

**Chairman's Address  
To  
Annual General Meeting  
22 November 2019**

It is just over half a year since I was appointed as Non-Executive Chairman of Elixir Energy. As I look back over that time, I think it fair to say that we have moved with really quite remarkably rapid pace in progressing our operations in Mongolia.

Highlights of the last six months or so include:

- ) Building up a CSG Operational team, ranging from the Board to local Management to Mongolian contractors, that has got on and got an exploration program going in the field.
- ) Raising the money to pay for this program.
- ) Securing all the required Government approvals.
- ) Shooting our first seismic program.
- ) Getting a multi-well drilling program underway.

The last item is the most important – and at the time of speaking is very active. Our first well – the BO-CH-1 chip-hole - had some promising results in terms of finding gas in the system, coal seams encountered, etc.

The main focus of the programme is the “Ugtaal-1” core-hole which is currently being drilled. This will be a fully tested well designed to give us data on the key CSG elements of gas content and permeability. The Company will progressively report on the results from the drilling program over coming weeks.

The quality of a company's board and management and their respective experience is, after the rocks themselves, an essential element in the creation of shareholder wealth. Since the last AGM, the board has been strengthened with unrivalled experience in the delineation and development of Coal Seam Gas (CSG). Following my appointment as Chairman (given my role in the development of QGC), we have appointed Stephen Kelemen to the board. Stephen is not only an Adjunct professor in the CSG Centre of Excellence at the University of Queensland but also is renowned as the person in charge of proving up and developing Santos' Permian coal CSG assets in Queensland. Our coals are also Permian.

It is always important that any Company has a director with immense local knowledge. The newest member of our Board, Mr Byambasaikhan, has broad business, energy sector and Government experience in Mongolia and elsewhere. He and our Managing Director Neil Young first met each other nearly 9 years ago, providing an example of Management's long-term engagement with the country. We welcome the addition of his skills to the Company.

As I have met with Elixir's investors over the last half year, a common question has been why I elected to join the Board of Elixir. The answer is quite simple - an eye-watering risk/reward equation. Elixir's Mongolia CSG acreage appears to contain a large portion of gas-prone coal with acreage roughly equivalent to what Queensland Gas Corporation (QGC) held in 2002, when QGC had a similar market capitalisation. As Chief Executive of QGC in 2002 I was faced with a major de-risking task, similar to that facing Elixir now. Some 6 years later QGC was taken over for A\$5.8 billion.

Mongolia lies at the heart of the booming new economic "Silk Road" in Central Asia - Ulaanbaatar is only a couple of hours flight from Beijing and our PSC in the South of Mongolia lies just above the Chinese border. It also has an immediate need for clean gas to heat homes and replace coal fired generation not only for its capital but also for powering places like Oyu Tolgoi into the future.

China's gas market growth has been remarkable – but nearly all respected experts consider that very substantial growth is still to come. That will need to be satisfied by imports as well as domestic gas – and Mongolia's location places it in a very competitive position to supply pipeline gas at much lower cost than LNG from the likes of Australia.

However, Elixir's gas marketing options are not beholden to a new pipeline to China. Australia's experience of CSG suggests it fits very well with modular electricity developments. Our PSC has large scale and under-utilised electricity transmission lines crossing it and this is thus a highly likely multi-scale opportunity for us.

It is currently axiomatic that gas is the cleanest burning and lowest carbon emitting fossil fuel – and those factors are very tangible in countries like Mongolia and China which suffer from extreme urban pollution. CSG sold to China from Mongolia would have a materially lower carbon footprint than gas transported from longer distances. Additionally, gas in the region could help support and hence develop the Gobi's considerable renewable resources (wind and solar) – ultimately at very large scale.

While there are undoubted challenges ahead, the current drilling work being undertaken is a major step to the unlocking of the value in Elixir's assets. The early results look encouraging so we look forward to keeping all shareholders abreast of the imminent results.

**Proxy Results**  
**Annual General Meeting**  
**22 November 2019**

		Instructions given to validly appointed proxies (as at proxy close)						
	Resolution	For		Against		Discretionary		Abstain/ Excluded
1.	Remuneration Report	57,708,526	83.66%	871,333	1.26%	10,396,703	15.07%	21,563,837
2.	Elect Mr Cottee	79,905,262	88.27%	217,600	0.24%	10,396,703	11.49%	20,834
3.	Elect Mr Kelemen	79,765,572	88.24%	237,600	0.26%	10,396,703	11.50%	140,524
4.	Elect Mr Byambasaikhan	77,916,106	86.09%	2,179,210	2.41%	10,412,003	11.50%	33,080
5.	Mr Byambasaikhan Incentive Options	76,742,819	84.78%	3,296,043	3.64%	10,480,703	11.58%	20,834
6.	10% Placement Facility	78,947,432	87.49%	825,543	0.91%	10,467,703	11.60%	299,721