

25 November 2019

### DRILLING UPDATE

#### HIGHLIGHTS

- The Ugtaal-1 core-hole well is meeting its objectives with 20.6 metres of net coal intersected
- More coals expected as the well drills ahead to a target depth of 600 metres
- Gas content testing underway
- Permeability testing due once the well reaches target depth
- The drilling of the BO-CH-2 chip-hole continues

Elixir Energy Limited (“Elixir” or the “Company”) today provides an update on its 2019 drilling program.

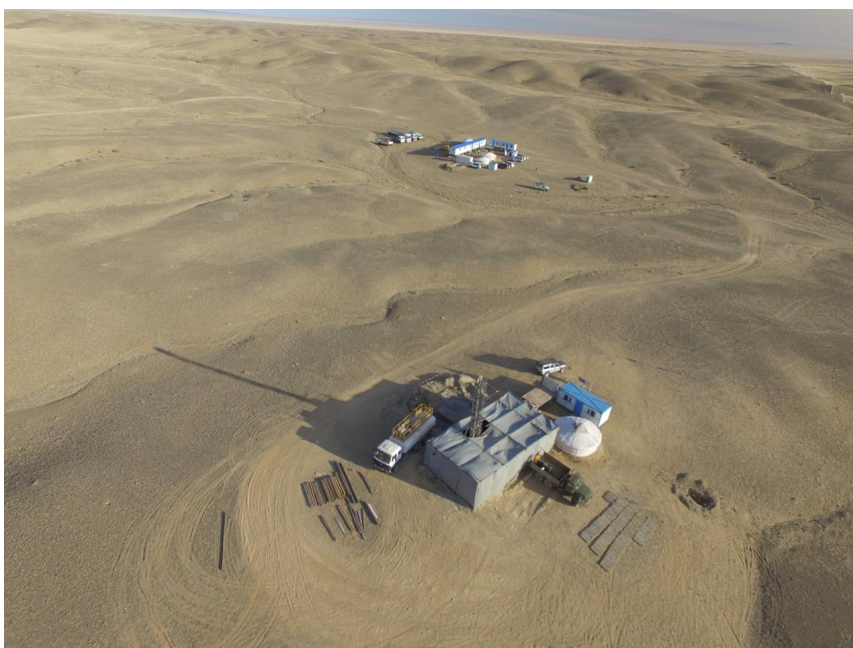
As of Sunday 24 November 2019, the status of the drilling program was as set out below.

- As of yesterday morning the Ugtaal-1 core-hole had reached a depth of 324 metres. To date the on-site well site geologists have noted net coal thicknesses of 20.6 metres. Logging will confirm a final coal thickness number once the well has reached its target depth of 600 metres.
- Coal cores have been placed into canisters and the desorption process has commenced in the on-site laboratory. Final desorption numbers will become available after a period which is currently estimated to be around 60 days (but which might be shorter or longer depending on how the coals respond).
- Similarly to the recently drilled BO-CH-1 well, the presence of gas in the system is observable to the naked eye.
- Specialists are mobilizing from Australia to undertake permeability testing once the well reaches its target depth.
- The BO-CH-2 chip-hole had reached 574 metres as at Sunday morning. It is still in the Triassic section.

**ASX CODE: EXR**

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Elixir Energy Ltd is a gas exploration company focused on the 100% owned Nomgon IX coal-bed methane (CBM) production sharing contract (PSC) located in the South of Mongolia, proximate to the Chinese border. The 30,000 km<sup>2</sup> PSC was executed in September 2018 and has a 10+ year exploration period.



*The Ugtaal-1 well site and camp*

Elixir's Managing Director, Mr Neil Young, said: "We are pleased to report that the Ugtaal-1 core-hole is meeting its objectives of encountering thick coal seams which have provided initial samples from which we will be able to accurately measure gas content and composition."

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