



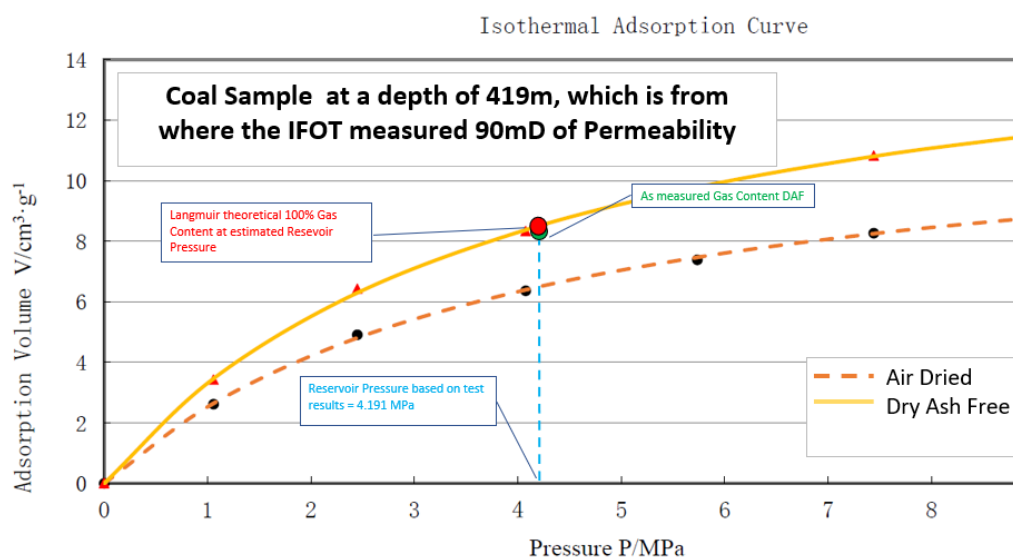
3 December 2020

OPERATIONS UPDATE**HIGHLIGHTS**

- Adsorption results from Nomgon-2 indicate fully gas saturated coals
- Yangir 1S strat-hole well terminated at ~347 metres due to COVID restrictions
- COVID related donations of masks and sanitisers to be made to local communities

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

Adsorption laboratory results from the Nomgon 2 core-hole well have now been provided to the Company from a SGS laboratory in Beijing (COVID related restrictions led to some months of delay compared to normal processes in delivering samples to the lab – some final results are still to follow). Consistent with the Nomgon-1 well, the results indicate the lower 100 series coals at Nomgon 2 are fully gas saturated. This should greatly reduce the cost and other issues associated with water handling in future testing and production phases.



ASX ANNOUNCEMENT

The Yangir 1S strat-hole well has been terminated at just over 347 metres and the site has now been remediated. The drilling of the well suffered from various mechanical problems which, despite a number of different efforts, could not be remedied due to recent COVID related restrictions imposed on the movement of equipment and people in Mongolia.



Yangir 1S in the Gobi night

Until recently, Mongolia had been very effective in effectively keeping COVID out of the country. However, in the last few weeks community transmission has been occurring and in response the authorities have imposed strong counter-measures such as lock-downs and internal travel restrictions. Elixir has therefore decided to wrap up its operations for 2020.

Elixir anticipates commencing its 2021 program in or around February with the drilling of a fully tested core-hole to follow up on the highly promising Yangir 1S strat-hole. Some gas samples were obtained from the bubbling cores extracted in the Yangir well and these will be tested for gas composition shortly (gas content cannot be accurately measured given the absence of an on-site laboratory for what was only a low cost strat-hole).

As part of its ongoing investment in building strong local community relations, Elixir has purchased 30,000 masks and 600 bottles of hand sanitizer for donation to the local authorities in the region of its PSC. These will be delivered as soon as a change in current travel restrictions permit.





ASX ANNOUNCEMENT

The Company has recently submitted its formal budget and plan for 2021 to the Mineral Resources and Petroleum Authority of Mongolia (MRPAM), as part of an annual regulatory process required under the terms of the Nomgon IX PSC, which will also involve procuring subsequent environmental approvals from the relevant Ministry.

Elixir's Managing Director, Mr Neil Young, said: *"The consistent adsorption result from Nomgon-2 indicates that the earlier high gas saturation levels from Nomgon-1 were not a one-off and this is already feeding into our production testing plans for next year. COVID has been a universal factor for all of us in 2020 and although Elixir (and Mongolia) has generally been impacted much less than others, shutting in our operations for a month or so in the midst of the Mongolian winter is ultimately a prudent move. All 7 wells drilled this year intersected coal and we are already advancing the processes and plans required to hit the ground running in the New Year. Our planned technical program for 2021 will greatly expand upon 2020's excellent work."*

By authority of the Board:

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