



23 November 2020

OPERATIONS UPDATE – GASSY COALS INTERSECTED IN NEW SUB-BASIN

HIGHLIGHTS

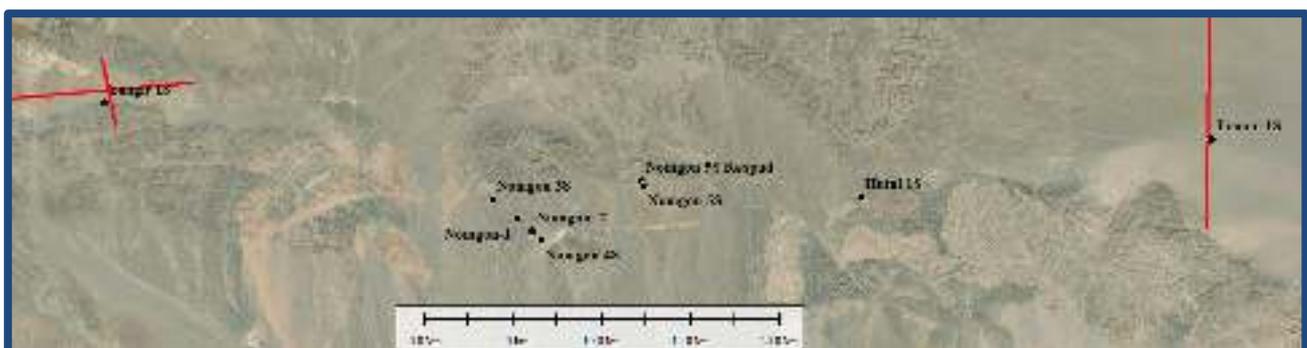
- Yangir 1S well intersects 27 metres of gassy coals in a new sub-basin
- Hutul 1S intersects 6 metres of coal in possible far East extension of Nomgon sub-basin
- Final well due for 2021 could be pushed out due to COVID restrictions

Elixir Energy Limited (“Elixir” or the “Company”) is pleased to provide an update on operations in its 100% owned Nomgon IX CBM PSC.

The Yangir 1S strat-hole well (see map below) is currently being drilled in a new sub-basin located some 24 kilometres to the West North West of Nomgon-1. To date 27 metres of coal have been intersected. As of Saturday morning, the well was at 347 metres.

The Company’s well site geologist has observed very active gas bubbling from coals recovered to surface and in the mud-pit. This is considered unusual and is highly promising in coals that were at a relatively shallow depth of 260 metres. This may extend upwards the Company’s overall view on the potential CBM “window” in the PSC.

Elixir will now follow up with an appraisal program in the Yangir sub-basin next year, likely commencing with a fully desorbed and tested core-hole.



ASX ANNOUNCEMENT

The Hutul 1S strat-hole well (located 19 kilometres to the East of Nomgon-1) was drilled to test the eastern-most extension of the Nomgon sub-basin. It reached a total depth of 560 metres and intersected 6 metres of coal. Further tests and analysis is required to determine if this is a basinal extension from Nomgon or a new depocentre, but on the face of the facts available at present this is a promising find.

Elixir's drilling program in 2020 has now delivered seven wells that successfully intersected material coals over a total West to East distance of 43 kilometres.

COVID prevention measures in Mongolia have recently been escalated following instances of community transmission for the first time in the country. At this stage the situation is somewhat fluid but it seems likely that the Company's planned final strat-hole for 2020 will be delayed.

Elixir's Managing Director, Mr Neil Young, said: *"Elixir's Vision is to discover material quantities of gas just North of the Chinese border. Our strategy to achieve this is to utilize low cost exploration and appraisal tools in potential multiple CBM bearing sub-basins in our vast PSC. In the course of 2020 alone we have now identified two such sub-basins and made material progress in appraising one of these. We look forward to continue to implement this successful 'rinse and repeat' process in the years ahead."*

By authority of the Board:

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