



Elixir Energy

ASX ANNOUNCEMENT

ASX : EXR

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OPERATIONS UPDATE

HIGHLIGHTS

- Cracker-1S well intersects Triassic sediments with no clear Permian identified
- Manlai-1S well now spudded by second drilling company in the field
- Ongoing fully funded multi-well exploration & appraisal drilling campaign to be carried out over multiple years
- Drilling work to assist in designing & placing production testing wells about to start
- Seismic program ongoing and gearing up for expansion
- SODAR equipment has arrived in Mongolia

Elixir Energy Limited (“Elixir” or the “Company”) is pleased to provide an operations update on the current exploration/appraisal program underway across its 100% owned Nomgon IX Coal Bed Methane (CBM) Production Sharing Contract (PSC).

The Cracker-1S exploration strat-hole, located in the far North-West of the PSC, was the first ever well in the local sub-basin and was drilled on seismic acquired in 2020. It reached a target depth of 563 metres. It intersected Triassic rather than Permian sequences.

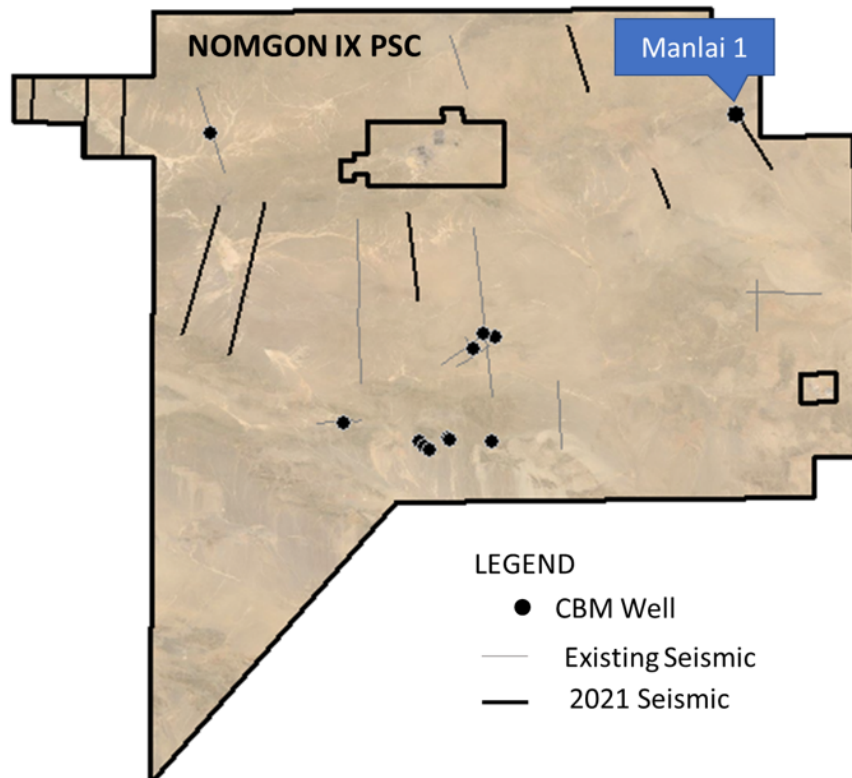
The well has been remediated and the Erdene Drilling LLC rig is now moving to drill the West Yangir-1 core-hole. This core-hole is intended to provide data for a first stage production test well planned for later in the year, as the Company moves to expand its exploration and appraisal program to include multi-stage and multi-location production testing.

As COVID-19 restrictions in Mongolia have eased, Top Diamond Drilling LLC, the second drilling company contracted by Elixir, has now moved a rig into the PSC area. The new Rig will initially drill a shallow exploratory well, Manlai 1S, in a new sub-basin in the far North-West of the PSC, 130 kilometres from the Nomgon Discovery. The well is targeting shallower Permian sediments. Manlai -1S will be followed up by a deeper well in the same sub-basin upon confirmation of encountering the Permian stratigraphy.

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Top Diamond Drilling rig



Manlai-1S location



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The Company's 2021 2D seismic program has been proceeding apace and has now acquired 140 kilometres of new seismic. This is being processed rapidly in order to feed the multi-rig drilling program. Elixir is currently finalizing locations for new seismic lines to be shot as part of the Company's expanded field program.

As flagged in the Company's last quarterly report, a SODAR (Sonic Detection and Ranging) unit has now arrived in Mongolia and is being deployed into the area of current field operations to measure renewable energy resources.

Elixir's Managing Director, Mr Neil Young, said: *"We are pleased to finally welcome our second Mongolian drilling company – Top Diamond Drilling – into the field into yet another of the many sub-basins in the PSC. Mongolia is yet again surprising on the upside with its management of COVID, and is now recognized as achieving one of the highest vaccination rates in the world. Although there will still be issues to carefully manage, this bodes well for the expansion of our exploration program. Any such program will have a range of well outcomes and although in isolation the results of Cracker-1S were not in line with our aims, the bigger picture is that Elixir is in the midst of drilling dozens of wells, which will vary in what they tell us. Our aim is to build up a large regional gas resource brick by brick through our low cost "rinse and repeat" model."*

By authority of the Board:

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