



Elixir Energy

ASX ANNOUNCEMENT

ASX : EXR

22 June 2022

OPERATIONS UPDATE

HIGHLIGHTS

- Bulag Suuj-1S discovers new coal-bearing sub-basin and appraisal now underway
- Venetian-1S exploration well recently spudded
- 2D acquisition program for the year successfully concluded
- Yangir-4 appraisal well drilling ahead
- First well for pilot production program due to spud in August

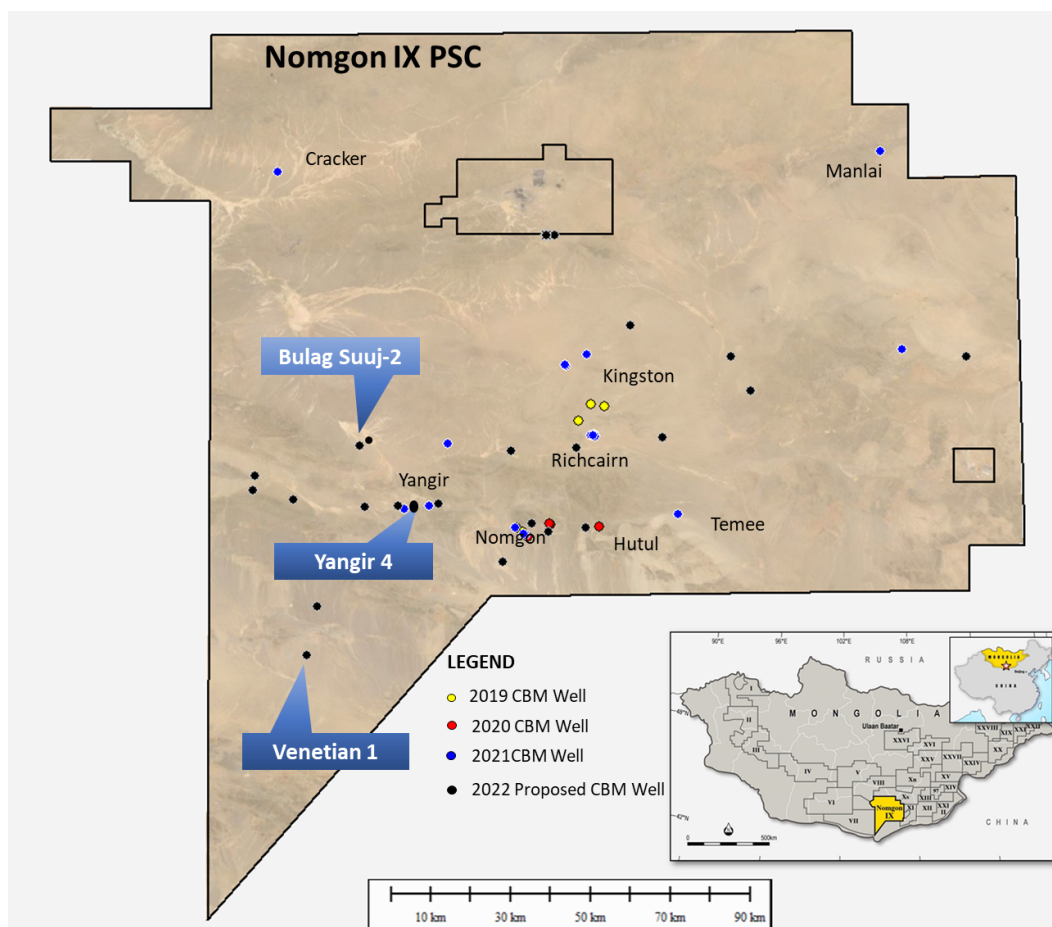
Elixir Energy Limited (“Elixir” or the “Company”) is pleased to provide an update on the coal bed methane (CBM) exploration/appraisal program underway across its 100% owned Nomgon IX CBM Production Sharing Contract (PSC).

The Company has recently finished drilling the Bulag-Suuj-1S exploration well. This well logged 21 metres of coal. This discovery has opened up a potential new CBM bearing sub-basin in the PSC area. An appraisal well – Bulag-Suuj-2S - is now following up on this discovery well, at a location some four kilometres away.

A second rig has now been deployed by drilling contractor Top Diamond Drilling LLC. This is drilling the recently spudded Venetian-1S exploration well (see location on map below).

The Company’s 2022 2D seismic acquisition program has been successfully completed, on time and on budget, with 322 kilometres acquired. The data obtained is currently being processed and interpreted and will feed into the Company’s future drilling plans.

The Yangir-4 well has faced some drilling difficulties related to fractured coal, and is currently being re-drilled.



Nomgon IX Drilling Location Map

The Company's extended pilot production program is advancing in parallel to the exploration and appraisal drilling. Experienced Mongolian contractor Monbag LLC has been hired to construct the civil works and this will commence shortly. The spudding of the first of the two production wells by drilling sub-contractor Major Drilling is expected by around the end of August 2022.



Elixir, Monbag and Major personnel survey the pilot production site

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Managing community relations is a top priority for Elixir (as we believe it needs to be for any resources company). We recently opened a tree plantation in the small Gobi town of Nomgon. The Mongolian Government strongly supports tree planting efforts as part of a broad program to fight desertification, mitigate carbon emissions, etc.



Elixir sponsored tree plantation in Nomgon

Elixir's Managing Director, Mr Neil Young, said: "As we move to the middle of the Mongolia summer, our operations efforts are moving into top gear. We now have three rigs working in our PSC, pursuing a range of exploration and appraisal targets. A fourth rig will join the program shortly as we move to start up our extended pilot production test. In parallel, our Gobi H2 project – recently materially boosted by the execution of a MOU with Japan's SB Energy – is hiring a fifth rig to undertake water exploration drilling over the coming months."

By authority of the Board:
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