results for Nomgon-2 are expected next month. Other laboratory work being undertaken and/or planned includes petrography, sedimentology and age dating.

The Nomgon 5S strat-hole has recently encountered a series of drilling and mechanical issues which have resulted in an inability to reach TD within a reasonable time-frame. Elixir and ED have agreed that the Nomgon 5S well should now be re-drilled (at nominal cost to Elixir given the per metre nature of its drilling contract) immediately North of the current location. This will effectively be the same well and the Company's prognosis for it remains unchanged.

Intensive interpretation and analysis of the 106 kilometres of 2D seismic data acquired in recent months (and in the 2019 seismic program) is delivering significant indications of prospectivity and enhanced confidence for new drilling locations that the Company will be targeting in the months and years to come.



Geological field survey mapping has also been ongoing in various locations in the 30,000 square kilometre PSC.

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Elixir's Managing Director, Mr Neil Young, said: "Our 2020 program in Mongolia is continuing successfully and we are pleased to have agreed with ED to put another rig to work exploring in a new part of the PSC area. Our appraisal program in the Nomgon sub-basin continues to deliver excellent results and we look forward to further information from the somewhat delayed Nomgon 5S strat-hole that is still underway. Our seismic work is proving productive in continuing to add new drilling targets that (in the success case) will add to our inventory of CSG bearing sub-basins across the PSC."

By authority of the Board:

**Neil Young** - Managing Director  
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For further information on Elixir Energy, please call us on +61 (8) 7079 5610, visit the Company's website at [www.elixirenergy.com.au](http://www.elixirenergy.com.au)

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