

5 February 2020

OPERATIONS UPDATE

HIGHLIGHTS

- Nomgon-1 intersects 82 metres of net coal with thickest coal seam of 51 metres
- Total depth (TD) called at 491 metres
- Visible coal quality is highly encouraging for gas content and permeability
- Cores currently being tested for gas content and down-hole permeability testing to follow

Elixir Energy Limited (“Elixir” or the “Company”) today provides an update on its drilling operations in its 100% owned Nomgon IX CBM PSC.

Elixir’s key objective for its first exploration campaign has been to discover thick gassy coal seams below 300 metres. The results to date of the Nomgon-1 well have met that goal.

The Company’s Nomgon-1 core-hole well (location of current well marked on map on next page) has now reached a total depth (TD) of 491 metres. Logging will commence shortly and will be followed by permeability testing.

Well site geologists have measured total net coal of 82 metres of which 63 metres is deeper than 300 metres. The thickest coal seam below this 300 metre cut off point measures 51 metres (from 373 to 424 metres). The logging will deliver a more accurate figure shortly. The vertical well indicated synclinal coal seams.

The well-site geologists have described the observable coal qualities to dominantly be C3-C4 on the *AS 2519-1993 Guide to technical evaluation of higher rank coal deposit’s* brightness scale. This is considerably better than encountered at the Ughtaal-1 well.

Furthermore, the coals are visibly fractured and cleated, which bodes well for their permeability.

Abundant gas bubbling from the recovered core was noted across the whole interval prior to it being representatively sampled for gas content desorption measurement (a short video of the bubbling cores will be published in the media section Elixir’s website – www.elixirenergy.net.au).

The logging and later gas desorption results will deliver more accurate figures shortly. Permeability testing results will also follow in the short term.



Directors Young & Byambasaikhan visiting Nomgon-1 recently

Elixir's Managing Director, Mr Neil Young, said: "We are very excited with the results to date from the Nomgon-1 well, which has met our key strategic objective of intersecting very thick and visually good quality coals within the CSG depth window. Our local Director Mr B Byambasaikhan recently joined me for a visit to Nomgon-1, where we were again pleased to see operations being conducted safely and professionally."

By authority of the Board:

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Location of Nomgon-1 well – Lat 042/52/33.90 & Long 105/27/46.4

