



Elixir Energy

ASX ANNOUNCEMENT

ASX : EXR

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NOMGON PILOT FLOWS GAS

HIGHLIGHTS

- Pumping commenced earlier this week at the Nomgon pilot project
- Gas breakthrough already occurring – now being flared
- Big Slope appraisal wells continue to deliver strong results

Elixir Energy Limited (“Elixir” or the “Company”) is pleased to provide an update on the Nomgon coal bed methane (CBM) pilot project underway in its 100% owned Nomgon IX CBM Production Sharing Contract (PSC) in Mongolia.

Following the drilling and completion of the Nomgon-8 and Nomgon-9 pilot wells last month by Major Drilling, all pumping related down-hole and surface facilities have been installed at the Nomgon pilot project. Pumping of fluid from these two wells commenced earlier this week. Gas breakthrough has already occurred and is now being flared.



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The early breakthrough of gas is consistent with our interpretation that the coal is close to 100% gas saturated. At this stage, one of the two wells is exhibiting slugging and may require workover in the coming days. A Major Drilling rig, which is on its way to the area to start drilling at Big Slope will be available for this activity. In the coming days, as the gas rates stabilize, measurement of the rate will begin.

Appraisal drilling in the Big Slope depo-centre is ongoing. The Big Slope-3 and Big Slope-4 wells have to date intersected 21.4 and 38 metres of gassy coal respectively and are expected to reach their target depths within the next week or so. Gas contents measured from these wells have followed up successfully on the high figures measured in Big Slope-2 with Big Slope-3 recording a peak of 9.2 cubic metres per tonne (on a raw gas basis) - the highest so far within the Nomgon IX PSC.

The pace of drilling at Big Slope has been affected by various mechanical and geological issues. Elixir has recently engaged Major Drilling to deploy a rig here with stronger drilling capabilities than the rigs currently operating and this will spud once the need for the potential workover noted above has been resolved. This should provide valuable learnings to apply to future drilling in what is a highly promising depo-centre.



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Elixir's Managing Director, Mr Neil Young, said: *"Flaring gas so soon after starting our production pilot is an incredible result for the Company. This is a first for Mongolia and we aim to establish a commercial flow rate in the months to come. Our on-site team – with great assistance as always from their Australian counterparts - has done a fantastic job in installing pilot facilities to a world class standard and we thank them accordingly."*

By authority of the Board:

Neil Young - Managing Director

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