ASX ANNOUNCEMENT

Elixir Energy

11 November 2019

DRILLING UPDATE

Elixir Energy Limited ("Elixir" or the "Company") today provides an update on its 2019 drilling program.

The program's prime aim is the drilling of two fully tested core-holes (with an option for a third), the results of which will feed into a contingent resource assessment in the New Year. The program started with low cost chip-holes with multiple calibration and exploration aims. All wells are being drilled under a turn-key contract such that Elixir is paying on a per metre not per day basis.

As of Sunday 10 November 2019, the status of the drilling program was as set out below.

- The Ugtaal-1 core-hole is due to spud later today. Desorption equipment and expert personnel will be deployed by the end of the week to the well-site. They will be ready once drilling has reached the anticipated coal seams that are planned to be fully evaluated.

- The BO-CH-1 chip-hole reached a total depth of 738 metres. The well has been logged and the rig moved to Ugtaal-1. The various goals of this first exploratory chip-hole have been met, as follows:

    - A coal-prospective Permian section of 490 metres was intersected, which is significantly thicker than anticipated.

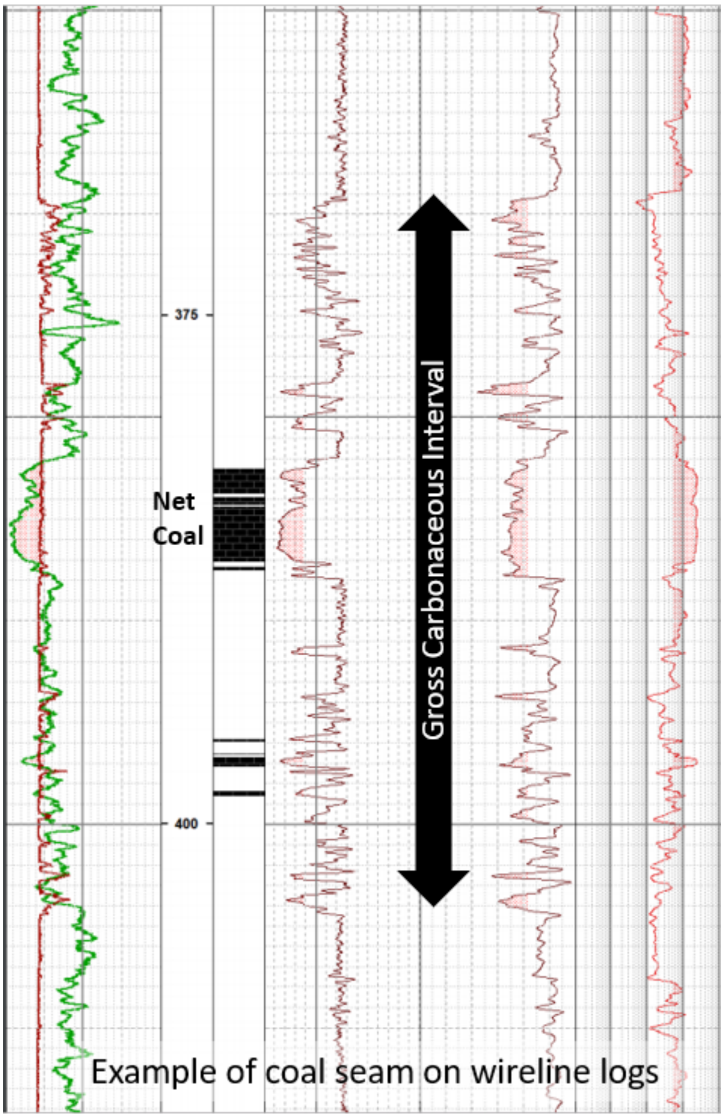
    - Preliminary interpretation indicates a gross carbonaceous section of 30 metres, of which 7 metres is net coal. The thickest coal penetration is 4 metres thick. The greater carbonaceous section will be the subject of petrographical analysis in the coming months. The net coal thickness is in line with expectations at this location.

    - The carbonaceous interval appears to be highly fractured and gas bubbles were noted bubbling from the rock samples, wellbore and mud pit.

    - Seismic has been calibrated and sub-surface data for Elixir's geological modeling obtained.

    - Using chip-holes as a low cost exploration tool that can be used in future exploration programs has been evaluated.

    - The drilling crew has gained considerable experience in operating the rig in the specific local conditions which will be invaluable in drilling the core-holes.



- The BO-CH-2 chip-hole had reached 279 metres as at Sunday morning. It has yet to reach the Permian section. Progress was slow this week due to repairs and winterization of the rig.

Elixir's Managing Director, Mr Neil Young, said: "*We are pleased that the drilling of BO-CH-1 has led to the observation of gas in the system and encountered coal as suggested by seismic. However, the greater long term value of the well is in the multiple use data it has gathered at low cost. The rig used for this well is now spudding the prime objective of our campaign - the Ugtaal-1 core-hole.*"

ASX ANNOUNCEMENT

Elixir Energy

For further enquiries, please contact:

Neil Young - *Managing Director*
Elixir Energy Ltd (ABN 51 108 230 995)
Level 10, 50 Pirie Street
Adelaide SA 5000, Australia

For further information on Elixir Energy, please call us on +61 (8) 7079 5610, visit the Company's website at www.elixirenergy.net.au or follow us on Twitter

Elixir Energy Ltd is a gas exploration company focused on the 100% owned Nomgon IX coal-bed methane (CBM) production sharing contract (PSC) located in the South of Mongolia, proximate to the Chinese border. The 30,000 km^2 PSC was executed in September 2018 and has a 10+ year exploration period.