



Elixir Energy

ASX ANNOUNCEMENT

ASX : EXR

25 August 2021

OPERATIONS UPDATE

HIGHLIGHTS

- Kingston-3S extends area of coal in Kingston Sub-basin to up to 50km²
- Richcairn-1S exploration well spudded in new potential sub-basin
- Nomgon Central-1 appraisal well drilling ahead
- Initial seismic interpretation has already identified a new drilling target

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).

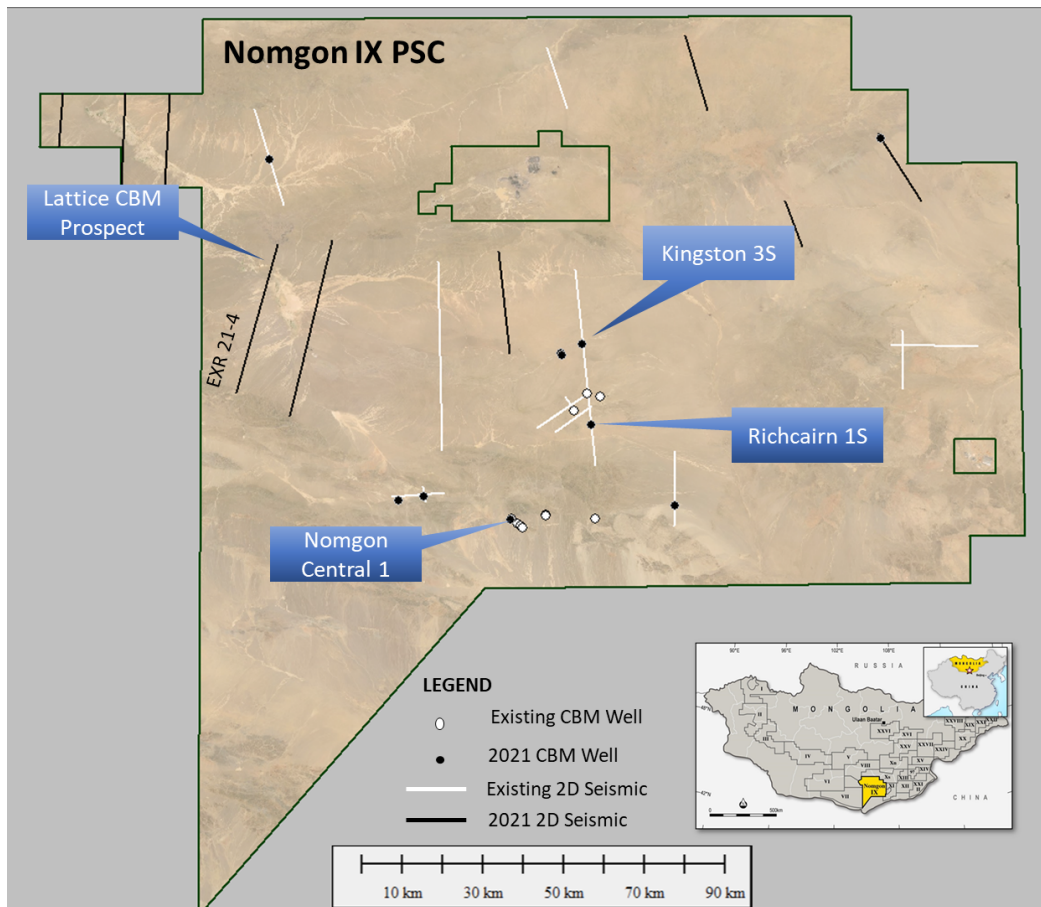
Further to the recent identification of coal seams in the Kingston-1S and Kingston-2S wells, the Kingston-3S well (located some 6 kilometres east of Kingston-2S) has extended the area of discovery in the sub-basin. Kingston-3S was drilled to 800 metres and logged 6.5 metres of coal and 9.5 metres of carbonaceous mudstone.

The Kingston depocentre is now interpreted to be up to 50km² in area based on the drilling and gravity mapping. Further appraisal drilling in Kingston will follow in due course.

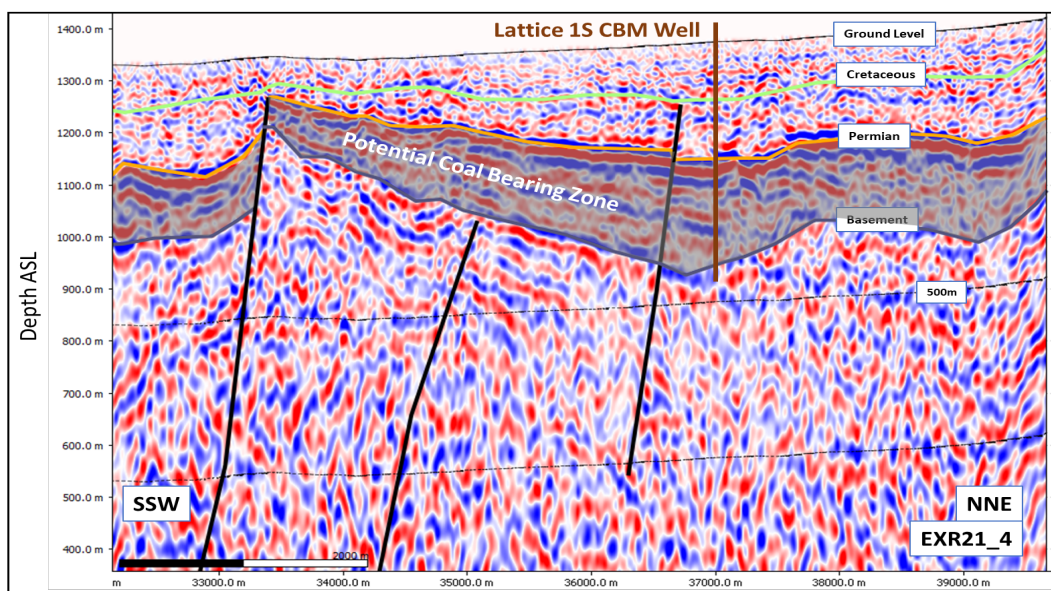
The drilling rig which drilled this well has now moved to a new location – Richcairn-1S (see map below) and spudded a new exploration well.

The foreshadowed new appraisal well in the Nomgon sub-basin, Nomgon Central-1, is currently drilling ahead. This core-hole will measure key CBM characteristics including coal thickness, gas content, permeability, gas composition and gas saturation levels in the central part of the Nomgon CBM Discovery. These parameters will feed into the design of the Company’s upcoming planned production testing program.

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The Company's first stage 2D seismic program for this year acquired 220 kilometres of data (a second stage will commence in coming months and will acquire a further 300 kilometres). This has now been processed and interpretation is underway. A new drilling prospect has been identified from the interpretation process, called Lattice. A strat-well on Lattice is being fast-tracked for potential drilling this year.





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Elixir's Managing Director, Mr Neil Young, said: *"This latest operations update covers the range of activities currently underway in the field in Mongolia. We have extended the size of the Kingston sub-basin, we have commenced exploration at the Richcairn location, our appraisal program at Nomgon designed to underpin our maiden production testing, and last but not least, our seismic program is throwing up new drilling locations. All of these contribute to the systematic building up and de-risking of gas resources across our PSC"*

By authority of the Board:

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