



**Elixir Energy**

**ASX ANNOUNCEMENT**

**ASX : EXR**

28 April 2021

## **OPERATIONS UPDATE**

### **HIGHLIGHTS**

- Temee-1S exploration well completed – determined to be beyond Eastern limit of sub-basin
- Next well in the new ~30 well program is planned to be Cracker-1S in North-West of PSC
- Current seismic program already identifies possible new coal bearing sub-basin
- COVID outbreak in Mongolia being aggressively managed by the Government

Elixir Energy Limited (“Elixir” or the “Company”) is pleased to provide an operations update on the current exploration/appraisal program underway across its 100% owned Nomgon IX Coal Bed Methane (CBM) Production Sharing Contract (PSC).

Following the recent positive results from the Yangir-2 appraisal core-hole, the first exploration strat-hole in Elixir’s 2021 drilling plans, Temee-1S, has now been completed. The well was situated some 40 kilometres East of the Nomgon CBM discovery and 20 kilometers East of the previous most Easterly well, Hutul-1S. The well hit total depth higher than prognosed in basement, and did not intersect coal. The Temee-1S well was the Company’s furthest step-out well so far and its result therefore serves to define the Eastern limit of coal in one of the proven CBM discovery depo-centres.

This is the second well in what is now an accelerated ~30 well current drilling program and invariably some variation in results will arise. To-date 12 wells have been drilled in the Nomgon IX PSC, of which the previous 11 intersected coal. This represents a coal presence success rate of 92% - a very high outcome for an under-explored region.

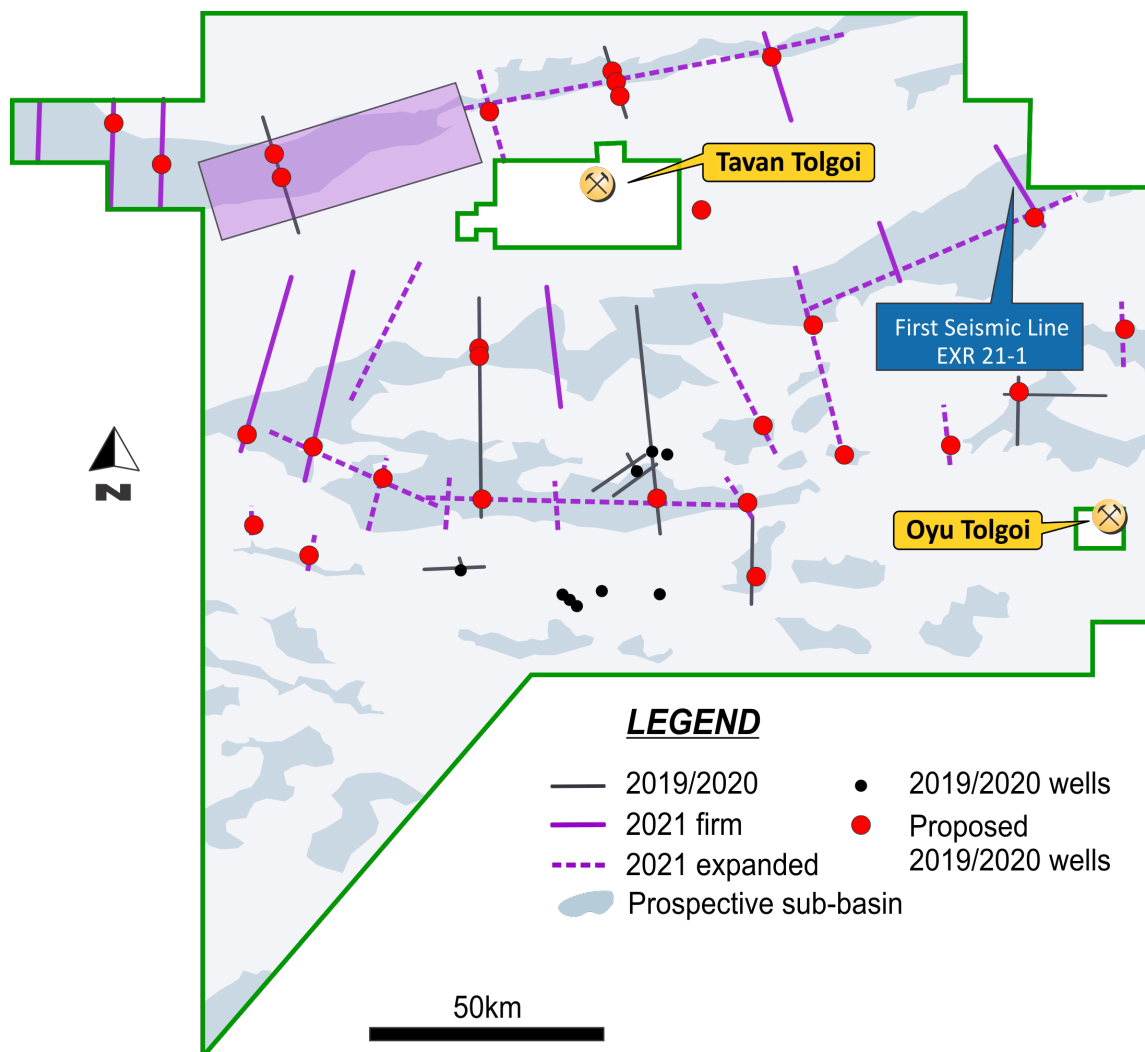
The Company is now planning to move the rig to the well location for the Cracker-1S exploration strat-hole, some 130 kilometres to the North West of Temee 1S, in the to-date unexplored North Western part of the PSC.

In another part of the 30,000 square kilometre PSC, Company is pleased to announce the completion of the first line in its 2021 2D Seismic Program. The line, which was acquired in the far North-East of the block shows “coal-like” reflectors from near surface to ~1,000m.

The line covers a new sub-basin that had not yet been explored in the block. Along trend there is evidence of coal in the CBM depth window in the region East of the PSC area.

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To assist in accelerating the 2021 Drilling Program, arrangements are in place for each seismic line to be processed individually and thus be available for drilling in only ~2 weeks from completion of acquisition.



Mongolia is currently suffering from high per capita rates of COVID-19 community transmission and has adopted increasingly aggressive measures to contain this, including tight lock-downs and movement restrictions. This ever-evolving pandemic context has therefore somewhat delayed the commencement of drilling work by Elixir's second contracted drilling company.

Mongolia has however been fortunate in acquiring vaccines from multiple sources from its Northern, Southern and "third" neighbours (a collective term referring to Western and other countries such as Japan and South Korea). It plans for its entire adult population, in a total population of only around 3 million, to be vaccinated in the next few months. Elixir's field operations are expected to ramp up in parallel with this vaccine roll-out.

Elixir's Managing Director, Mr Neil Young, said: "Our overall success rate from the drilling to date in the PSC has been exceptional, but there is always geological risk in exploration and the accelerated scope of our current plans naturally means there will be the odd "dry-hole" within a ~30 well campaign.



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*The vast size of the licence area is well illustrated in the distances quoted above and it is very exciting to open up potential new sub-basins in a PSC that we have dubbed ‘the size of Belgium’.*

*Cases of COVID-19 transmission are unfortunately high in Mongolia at present, but the country’s ability to vaccinate its population is almost un-rivalled compared to developing nation peers and we are confident that we will be able to accelerate our work program in the months to come.”*

By authority of the Board:

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