

Elixir Petroleum – Transformational Acquisitions



High impact exploration opportunities in Mongolia and Alaska



(ASX:EXR)

**Perth, Australia
September 2018**

**RIU
GoodOil
Conference**

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Information contained in this report with respect to the potential of the Mongolia PSC area and the Alaska Leases was compiled by Elixir based on independent reports and was reviewed by Mr Ray Barnes, a non-executive director of Elixir who has had more than 30 years' experience in the practice of petroleum geology. At this time, Elixir and Mr Barnes make no representations or forecasts with respect to the potential prospective resources that may be associated with the Mongolian PSC area or the Alaskan Leases.

Elixir makes no representation as to the timing of the completion of the acquisition of Golden Horde Limited or the Alaskan Leases ("Acquisitions"). Elixir has undertaken only limited due diligence on the Alaskan Leases and will complete detailed due diligence prior to completing that acquisition. The Acquisitions are subject to a number of conditions, the material ones of which are detailed in Appendix 1 and Appendix 2 of the Company's ASX release dated 12 September 2018.

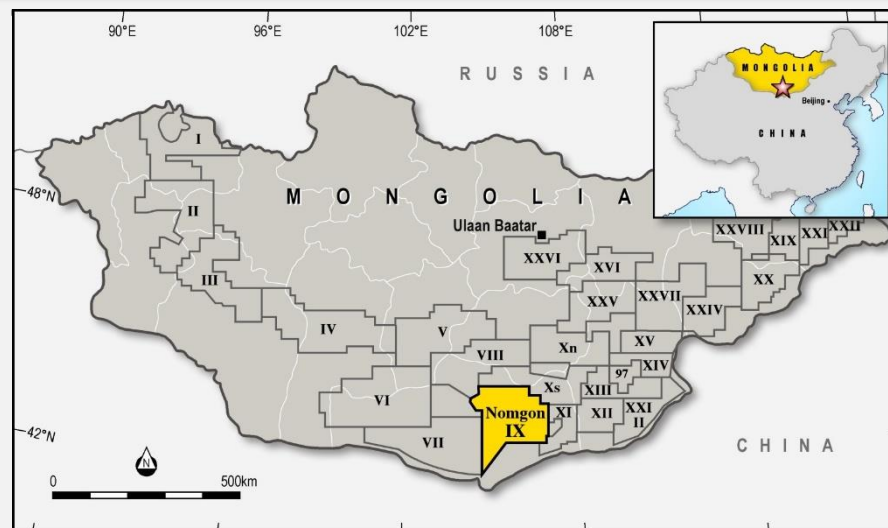
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Elixir Investment Highlights

- **Two high impact exploration projects** secured under **exclusive options**
- Firm commitments received for capital raise of \$1.6M, providing **cash of approximately \$4M**
- **Established in 2011**, Golden Horde (GOH) is a pure **Mongolian CBM gas play** being acquired by Elixir for 79M shares
- **Acquisition of GOH** scheduled to **close in November 2018** following recent Mongolian Cabinet approval for the award of the **Nomgon IX CBM PSC**
- Agreements with GOH amended to;
 - **Extend Elixir's option period to 30 November 2018** to allow completion of the acquisition
 - Converting Loan Facility provided to GOH for **interim funding**
- **100% Working Interest over 7 million acres** (28,000 km²) with **multi-TCF CBM** potential
- **Initial exploration drilling** targeted for Q3 and Q4 2019
- Substantial **gas demand** growth forecast in Northern China region & Mongolia itself
- In Alaska, Elixir to acquire **100% Working Interest in 35,423 acres** on the **Alaskan North Slope**, adjacent to and on trend with existing oil discoveries
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Mongolian Acquisition – Project Khiimori

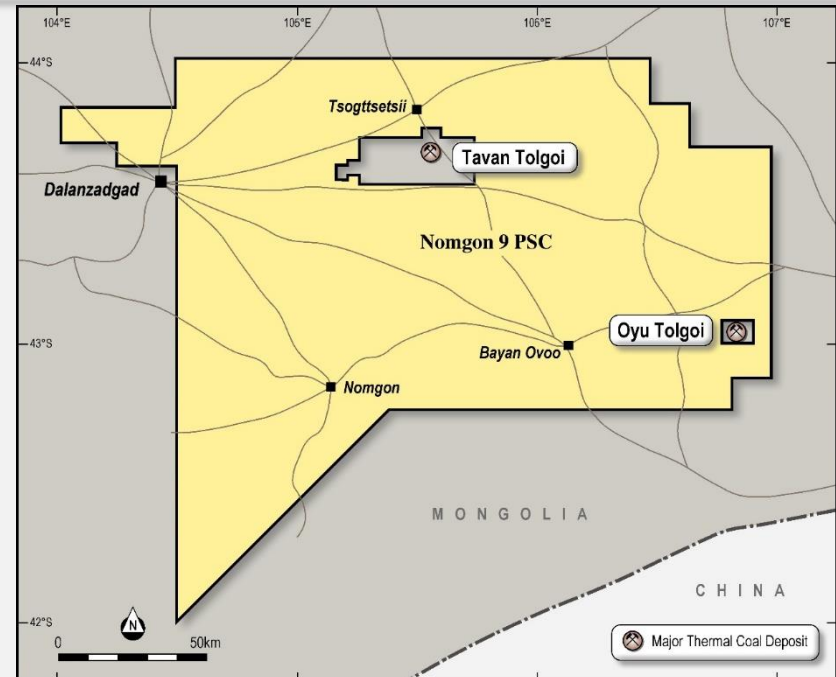
- Exclusive option to acquire Golden Horde Limited (GOH) signed in **October 2017**
- Consideration of **79 million** Elixir shares
- Field visit undertaken in **May 2018**
- Meetings with government officials and **Prime Minister** progressed award process
- Mongolian Cabinet recently **authorised** Mining Ministry to **award PSC**
- PSC expected to be **signed shortly**
- GOH Acquisition expected to occur mid **November 2018**



Elixir intends to exercise its option to acquire GOH in November

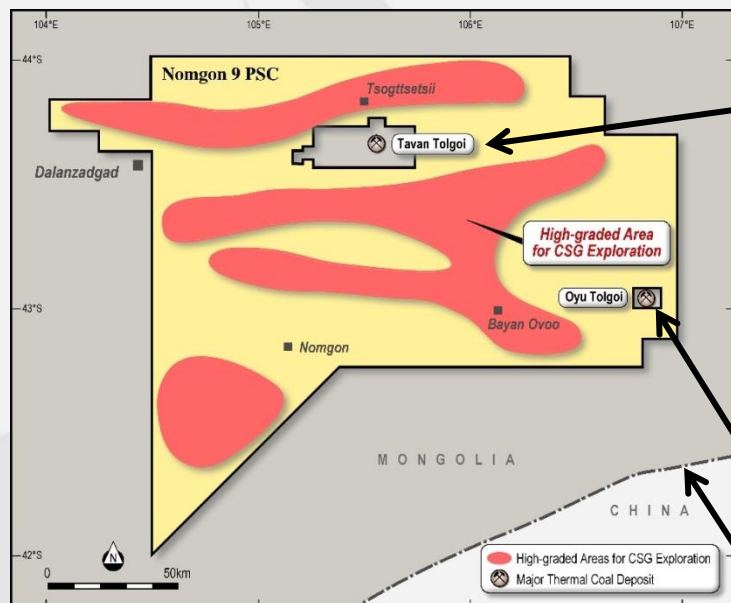
Project Khiimori - Key Facts

- Large **7 million acre project area** – 100% ownership
- World class **producing thermal coal deposits within project area** in South Gobi Basin
- Close to border of world's **3rd largest gas user** in Northern China
- **First unconventional CBM PSC** to be issued in Mongolia under new 2014 Petroleum Law
- **Untapped multi-TCF** CBM gas potential
- First mover advantage – **initial drilling targeted Q3/Q4 2019**
- Australian **CBM experts workshop** held in Brisbane in January 2018 **validated prospectivity and potential** of Nomgon IX area



Nomgon IX terrain accessible with low population density

Project Khiimori – Key Facts (cont.)



World class **producing thermal coal deposit** within project area (South Gobi basin)

Large **7 million acre project area** – 100% ownership

Nearby **infrastructure** with Rio Tinto's OT mine

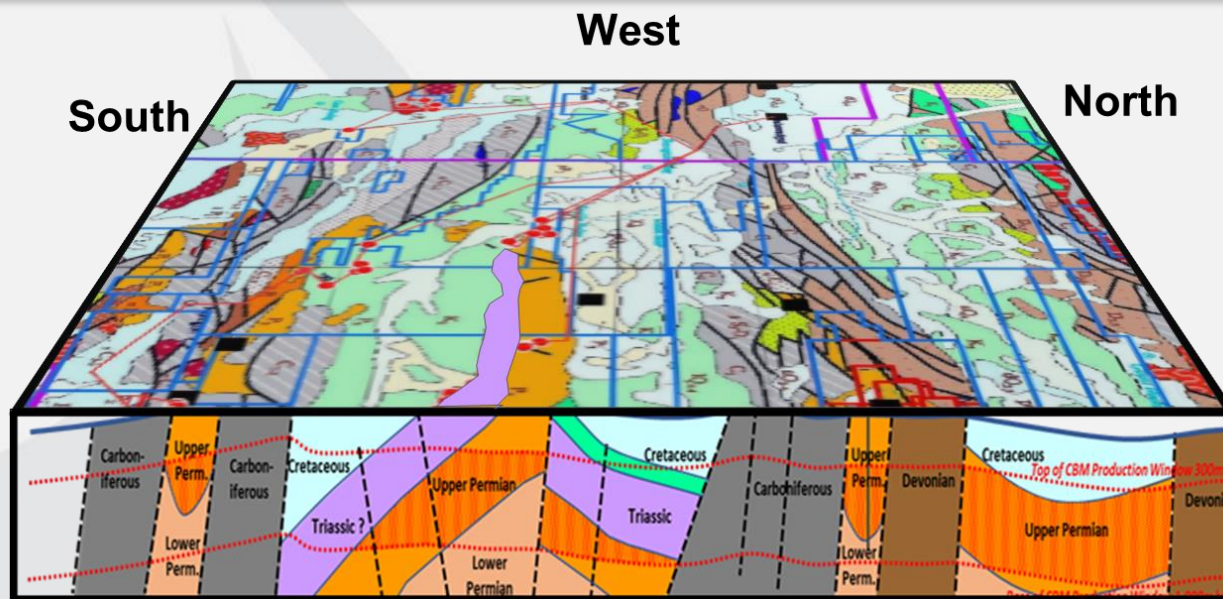
China/Mongolia border



- Technical studies indicate South Gobi Basin **most prospective basin in Mongolia for CBM**
- Data from Tavan Tolgoi indicate gas contents of up to **15m³/tonne (480 cf/ton)**, at depths of **467 metres** below surface (high by world standards)
- Late Permian aged coals (Tavantolgoi Group) from **surface to >1000m depth** with individual **seam thickness** up to **55 metres** (Ovoot Tolgoi Mine)
- As well as providing gas to the **Mongolian market**, Project Khiimori is ideally placed for **sales gas exports** into the main **Chinese market**

Mapped sedimentary depocentres provide high-graded focus areas

Building Technical Database and Local Expertise



NB: Schematic X-section with significant Vertical exaggeration

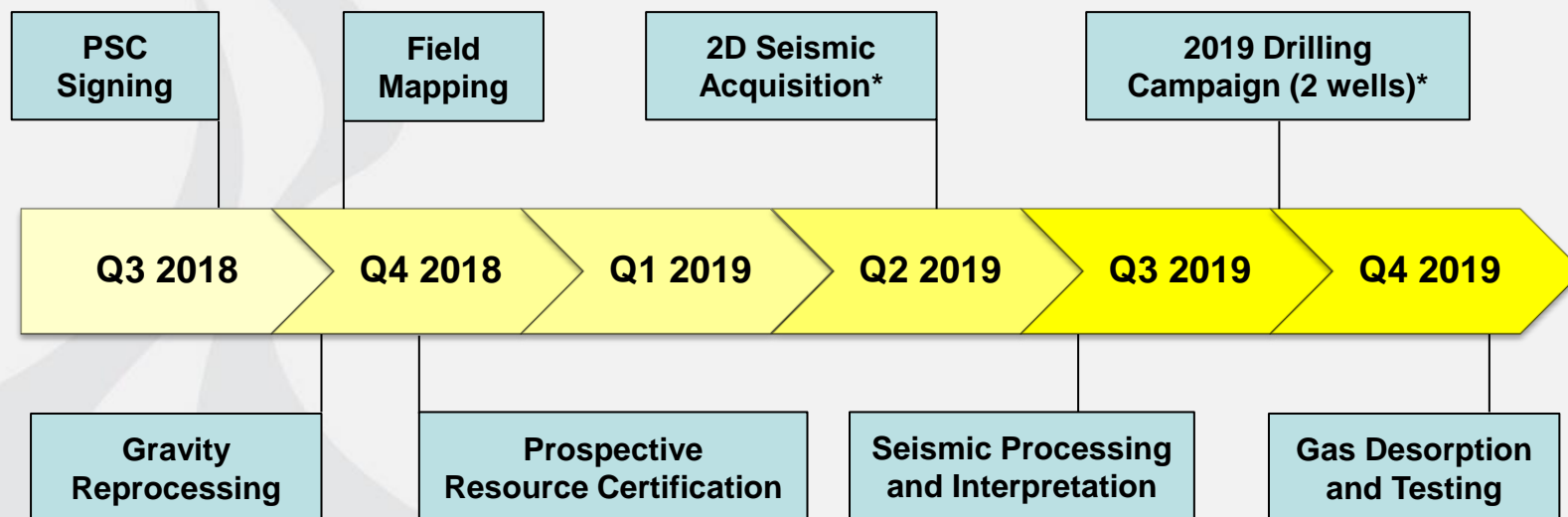


Outcropping Permian aged coal seams Nomgon IX PSC

- Field mapping currently ongoing with **qualified local expertise** and western expatriates familiar with coal exploration residing in Mongolia – **building a local team**
- Phase 1 work programme (2018/2019) includes:
 - ❖ **Gravity and magnetics** reprocessing (Q4 2018)
 - ❖ 2D **seismic acquisition** (Q2 2019)
 - ❖ Core hole drilling with **gas desorption** and **full core analysis** (Q3/Q4 2019)

Technical work underway with local and international expertise

Project Khiimori Technical Work Programme



*Subject to suitable equipment availability and government approvals

- Initial work programme focused on **low cost data acquisition** leading to **Prospective Resource Certification**
- 2D seismic acquisition will be the **first in the Nomgon IX PSC** to image the Permian depocentres
- Initial Drilling Program (with benefit of 2D seismic) will target **low risk opportunities** close to coal outcrops

Low cost and low risk program to confirm CBM potential

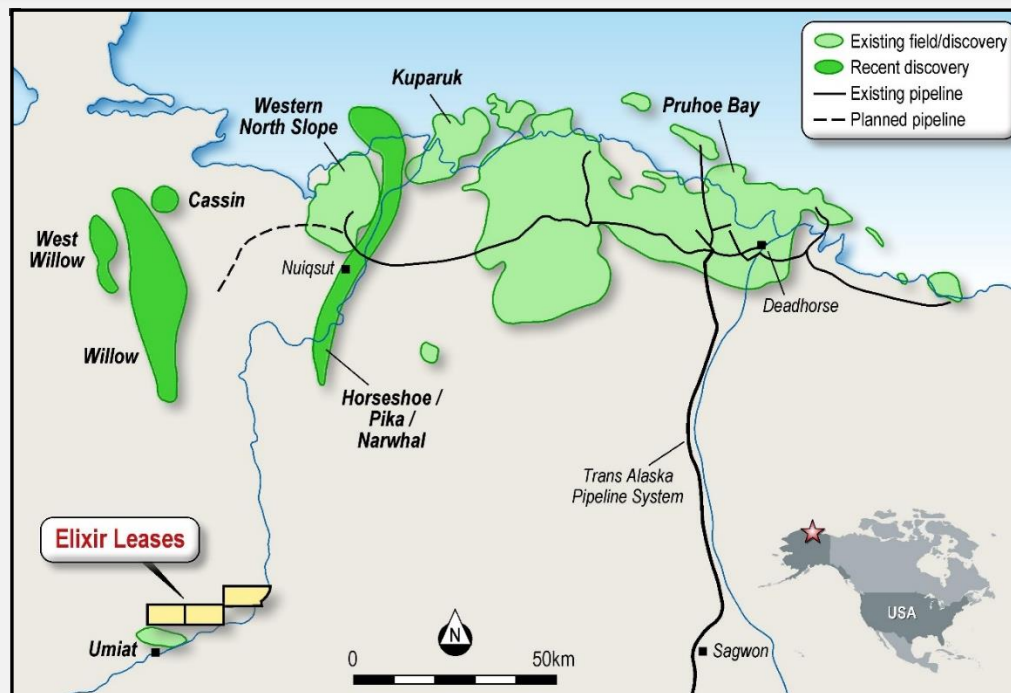
Key Technical Components for CBM

Properties	Bowen Basin (Queensland)	Block IX (South Gobi Basin)		Comments
Seam thickness	Maximum single seam thickness 30m	> 55m found in multiple occurrences	✓	World class seam thickness – very high GIP per acre
Gas Content	7-14 m ³ /tonne in most productive areas	Up to 15 m ³ /tonne at Tavan Tolgoi mine	✓	High gas content
Permeability	Permeability varies from 2-600mD across the basin	Unknown, but coal samples show good cleat formation with no calcite	?	Requires core hole analysis
Presence of coal at optimal depth	Most productive coals typically less than 750m	Vast acreage position and evidence of substantial area with thick coal seams <1,000m	✓	Compares favourably to other world class CBM basins
Coal Quality: Ash Content	Ash content varies significantly but is ~30% in the most productive fields	~24% ash content	✓	Within ideal range
Coal Quality: Rank	Sub-bituminous to bituminous	Sub-bituminous to bituminous (ideal for CBM)	✓	Analysis shows VR is consistent with coals that have undergone gasification/methane generation

Leveraging Australian CBM expertise in the Mongolian setting

Alaskan Acquisition – Project Peregrine

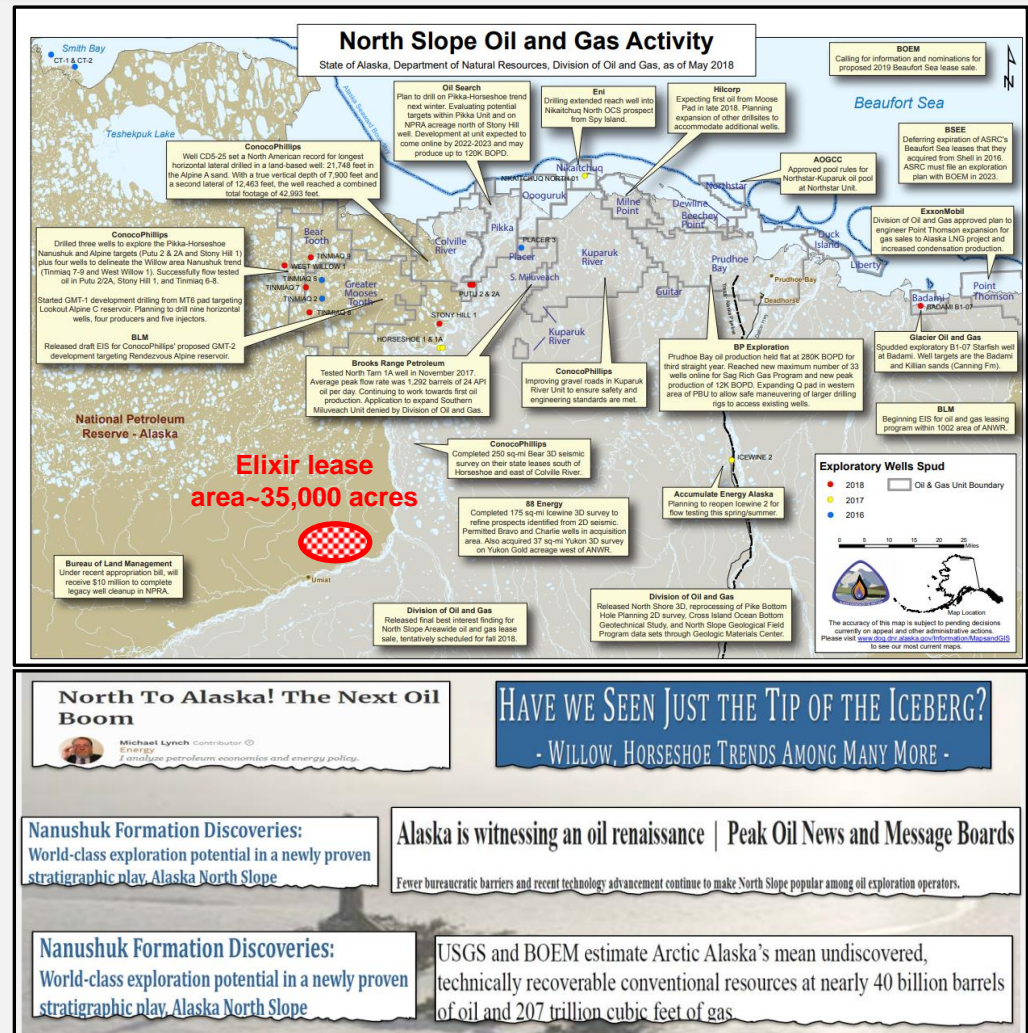
- Exclusive option to acquire **100% working interest** in 35,423 acres
- Acreage within the National Petroleum Reserve of Alaska (NPRa) and **within 75kms of multi billion dollar investment by Conoco Phillips** at its Willow oil discovery
- Consideration made up of;
 - ❖ ~US\$800,000 plus 5% royalty
 - ❖ Lodgement of US\$300,000 performance bond with BLM
 - ❖ Option fee of US\$150,000 to secure opportunity through to 30 October 2018
- Low annual holding costs of **US\$3/acre** and leases valid through to 1 March 2024
- Initial due diligence points to **emerging conventional oil play** potential in the leases being acquired



Access to one of the world's most exciting emerging oil plays

Project Peregrine – Key Facts

- Existing **2D seismic data** set being interpreted
- Initial project area covers **35,423 acres** and is covered by regional 2D seismic grid
- Opportunity exists to **compare data over Project Peregrine** to more recent discoveries and **look for analogues** in current lease position
- Following interpretation, consider need for further **infill 2D** or move **straight to 3D seismic acquisition**
- Work programme of US\$4-6M including **3D seismic acquisition** being considered for the 2019 winter seismic acquisition season



Significant planned activity in 2019 by major companies

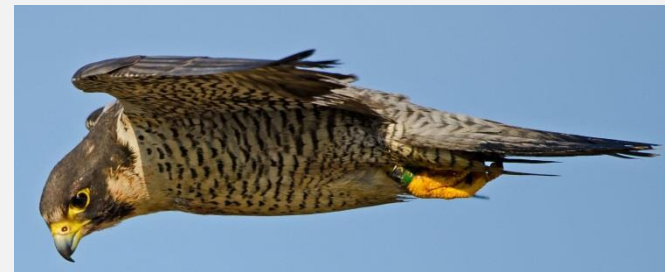
Two New Opportunities of Material Size

Project Khiimori (Mythical Wind Horse)



- ✓ Asian gas leverage
- ✓ **7,000,000 acres** (~28,000km²)
- ✓ **100% Working Interest**
- ✓ First Mover status in a developing play with **multi TCF** potential
- ✓ Relatively **low cost initial exploration programme**

Project Peregrine (North Slope Bird of Prey)



- ✓ Conventional oil leverage
- ✓ 35,400 acres (~140km²)
- ✓ **100% Working Interest**
- ✓ Close to one of the worlds most exciting new oil plays with **billion barrel discoveries**
- ✓ Opportunity to expand land position

Elixir Petroleum Limited (ASX:EXR)

Pro Forma Capital Structure



Current (post Placement)

	Current (million)
Ordinary Shares (ASX:EXR)	254.4
Unlisted Options (ex 4.0 – 4.5 cents)	11.0
Performance Shares (Milestones)	5.0
Market Capitalisation (at 6.0c)	\$15.2
Cash at Bank	~\$4.0
Enterprise Value	\$11.2

Board & Management

Ray Barnes	Non Executive Chairman
Dougal Ferguson	Managing Director
Neil Young*	Proposed Director
Scott Patrizi	Non-Executive Director

**Subject to completion of the GOH Acquisition*

Post Acquisitions (GOH and Alaska)

	Current (million)
Ordinary Shares (ASX:EXR)	333.4
Unlisted Options (ex 4.0 – 4.5 cents)	11.0
Performance Shares (Milestones)	22.5
Market Capitalisation (at 6.0c)	\$20.0
Pro Forma Cash (post Acquisition)	~\$3.0
Enterprise Value	\$17.0

Performance Share Milestone	Shares
Completion of Acquisition	2.5
Prospective Resource > 1Tcf	12.5
FID approval on Pilot Plant	7.5
Total	22.5

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