



Elixir Energy

ASX ANNOUNCEMENT

ASX : EXR

23 June 2021

OPERATIONS UPDATE

HIGHLIGHTS

- West Yangir-1 core-hole intersects ~50 metres of coal
- Manlai-1S well did not reach target depth due to mechanical issues
- Kingston-1S well spudded in new sub-basin – coal already encountered
- First stage 2D seismic acquisition program for 2021 completed

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 West Yangir-1 core-hole, located some 8 kilometres to the West from the previous Yangir wells, has intersected 48 metres of coal (as measured from core by well-site geologists) to the current depth of 350 metres. Various mechanical issues and down-hole conditions have made for difficult drilling and the well’s total depth has been truncated to the 350 metres reached to date.

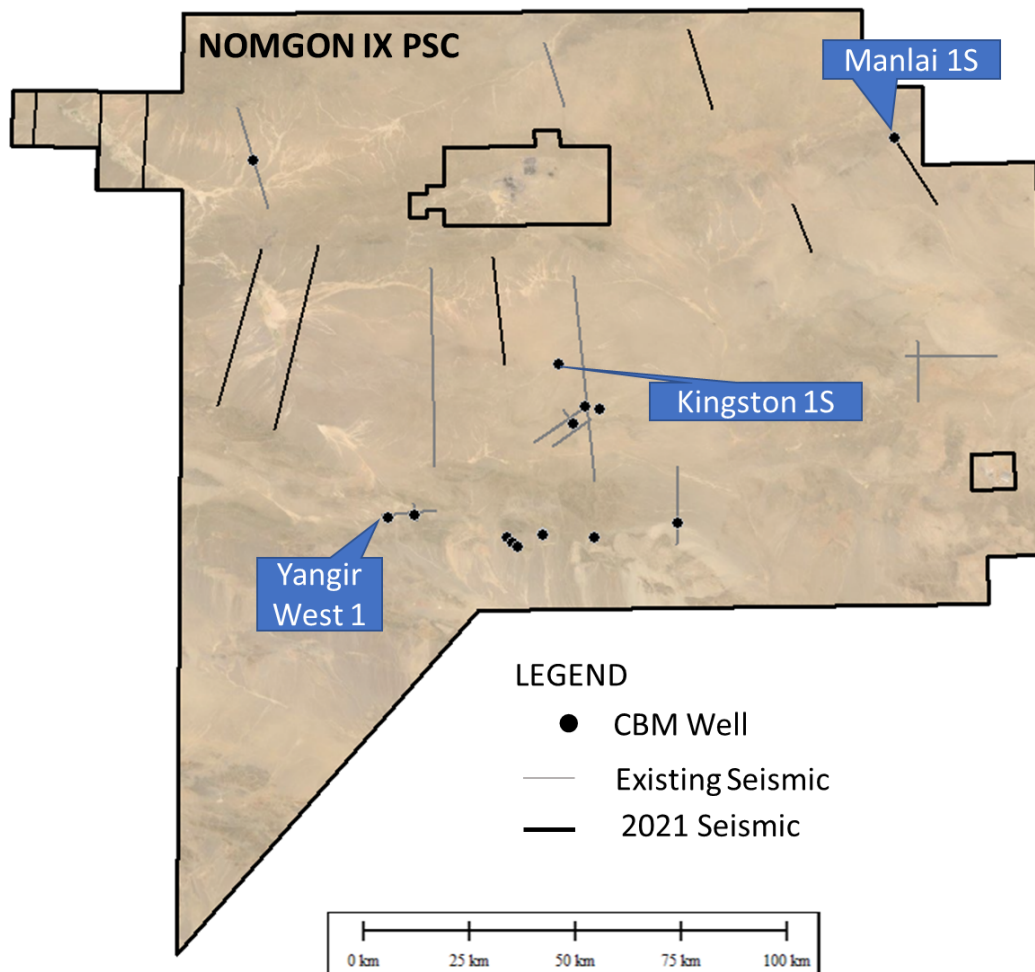
The Manlai-1S exploration well, located in the far North-West of the PSC, encountered mechanical issues during drilling and it did not reach its target depth.

The Top Diamond LLC rig has now moved to a new sub-basin in the PSC. It has recently commenced the drilling of a new exploration well called Kingston-1S. As at the date of this update, the well has already countered coals.

The Company’s 2021 2D seismic acquisition program has now concluded its original planned 220 kilometres phase. Processing and interpretation are underway and the aim is to generate new drilling exploration targets to be pursued in the months and years to come. An expansion of the seismic program is currently being planned.

Mongolia’s COVID experience has entered a new phase in the last month, with high transmission rates being measured in recent weeks. However, vaccination rates have been globally high and in recent times the transmission rate has started to fall. Elixir’s field operations have managed to successfully work within the relevant COVID rules.

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Elixir's Managing Director, Mr Neil Young, said: *"The very thick total coals measured in the West Yangir-1 well have been highly encouraging, as has the discovery of coals in the drilling to date in the new Kingston location. Our ongoing program for 2021 (and the years thereafter) has many more wells to come and is still being vigorously prosecuted, notwithstanding the global pandemic. Mongolia's resilience in dealing with the varying challenges that COVID has thrown up is to be commended."*

By authority of the Board:

Neil Young - Managing Director
Elixir Energy Ltd (ABN 51 108 230 995)
Level 3, 60 Hindmarsh Square
Adelaide SA 5000, Australia

For further information on Elixir Energy, please call us on +61 (8) 7079 5610, visit the Company's website at www.elixirenergy.com.au