



Annual General Meeting  
Managing Director's  
Presentation

18 September 2020

ASX:EXR





1.

# The Company

# Company Overview

- Elixir is solely focused on the 100% owned Nomgon IX Coal Bed Methane (CBM\*) Production Sharing Contract (PSC) project in the South Gobi region of Mongolia
- Highly experienced CSG team – in Australia and increasingly in Mongolia
- Building upon Mongolia's first CSG discovery announced in February
- Appraisal and exploration program progressing well
- Multiple market options, including the rapidly growing Chinese gas market

\* Coal Seam Gas – CSG – is usually referred to as CBM outside Australia



## Capital Structure

## Current

No of Shares	<b>693M</b>
Listed Options (ex 6.79c by 31.12.20)	<b>112M</b>
Performance Shares & Options	<b>28M</b>
Market Capitalisation (at 14c)	<b>\$97M</b>
Cash (at 30 <sup>th</sup> June)	<b>\$3.3M</b>
Enterprise Value	<b>\$94M</b>

# Board of Directors

Highly experienced CSG team



**Richard Cottee**

Non-Executive Chairman

Former Managing Director of CSG focused Queensland Gas Corporation (QGC), taking it from market cap of \$20M to \$5.7B  
Other former CEO positions include CS Energy, NRG Europe & Central Petroleum



**Neil Young**

Managing Director

Former Business Development Manager at Santos, where he helped build Santos' CSG business  
Has worked in Mongolia since 2011



**Stephen Kelemen**

Non-Executive Director

Extensive technical and commercial career at Santos, including managing its CSG business  
Current Non Executive Director at CSG focused Galilee Energy (GLL)





2.

## Location and Potential



# Located on Chinese Border

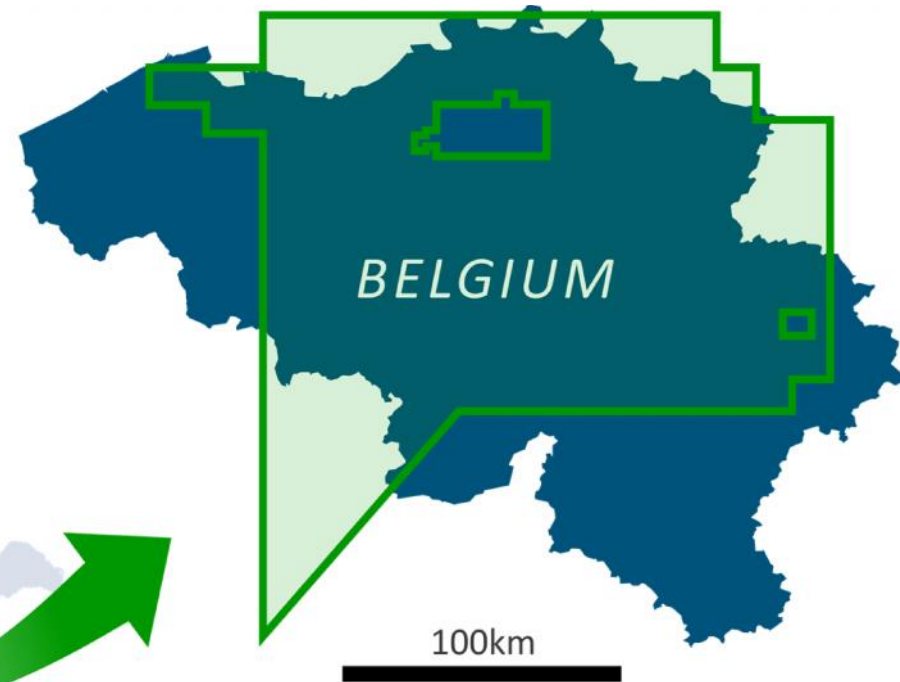


# Very Large PSC Area

Elixir's PSC in Mongolia covers a vast area comprising approximately

**30,000km<sup>2</sup>**

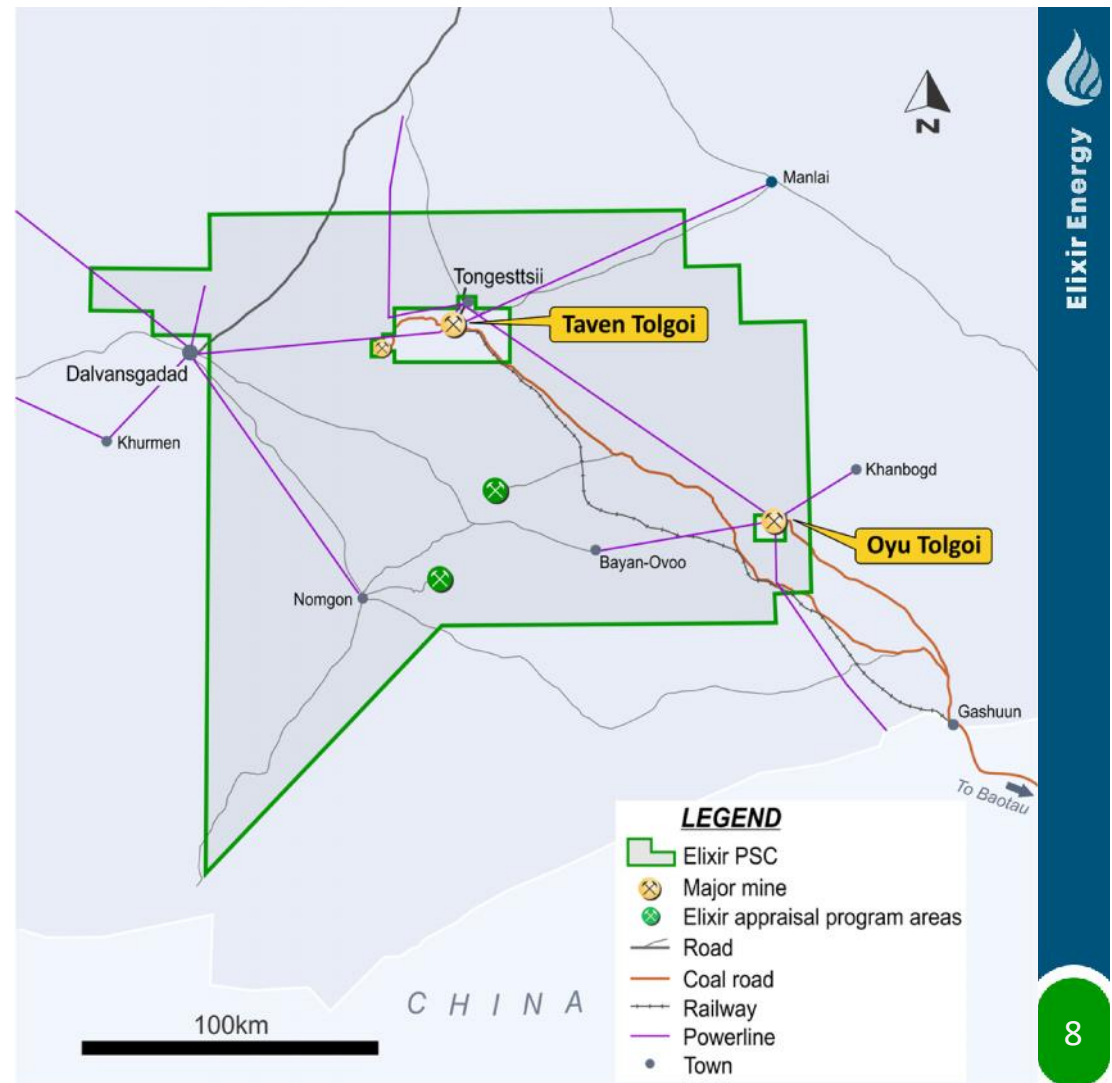
- equivalent to the size of Belgium



# Developed Area

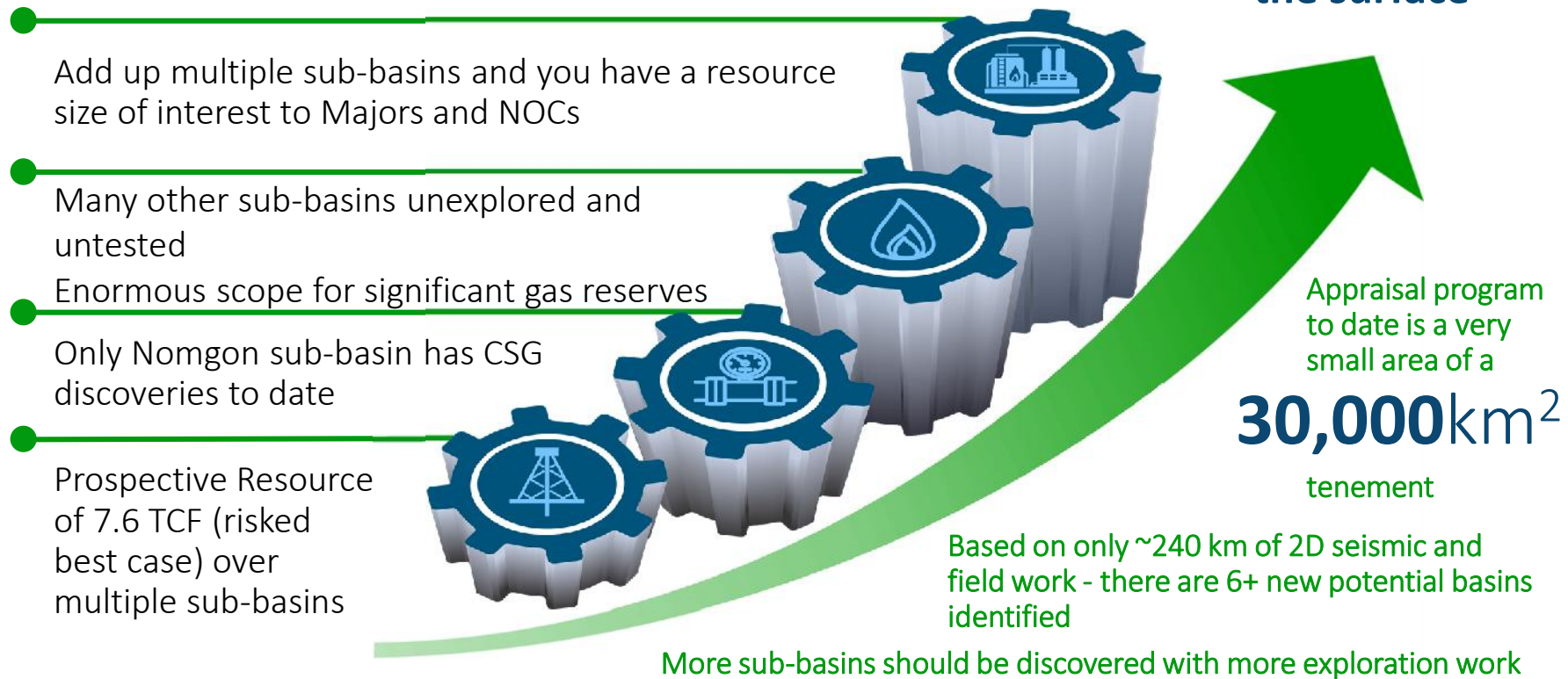
## Well Located:

- On the Mongolian Chinese border
- Around 400 km North of China's main gas transmission grid
- Roads (sealed road from Ulaanbaatar through the PSC & into China)
- Thousands of trucks shipping coal
- Mines – Tavan Tolgoi, Oyu Tolgoi
- Service sector support in local towns
- Planned railway
- Electricity grid connections – to Mongolia - and China - of large capacity
- Planned pipeline from Russia via Mongolia to China – Gazprom's Power of Siberia 2





# Large Resource Potential



# Exploration and Appraisal program

1.



## Discovery

First drilling program discovered CSG in Nomgon sub-basin  
Appraisal program in 2020 highly successful to date

2.



## Exploration

Second exploration drilling program, stepping away from Nomgon sub-basin, begins soon – multiple targets

3.



## Resource

Many more exploration drilling campaigns can be conducted to fully explore PSC and expand the resources to their massive potential

# Mongolian CSG Playbook

1.



Gravity and regional mapping guide to potential coal bearing depocentres

2.



Detailed field mapping leads to coal outcrops and seismic acquisition

3.



Coal outcrop and seismic anomalies generate CSG exploration prospects

4.



Nomgon was discovered downdip of coal outcrops

5.

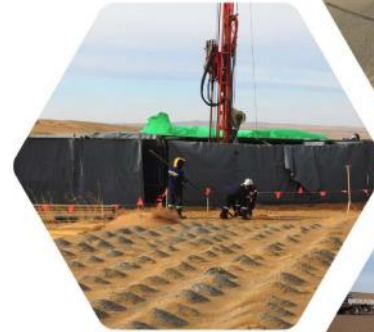


At least 10 more prospects in 6 sub-basins being matured for drilling based on the playbook



# Operate all year round

- Strong local management & experienced local contractors in place. Track record of procuring all required permits
- Online supervision from Australia successfully implemented, with resident expats available as required
- No import of equipment required
- Ability to operate 365 days a year - not wet, no real snow, low population density, no rivers







3.

# The Project

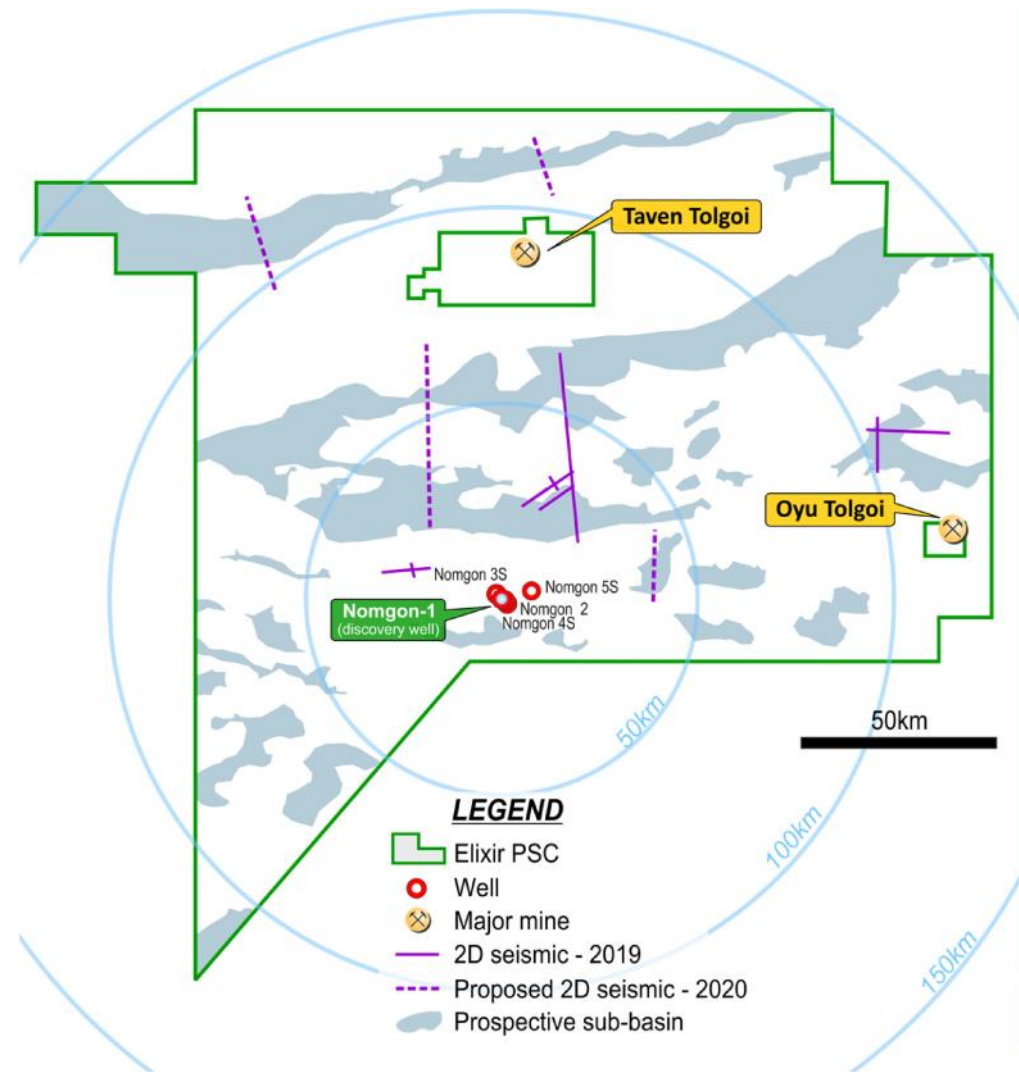




# Nomgon Project

## Nomgon-1 core-hole delivered a CSG discovery

- Net coal intersected of 71 metres
- Thickest coal seam (series 100 seam) package of ~50m, with net coals of 37m
- Average raw gas content of main seam measured at  $>5\text{m}^3/\text{tonne}$  and on DAF basis at  $\sim 9\text{m}^3/\text{tonne}$
- Tests from Nomgon-1 indicate main seam is fully gas saturated
- Nomgon-2 IFOT 4 delivered world class permeability of 91.5mD
- Appraisal program to date covers only a very small area of prospective ground



# Technical

Some observations made during program to date

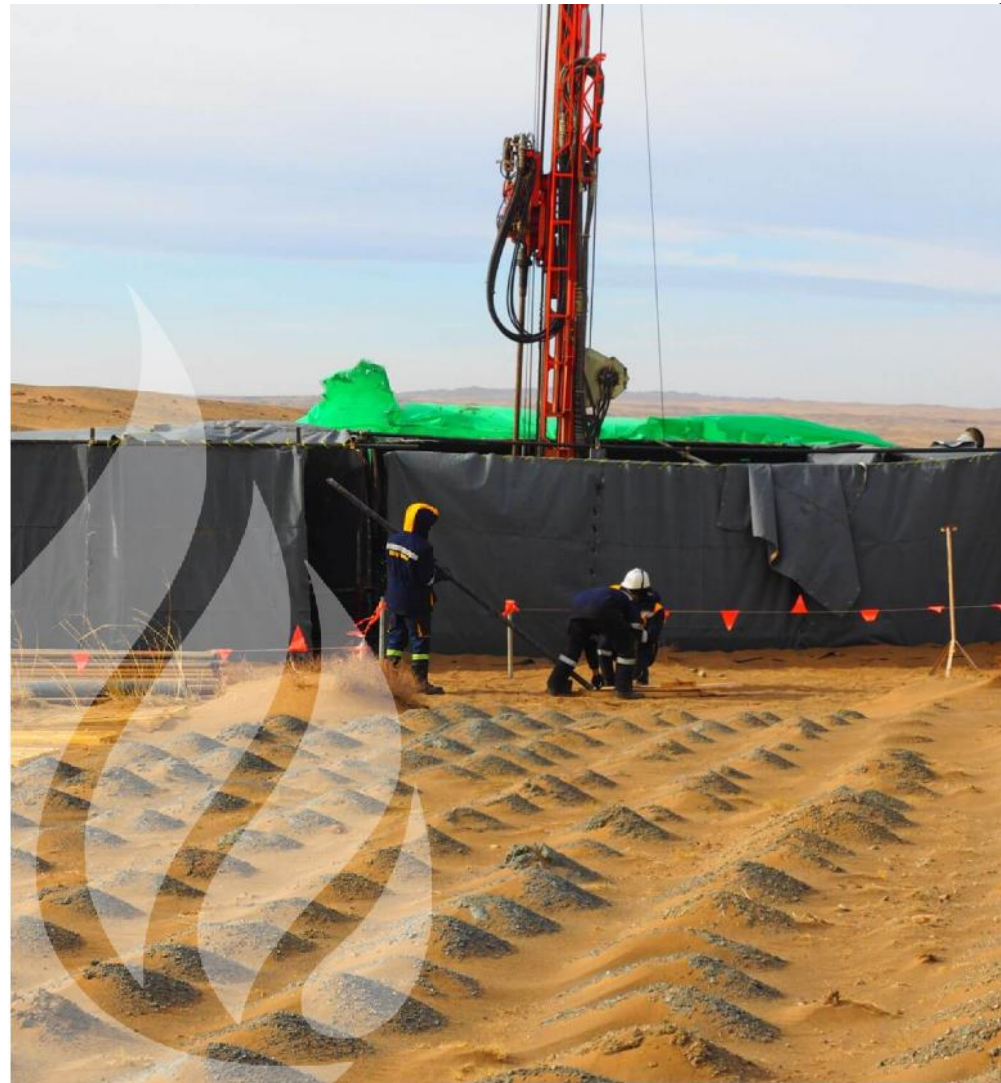


1. Coals can be much thicker than in Australia – more energy dense per  $\text{km}^2$  – leading to likely lower cost per GJ produced
2. Gas saturated coal seams mean lower cost of water handling in pilot and production stages
3. Very low cost of drilling and market focused location more than offset geological complexity
4. Permeability has been variable to date – but very highly permeable sections have already been found



# Work Programs

- **Numerous** independent basins
- Easy terrain for pipelines could readily **link up** sub-basins
- **Continuous** process
- **Exploration** is very **low cost** for oil and gas
- **Access is easy** in global terms – not wet, no real snow, low population density, no rivers
- Elixir employs a high quality **local** team and increasingly **experienced** sub-contractors



4.

## The Opportunity & Markets

# Gas Markets

## BP 2020 Annual Energy Outlook

## China

*“The outlook for **gas** is more **resilient** than either coal or oil”*

*“The global demand for gas...recovers from the near term dip associated with COVID-19 and **grows relatively robustly** over the next 15 years or so, driven primarily by economies in **developing Asia**”*

*“**China** remains the world’s largest primary energy consumer....Production of natural gas **greatly increases** in China.”*



*“China is the **world’s most important** gas market” Wood Mackenzie 5 August 2020*

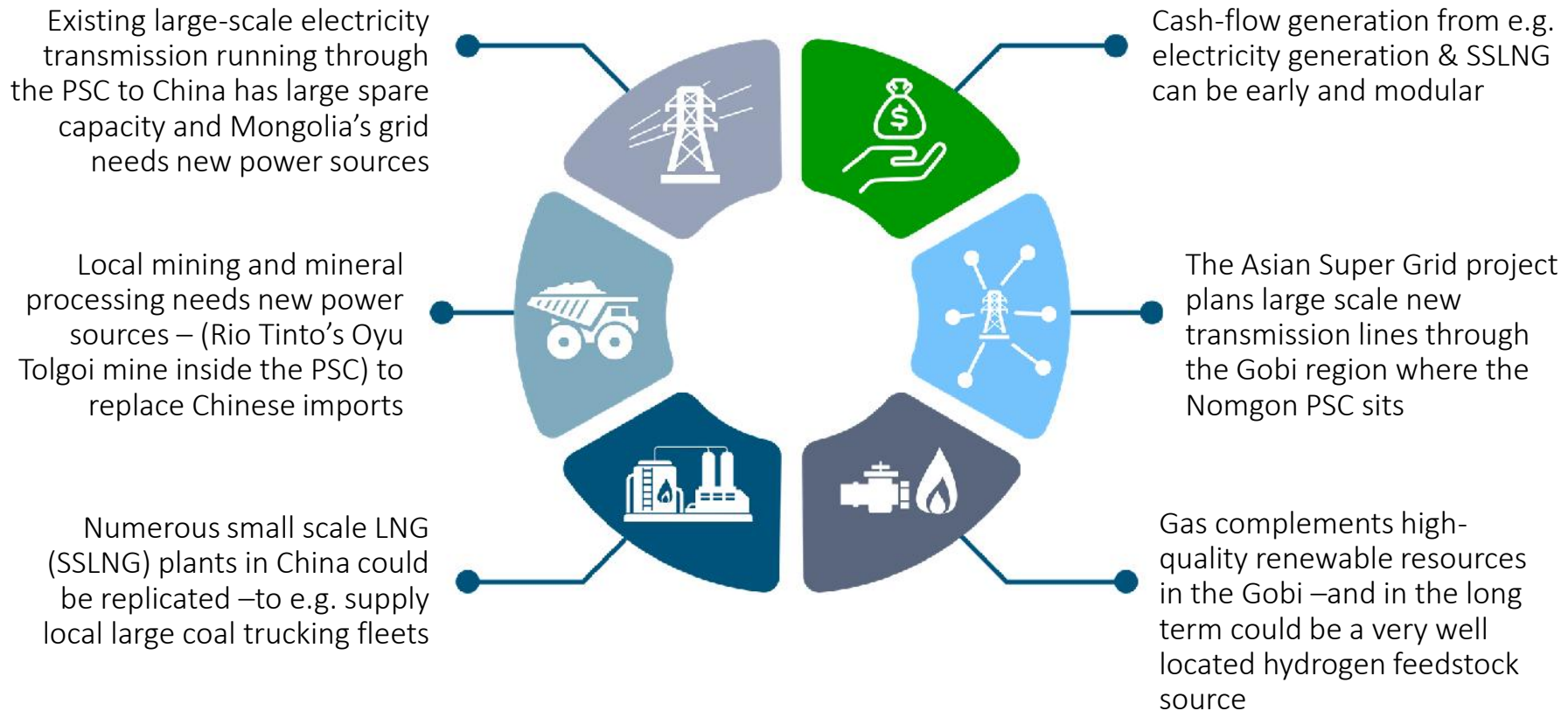
Mongolian CSG expected to be **highly cost competitive** compared to alternative sources of gas for China

- China strongly values **diversity** and **security** of supply
- Potential new **Russian pipeline** through Mongolia should be accessible for local gas





# Multiple Market Opportunities



# Investment Highlights



Elixir delivers on strategy with first CSG discovery made in Mongolia this year



Rapid follow up with 2020 appraisal and exploration program



100% ownership position maximizes optionality in multiple ways



Low cost, safe and experienced Operator – with deep CSG expertise from Australia being transmitted to Mongolia



Multiple market channels, both local and export. Locational advantages reinforced by geo-politics



Gas symbiotic with high quality renewable resources increasingly demanded in Asia



# Important Notice & Disclaimer

This document has been prepared by Elixir Energy Limited (ABN 51 108 230 995) ("Elixir") in connection with providing an overview of its business to interested analysts/investors.

This presentation is being provided for the sole purpose of providing preliminary background financial and other information to enable recipients to review the business activities of Elixir. This presentation is thus by its nature limited in scope and is not intended to provide all available information regarding Elixir. This presentation is not intended as an offer, invitation, solicitation, or recommendation with respect to the purchase or sale of any securities. This presentation should not be relied upon as a representation of any matter that a potential investor should consider in evaluating Elixir.

Elixir and its affiliates, subsidiaries, directors, agents, officers, advisers or employees do not make any representation or warranty, express or implied, as to or endorsement of, the accuracy or completeness of any information, statements, representations or forecasts contained in this presentation, and they do not accept any liability or responsibility for any statement made in, or omitted from, this presentation. No responsibility or liability is accepted and any and all responsibility and liability is expressly disclaimed by Elixir and its affiliates, subsidiaries, directors, agents, officers, advisers and employees for any errors, misstatements, misrepresentations in or omissions from this presentation. Elixir accepts no obligation to correct or update anything in this presentation.

Any statements, estimates, forecasts or projections with respect to the future performance of Elixir and/or its subsidiaries contained in this presentation are based on subjective assumptions made by Elixir's management and about circumstances and events that have not yet taken place. Such statements, estimates, forecasts and projections involve significant elements of subjective judgement and analysis which, whilst reasonably formulated, cannot be guaranteed to occur. Accordingly, no representations are made by Elixir or its affiliates, subsidiaries, directors, officers, agents, advisers or employees as to the accuracy of such information; such statements, estimates, forecasts and projections should not be relied upon as indicative of future value or as a guarantee of value or future results; and there can be no assurance that the projected results will be achieved.

Prospective investors should make their own independent evaluation of an investment in Elixir.

Nothing in this presentation should be construed as financial product advice, whether personal or general, for the purposes of section 766B of the Corporations Act 2001 (Cth). This presentation consists purely of factual information and does not involve or imply a recommendation or a statement of opinion in respect of whether to buy, sell or hold a financial product. This presentation does not take into account the objectives, financial situation or needs of any person, and independent personal advice should be obtained.

Information contained in this report with respect to the potential of the Mongolia PSC area was compiled by Elixir based on independent reports and was reviewed by Mr Greg Channon, technical adviser to Elixir who has had more than 30 years' experience in the practice of petroleum geology. At this time, Elixir and Mr Channon make no representations or forecasts with respect to the potential prospective resources that may be associated with the Mongolian PSC area.

This presentation and its contents may not be reproduced without the express written permission of Elixir. All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated.





## INVESTORS & MEDIA

---

### **Neil Young**

Managing Director

[info@elixirenergy.net.au](mailto:info@elixirenergy.net.au)

Phone +61 8 7079 5610

[www.elixirenergy.net.au](http://www.elixirenergy.net.au)

An aerial photograph of an oil or gas field in a desert landscape. The field includes several industrial buildings, a drilling rig, and a large storage tank. A large, semi-transparent blue flame graphic is overlaid on the right side of the image, extending from the top right towards the bottom right. The text "www.elixirenergy.net.au" is written in white at the bottom of the image.

[www.elixirenergy.net.au](http://www.elixirenergy.net.au)