



**Elixir Energy**

**ASX ANNOUNCEMENT**

**ASX : EXR**

12 October 2022

## **CBM PILOT PROJECT UPDATE**

### **HIGHLIGHTS**

- Drilling of Nomgon 8 and 9 for the Nomgon Pilot Production Program completed
- Both wells delivered safely, on time and on prognosis
- Completion works have commenced, to be followed by production

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

The second well in the Company’s extended pilot production program (Nomgon-8) has recently been successfully drilled and completed. The well was drilled to a total depth of 562 metres in 10 days (which is a new record for the Company) – safely, on time and on budget. Approximately 51 metres of coal were logged over the primary target “100 series coal” and a perforated liner installed over this section.



*Wireline Logging at Nomgon-8*

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The Major drilling rig has performed to the Company's expectations, and drilling performance has improved materially, albeit with a larger rig and a larger hole size.

The rig will now stay on location and complete the wells in preparation for the pilot production program. Winter storms have arrived early in the Gobi this year, delaying operations somewhat, but Elixir still anticipates initiating the pilot production test within the next month or so.



*A light dusting of snow now covers the South Gobi Desert*

Elsewhere in the basin, drilling at Big Slope 2 has intersected ~38 metres of coal and silty coal. Gas desorption readings (on an initial raw gas basis) have been recorded at in excess of 7 m<sup>3</sup>/t and are the highest recorded in the Nomgon IX PSC so far. Elixir will continue to appraise this coal discovery in the next few months and plans to run an IFOT test in the Big Slope sub-basin before the end of the year.

Elixir's Managing Director, Mr Neil Young, said: *"Our CBM pilot production project continues to go to plan with the completion of the drilling of the two pilot wells - on time and on budget. Our aim remains to pump water - then gas – from the wells in the short term. In parallel, the recent exploration/appraisal results from the Big Slope field are promising and we will continue to expand our knowledge of this area."*

By authority of the Board:  
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