

9 December 2019

UGTAAL-1 REACHES TOTAL DEPTH

HIGHLIGHTS

-) The Ugtaal-1 core-hole well has reached total depth of 752 metres
-) Net coal in the well is estimated at 43 metres
-) The BO-CH-2 well has now entered the Permian section and encountered its first coals
-) Initial multi-well program on track in only one small part of the Nomgon CBM PSC

Elixir Energy Limited (“Elixir” or the “Company”) today announces that the Ugtaal-1 core-hole reached total depth (TD) yesterday at 752 metres.

TD was deeper than previously planned as the Permian section proved to be thicker than prognosed, with a total of 470 metres intersected (basement was not reached and TD was called largely due to the plan to move on to the next stage of the program).

The well-side geologists have noted total net coal intersected of 43 metres. Wireline logs will be run in the next few days to confirm this.

Gas recovered from the cores appears to be predominantly methane, although final gas composition analysis will follow in due course.

Coring has been successful, averaging 99% recovery. Coal cores are being desorbed in the well-site laboratory to determine gas content. Data from this process will progressively become available and feed into the resource estimation process for the local area in the coming months.

Permeability testing will follow in the next few weeks and will also be a key input into this process.

The BO-CH-2 well is drilling ahead, having reached a depth of 770 metres as of yesterday morning. The well has just entered the Permian section and the first coals have been encountered.

Additional core drilling will be undertaken in the BO-CH-2 well with the aim of recovering coal cores and commencing the testing thereof. Thereafter, the same process is planned to be replicated at the BO-CH-1 well, subject to hole conditions.

A location for an additional exploration orientated stratigraphic chip-hole in a new region of the PSC is being finalized.

ASX CODE: EXR

www.elixirenergy.net.au

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.



Drilling in the South Gobi region

Elixir's Managing Director, Mr Neil Young, said: *"I recently visited our Company's drilling team in the South Gobi and was impressed by their professionalism and high morale in what we would in Australia consider very cold conditions. The Ugtaal-1 well reaching TD is a milestone for the company's maiden Mongolian CSG drilling program in our vast PSC, but there is plenty more to come."*

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