



ELIXIR ENERGY (ASX:EXR)

StockPal Hot Equities Webinar

https://us02web.zoom.us/webinar/register/8615985855562/WN_SyWo9COqR_SOMzl2rTuqbQ

1 September 2020

Company Overview (ASX:EXR)



Active gas appraisal and exploration program on the Chinese border

- Elixir is solely focused on the 100% owned Nomgon IX Coal Bed Methane (CBM*) Production Sharing Contract (PSC) project in the South Gobi region of Mongolia
- Highly experienced CSG team – in Australia and increasingly in Mongolia
- Building upon Mongolia's first gas discovery announced in February
- Second stage appraisal and exploration program progressing well
- Elixir has overcome COVID-19 related limitations
- Multiple market options, including the rapidly growing Chinese gas market

CAPITAL STRUCTURE	Current (million)
Ordinary Shares	692
Listed Options (ex 6.79c by 31.12.20)	116
Performance Shares & unlisted options	28
Market Capitalisation (at 16c)	\$111M
Pro-forma cash at 30 th June	\$3.3M
Enterprise Value	\$108M



* - Coal Seam Gas – CSG - is generally referred to as CBM outside Australia

Board of Directors

Highly experienced CSG team



Richard Cottee

Non-Executive Chairman

- Former Managing Director of CSG focused Queensland Gas Corporation (QGC), taking it from market cap of \$20M to \$5.7B
- Other former CEO positions include CS Energy, NRG Europe & Central Petroleum



Neil Young

Managing Director

- Former Business Development Manager at Santos, where he helped build Santos' CSG business
- Has worked in Mongolia since 2011



Stephen Kelemen

Non-Executive Director

- Extensive technical and commercial career at Santos, including managing its CSG business
- Current Non Executive Director at CSG focused Galilee Energy (GLL)

Multi-faceted 2020 Program

Field work program well underway

APPRAISAL

G&G

- Analysis (ongoing)
- Field mapping (ongoing)

DRILLING

- 1 core-hole **completed**
- 2 strat-holes **completed**

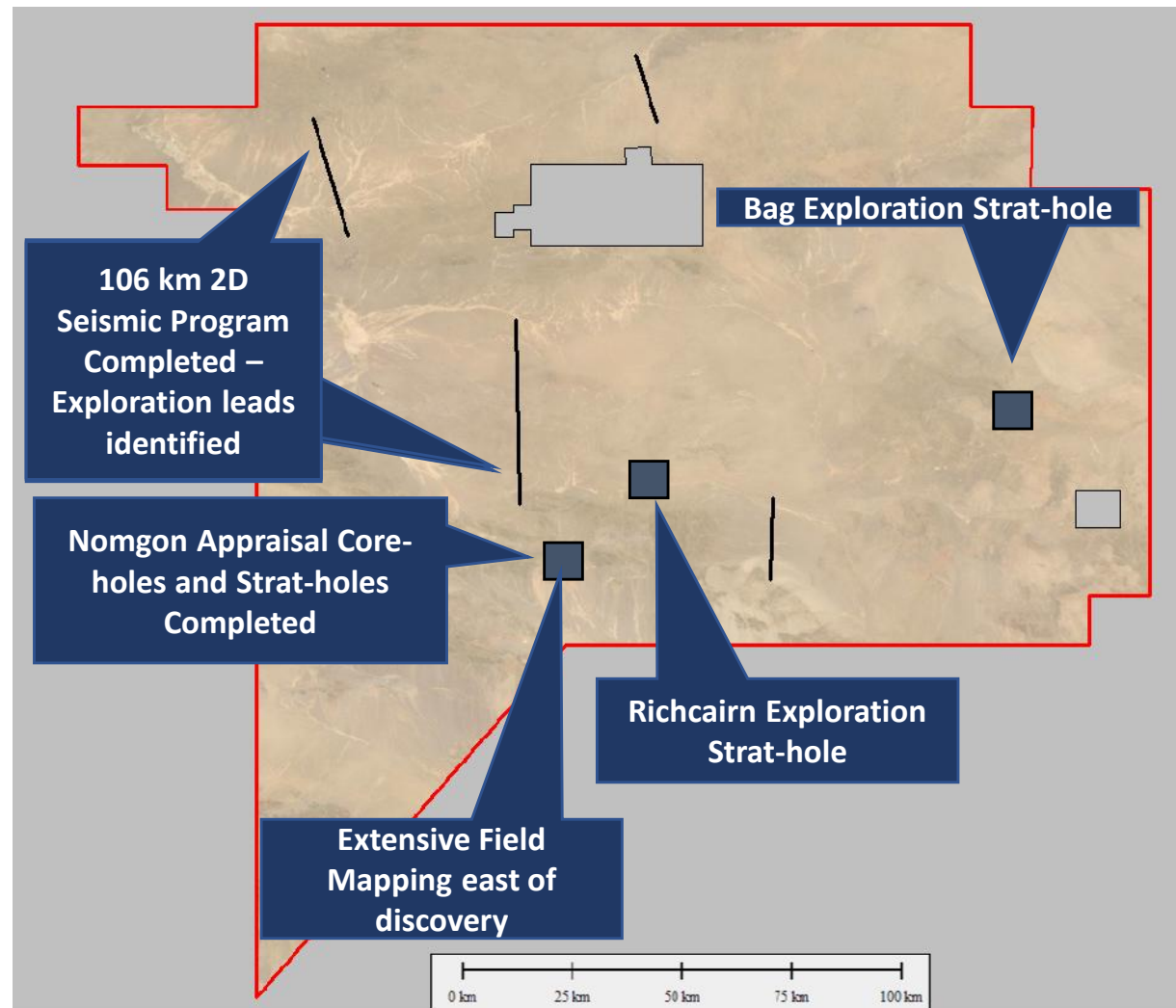
EXPLORATION

SEISMIC

- 106 km 2D **acquired**

DRILLING

- Due to start later this month
- 4 strat-holes planned
- Possible follow up core-hole(s)



Nomgon 1 CSG Discovery

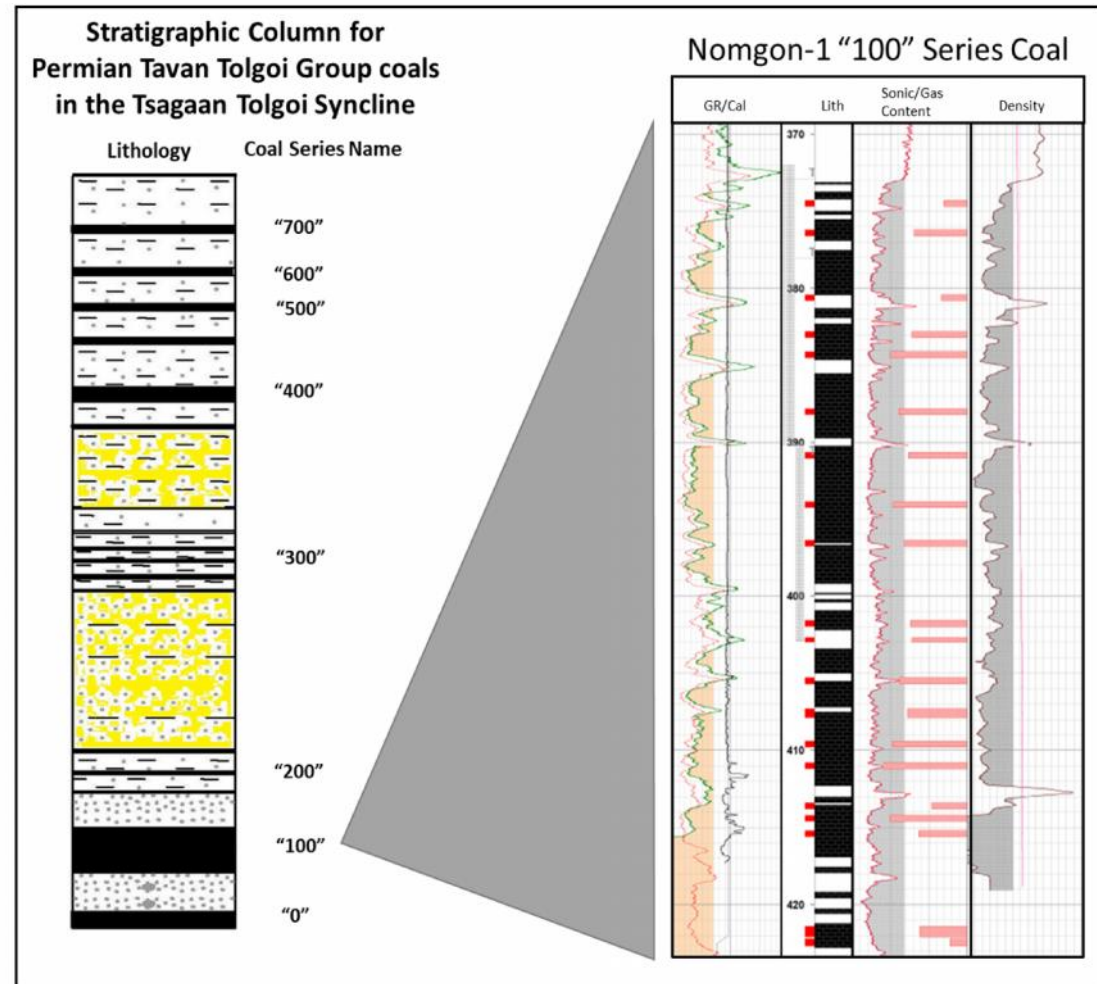
Final gas content and saturation numbers deliver strong result

Nomgon 1 Results¹:

- Net coal thickness: **71m**
(**"100" series coal seam 37m net**)
- Ash Content²: **19%**
- Moisture Content²: **9%**
- Dry Ash Free (DAF) Ave Gas Content²: **8.9 m³/t** for "100" series
- Main seam **fully gas saturated**

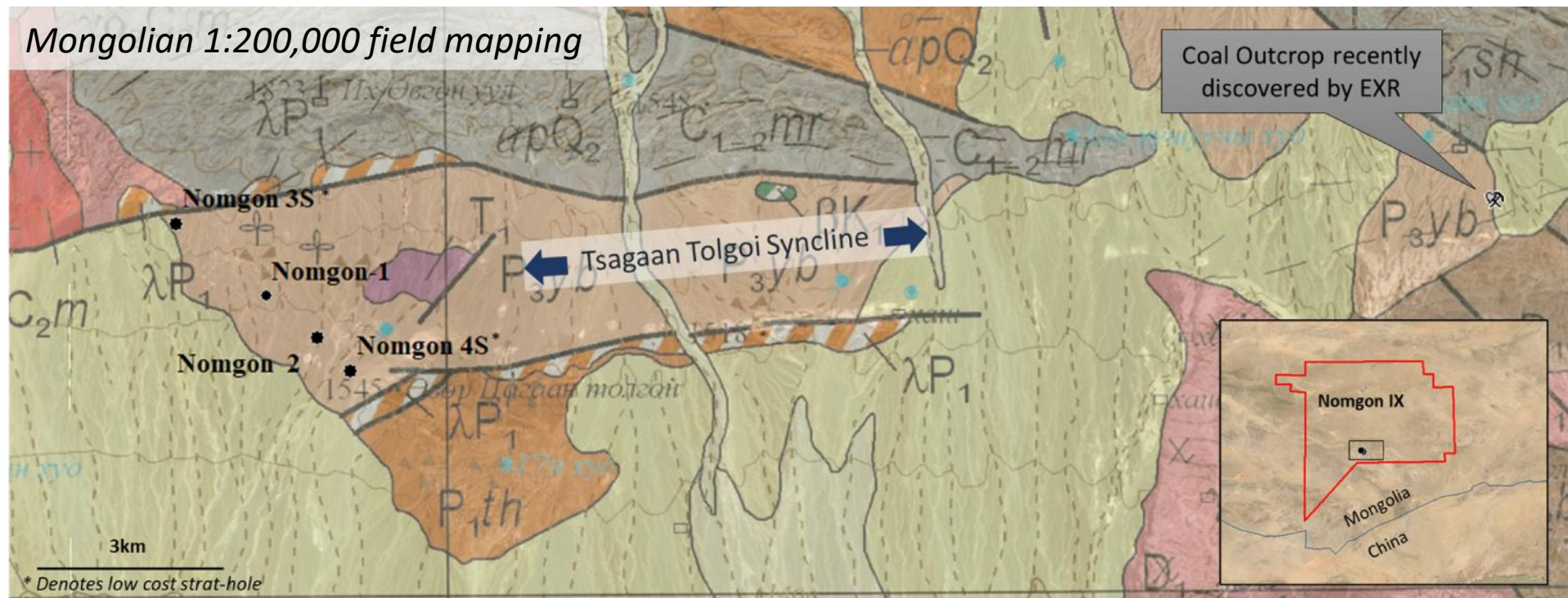
¹ As reported on 26 February 2020

² Proximate analysis undertaken over selected samples, not all samples



Current Appraisal Program Completed

Two coreholes and two strat-holes confirm coal thickness and extent and identify permeable zones



- First appraisal wells focussed on western side of Tsagaan Tolgoi Syncline
- Low cost strat-holes **deliver on objective** of identifying coal stratigraphy at very modest cost
- Recent field mapping **identifies expanded** potential for Nomgon discovery

Significant Data Acquired

New information exceeds expectations and compares favourably with Australian CSG results

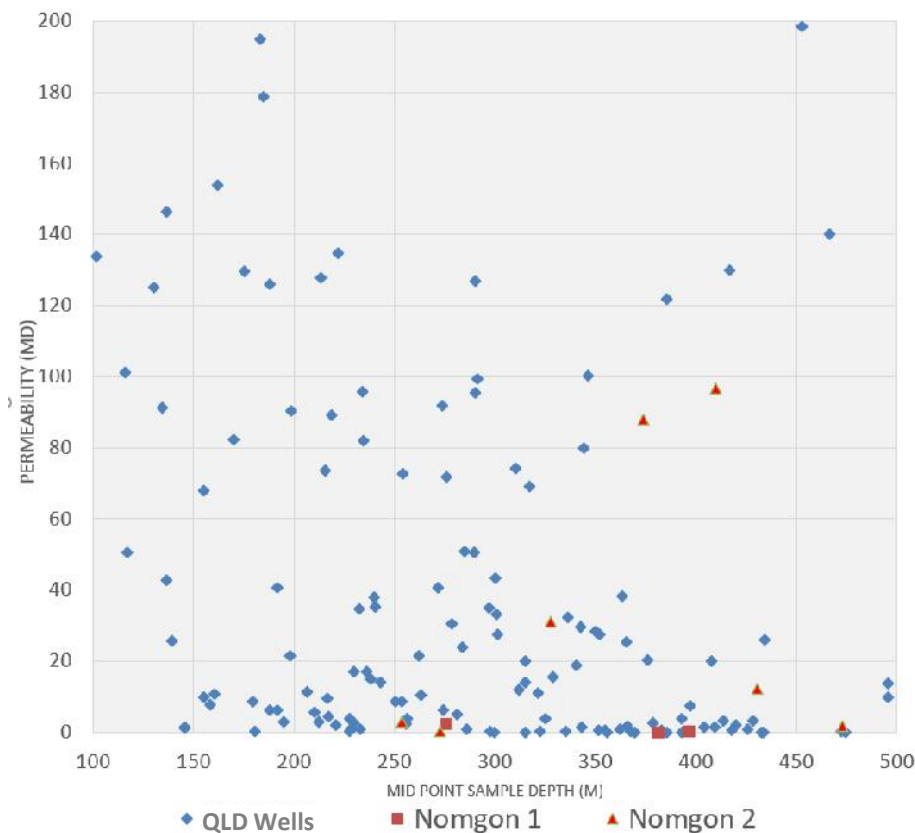
Well Name	Classification	TD (m)	Total Coal (m)	100 Series Coal (m)	Ave Raw Gas Desorption in 100 series coal (m ³ /t)	Ave DAF Gas Desorption in 100 series coal (m ³ /t)	IFOT Tests	KH (mD.m)	K* (mD) <i>*based on coal in interval</i>
Nomgon 1	Corehole	491	71	37	5.3	8.9	3	1.2 to 23.0	0.1 to 2.4
Nomgon 2	Corehole	550	92	51	5.3	TBA	6	19.7 to 640.3	2.1 to 91.5
Nomgon 3S	Strat-hole	644	88	22	-	-	-	-	-
Nomgon 4S	Strat-hole	202	35	27	-	-	-	-	-

- In total 1,887m has been drilled, with **276m** of **coal** mapped in the **4 wells**, with an **average of 71.5m** of coal per well.
- **Raw gas** desorption consistent across the field averaging **5.3 m³/t**
- **IFOT 4** delivered a world class **91.5mD** permeability result during the test

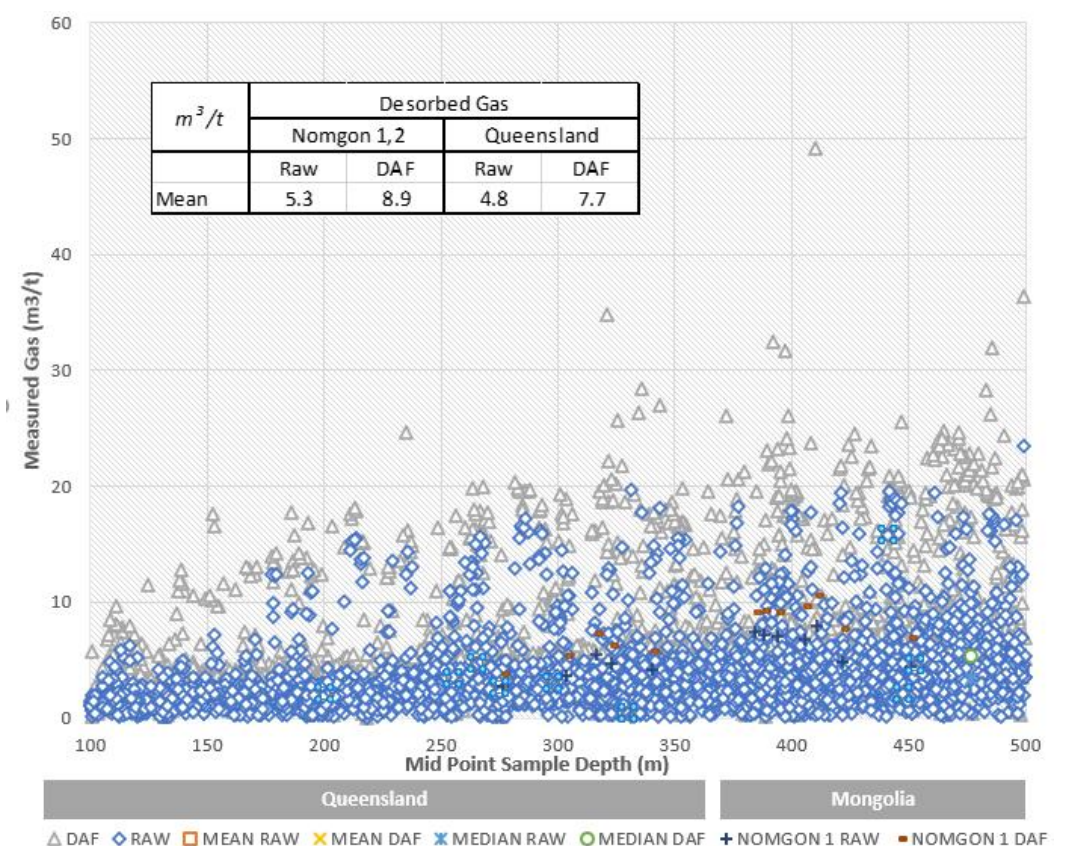
Results in Nomgon IX Compared to QLD CSG Wells

The initial results of the Nomgon Appraisal program compare favourably with published CSG wells¹ drilled in Queensland

Permeability vs Depth



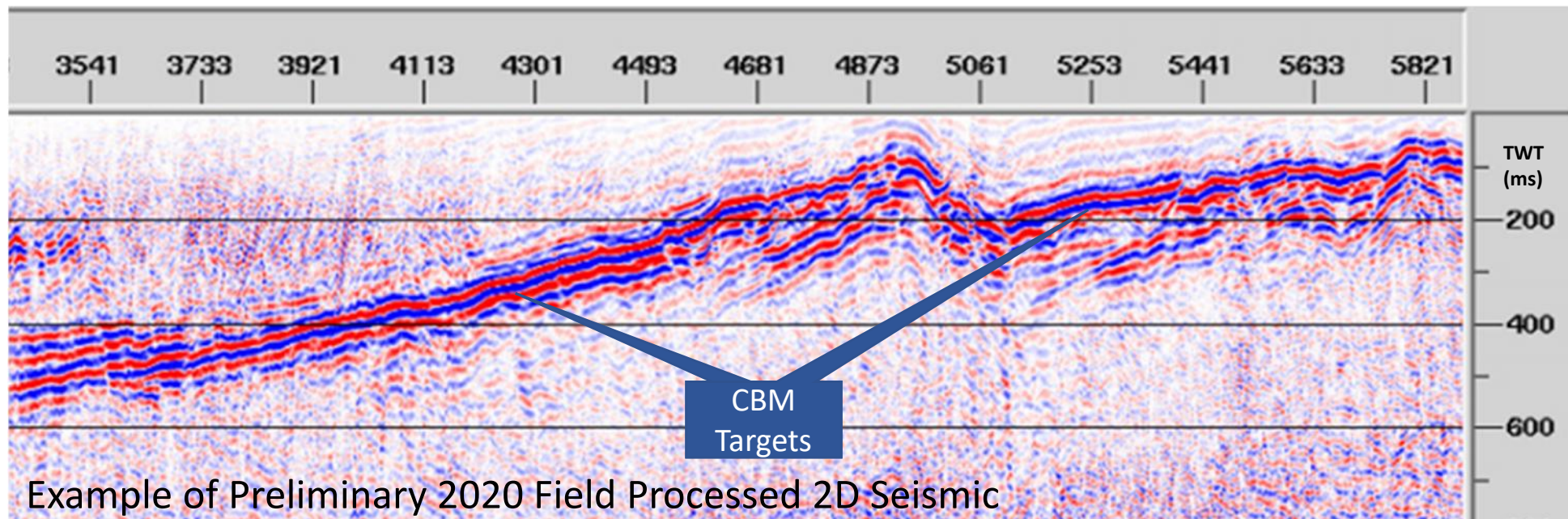
Desorbed Gas vs Depth



1. Source: <http://qldspatial.information.qld.gov.au> & <https://geoscience.data.qld.gov.au/>

Exploration Drilling Program to Commence Shortly

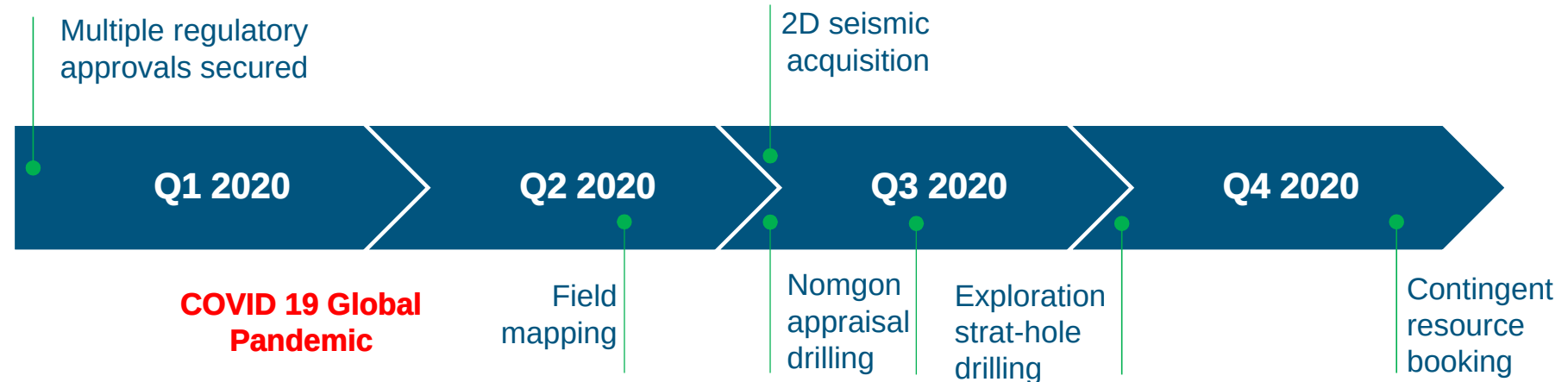
Exploration wells to focus on recent coal outcrop discoveries and 2019/2020 2D seismic program results



- Only a small area of the 30,000km² PSC has been explored to date
- 4 exploration strat-holes planned
- Possible follow up core-hole(s)

Year 2 Program Progressing Well

Meeting objectives of de-risking and expanding exploration targets



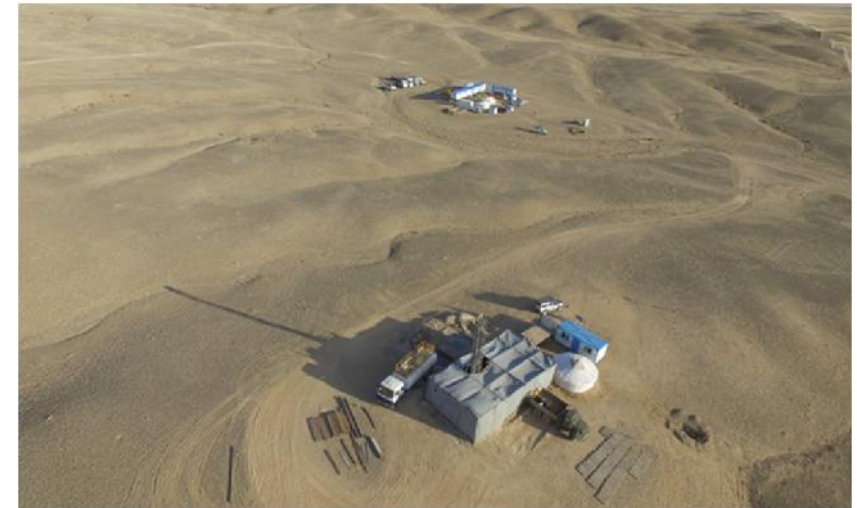
Elixir's Second Year Work Program in Nomgon IX will:

- 1 Appraise the Nomgon-1 CSG Discovery with progressively stepping out wells ✓
- 2 Gather further data for a contingent resource booking in this area ✓
- 3 Acquire new 2D seismic data along prospective trends ✓
- 4 Explore in new sub-basins – drilling on 2019 *and* 2020 seismic
- 5 Build the sub-surface foundations for offtake projects such as small scale LNG
- 6 Create optionality for various types of partnering – above and below ground

Overcoming COVID-19

Elixir is in a rare position to actively explore in the time of the virus

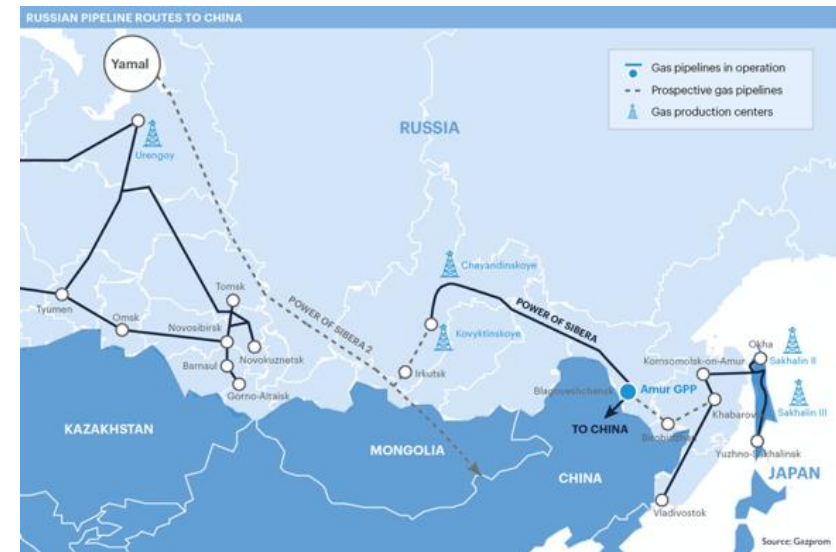
- Mongolia has successfully contained COVID-19 to date with strong border controls
- Overall team of longstanding local management and experienced sub-contractors building upon learnings from first year's program
- Elixir's seismic & drilling contractors have adopted suitable virus management standards for the country
- No imports of equipment required
- Online expertise and management supervision from Australia successfully trialled earlier this year
- Resident expat support as required



COVID-19 & Gas Markets

Gas has long term resilience as an energy commodity

- Gas pricing is increasingly de-linking from weak oil markets. Whilst some suggest oil demand could be peaking, forecasts for gas are much more bullish
- Oil's key markets are transportation related. However, gas meets heating, power & industrial needs, which have proven more resilient and are likely to bounce back early and strong (in China that is already the case)
- Gas can be geo-political. Growing tensions between the US and China could lead the latter to re-double its efforts to focus on security of supply
- Gazprom is accelerating its plans for Power of Siberia-2 – with Mongolia as a transit nation. Such nations typically secure rights to access pipelines for indigenous gas

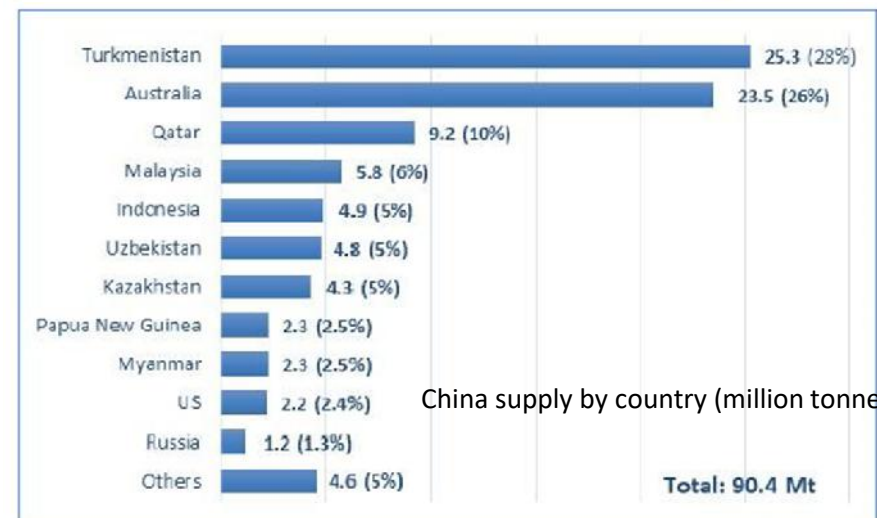
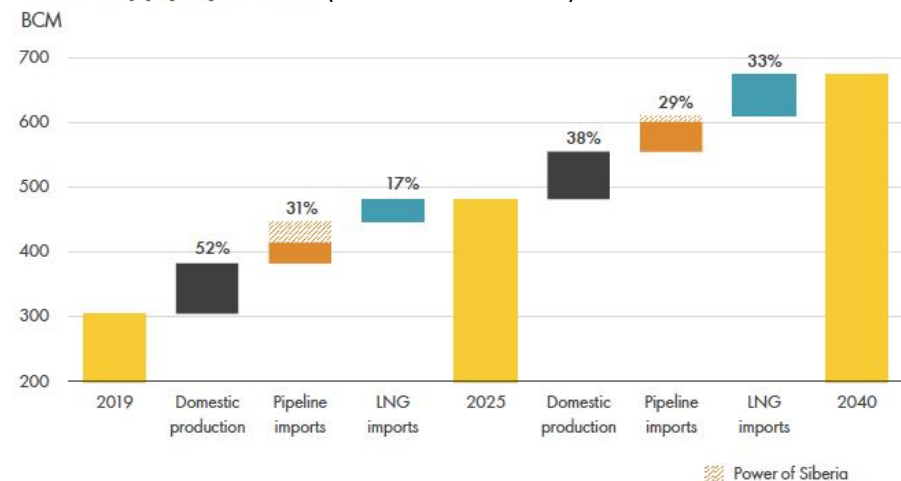


Next Door to China's Gas Market

China's rapidly growing appetite for gas will endure through COVID-19

- Shell's LNG Outlook 2020 (graph opposite) estimates Chinese gas demand will more than double by 2040
- China imports gas from every direction and seeks to continually diversify its sources of supply
- Mongolian CSG expected to be highly cost competitive compared to alternative sources of gas for China
- From China's point of view Mongolian gas is very low sovereign risk
- Gas can effectively be exported by pipeline or electricity transmission
- CSG delivered from Mongolia should have a lower carbon footprint than other Chinese gas imports

China supply by source (billion cubic metres)

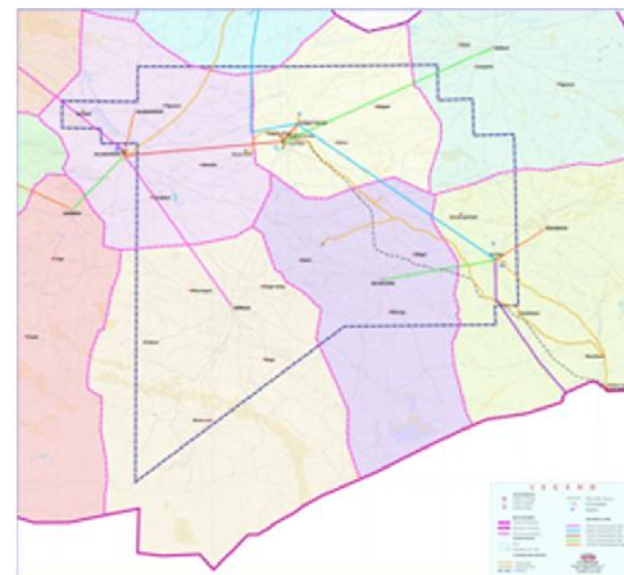


Source: CEDIGAZ, GAC, GIIGNL.

Multiple Market Opportunities

Export pipeline only one option for Nomgon PSC Gas

- Existing large-scale electricity transmission running through the PSC has large spare capacity and Mongolia's grid needs new power sources
- Local mining and mineral processing needs new power sources – e.g. Rio Tinto's operated Oyu Tolgoi mine (inside the PSC) is seeking new local power generation to replace Chinese imports
- Numerous small scale LNG (SSLNG) plants in China could be replicated – to e.g. supply local large coal trucking fleets
- Elixir recently signed a MOU re a SSLNG partnership with a large Mongolian fuel retailer
- The Asian Super Grid project plans large scale new transmission lines through the Gobi region where the Nomgon PSC sits
- Gas complements high-quality renewable resources in the Gobi – and in the long term could be a very well located hydrogen feedstock source



Investment Highlights

Elixir has a highly favourable risk-reward profile

- Elixir announced Mongolia's first CSG discovery earlier this year
- Rapid follow up with 2020 appraisal program delivering excellent results
- Exploration component of program imminent
- 100% ownership position maximizes optionality
- Low cost, safe and increasingly experienced Operator – validated by ability to work under virus conditions
- Deep CSG expertise from Australia being transmitted to Mongolia
- Multiple market channels, both local and export. COVID-19 does not change this dynamic
- Gas symbiotic with high quality renewable resources increasingly demanded in Asia



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