

20 December 2019

OPERATIONS UPDATE

HIGHLIGHTS

- Ughtaal-1 core-hole logged and permeability being tested
- BO-CH-2 well also logged and gas cores taken for testing
- Test results to be fully analysed and integrated in the New Year
- Next well(s) in program due to spud in a few weeks

Elixir Energy Limited (“Elixir” or the “Company”) today provides an update on its drilling operations in its 100% owned Nomgon IX CBM PSC.

The three wells in the Ughtaal region in the mid-South of the Nomgon PSC (the Ughtaal-1 core-hole and the BO-CH-1 and BO-CH-2 chip-holes) are now finished and their respective sites are being remediated.

The Ughtaal-1 core-hole well has been logged and subjected to permeability testing. Key results at this point:

- Logging confirmed the prior estimate of net coals of 43 metres.
- The thickest individual seam recorded was 20 metres.
- Gas desorption is ongoing.
- Permeability testing results are expected next week.

The BO-CH-2 chip-hole well has also been logged and cores extracted. Key results at this point:

- Net coals of 6 metres were logged.
- Coal cores were taken for analysis.
- Permeability testing was not under-taken due to the hole diameter of this chip-hole well.

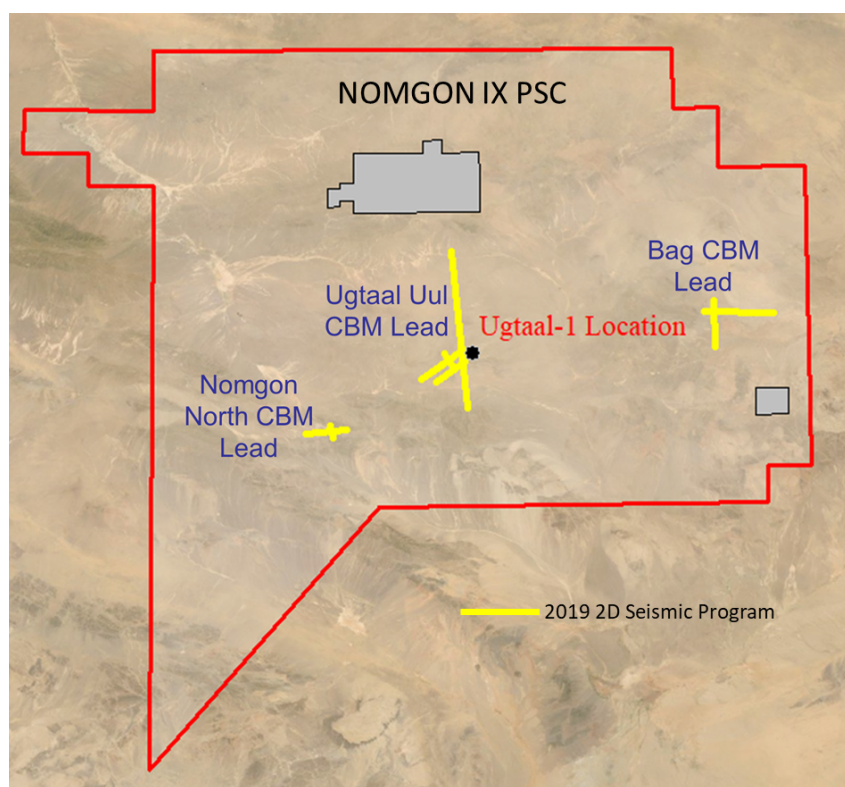
The drilling crew is currently taking a short break and the contractor is procuring some local Government permits for the next well(s). The results of all three wells drilled in the Ughtaal sub-region of the PSC will be fully analyzed and integrated in the New Year.

Locations for one or more new wells in a different region of the PSC are currently being finalised and a rig will be mobilized thereafter. First spud should be in around two weeks. The next wells will be in one or potentially two of the other areas foreshadowed in our announcement of 16th September (per map below).

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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 km² PSC was executed in September 2018 and has a 10+ year exploration period.



Seismic supported well locations

Elixir's Managing Director, Mr Neil Young, said: *"The drilling crew have been working at the Ugtaal region for around 2 months and it is time for them to take a well-earned break for a couple of weeks. We look forward to the continuation of our initial exploration program shortly – including integrating the full results from the Ugtaal region wells in the New Year."*

For further enquiries, please contact:

Neil Young - Managing Director
Elixir Energy Ltd (ABN 51 108 230 995)
Level 10, 50 Pirie Street
Adelaide SA 5000, Australia

For further information on Elixir Energy, please call us on +61 (8) 7079 5610, visit the Company's website at www.elixirenergy.net.au or follow us on Twitter