



Elixir Energy

ASX ANNOUNCEMENT

ASX : EXR

31 March 2022

OPERATIONS UPDATE

HIGHLIGHTS

- Tim-1S well discovers new coal-bearing sub-basin
- Tim-2 appraisal well recently spudded
- Two additional drilling sub-contractors signed up

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

Elixir’s first well in its 2022 drilling campaign was the Tim-1S exploration well, targeting the identification of a new sub-basin located just to the South of the Tavan Tolgoi mining complex. The well was drilled to a total depth of 804 metres and logged 16 metres of coal and 30m of silty coal (i.e. in total, coal pay of 46 metres).

The drilling sub-contractor who drilled Tim-1S, Top Diamond Drilling LLC, has now moved its rig to the Tim-2 location, ~200m downdip of the Tim-1 coal intersection. This well will be capable of having coal desorbed and permeability tested.

Tim-1S and Tim-2 were drilled as carry over wells from the PSC’s 2021 Budget. Elixir now has all the formal annual approvals to begin the 2022 program, and has recently re-signed Top Diamond Drilling LLC - and a new drilling sub-contractor, Ellecohr LLC - to drill the Company’s wells in the exploration and appraisal program for this year.

In addition, Elixir is contracting with the local subsidiary of international drilling firm Major Drilling to undertake the drilling and completion of the long term pilot production wells due to be drilled in the middle of the year.

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"Winterized" wellsite at Tim-1

Elixir's exploration plans for 2022 include the acquisition of 322 kilometres of 2D seismic. This program is underway, with 47 kilometres acquired to date.

Elixir's Managing Director, Mr Neil Young, said: *"Naturally we are pleased that our 2022 program has started off with a successful exploration well. As the Mongolian winter turns to spring, we are rapidly expanding our activities in the Nomgon PSC and are pleased to be adding two new drilling sub-contractors to our overall team."*

By authority of the Board:

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