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Elixir Energy

ASX ANNOUNCEMENT

ASX : **EXR**

28 September 2022

CBM PILOT PROJECT UPDATE

HIGHLIGHTS

- First well drilled and completed for Nomgon Pilot Production Program
- Second well spudding later this week
- Project on track to commence pumping operations in around a month

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

The first well in the Company's extended pilot production program (Nomgon-9) has recently been successfully drilled and completed. The well was drilled to a total depth of 488 metres in 11 days (which is a record for Elixir) – safely, on time and on budget. Approximately 55 metres of coal were logged over the primary target "100 series coal" and a perforated liner installed over this section.

Wellhead installation at Nomgon-9

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The rig is now moving to the location for the second and final pilot well (Nomgon-8), which is due to spud later this week.

Post the completion of Nomgon-8, down-hole pumps will be installed in both wells together with production skids, pipework and a flare. Elixir plans to commence pumping fluids from the two pilot wells in around a month.

Elixir has also initiated a baseline environmental monitoring program in the immediate region surrounding the pilot area, which is over and above the relevant regulatory requirements. This is the first time these have been used in the Gobi

Nomong-9 well-site

Elixir's Managing Director, Mr Neil Young, said: *"We are pleased to report that our pilot production program is on track with the successful drilling and completion of Nomgon-9. I congratulate our drilling contractor Major Drilling and our own on-site team, who have worked tirelessly to deliver a quick, safe and fit for purpose pilot well. We look forward to moving into the pilot production phase, and although the timing and quantums of water and gas flows from the wells is uncertain in such a new area, we could see meaningful gas breakthroughs by as early as Christmas."*

By authority of the Board:
Neil Young *- Managing Director*
Elixir Energy Ltd (ABN 51 108 230 995)
Level 3, 60 Hindmarsh Square
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.com.au