

7 March 2019

OPERATIONS UPDATE NOMGON IX 2D SEISMIC PROGRAM

HIGHLIGHTS

- **Mongolian 2D seismic line planning finalised**
- **Baseline Environmental Impact Assessment (BEIA) approved, with Exploration Licence expected shortly**
- **Competitive seismic tender process with 8 valid tenders received**

Elixir Petroleum Limited (“Elixir” or the “Company”) is pleased to provide an update on its 2D seismic program over the Nomgon IX Coal Bed Methane (CBM) Production Sharing Contract (PSC) in the South Gobi region of Mongolia.

2D Seismic Program

Elixir has now completed its planning for the upcoming 2D seismic acquisition program over the Nomgon IX CBM PSC. The primary objective of the survey is to identify and image coal seams in the subsurface up to 1,500 metres in depth to enable the optimal location for two CBM core-holes scheduled for the second half of 2019.

The planned lines are illustrated in Figure 1 below, and extend over some 200 kilometres, transecting the key prospective depocentres of the PSC.

The seismic program was developed using the following elements:

1. Integrated technical data including gravity, magnetics and surface mapping to develop a model of potential coal bearing seams within the PSC area.
2. Geological focus on shallow (less than 1,500 metres) Tertiary to Permian sediments in depositional sub-basins within the PSC.
3. The program consists of a series of “dip oriented” seismic profiles across the depocentres. It should be noted that CBM is an unconventional petroleum target that does not rely on sub-surface structures, and therefore a conventional “grid” style 2D program is not required.
4. Desk-top planning for the seismic lines was complemented with on ground field mapping to ensure that no material impediments (e.g. water courses, steep hills, houses, etc) were present, of which there are none.

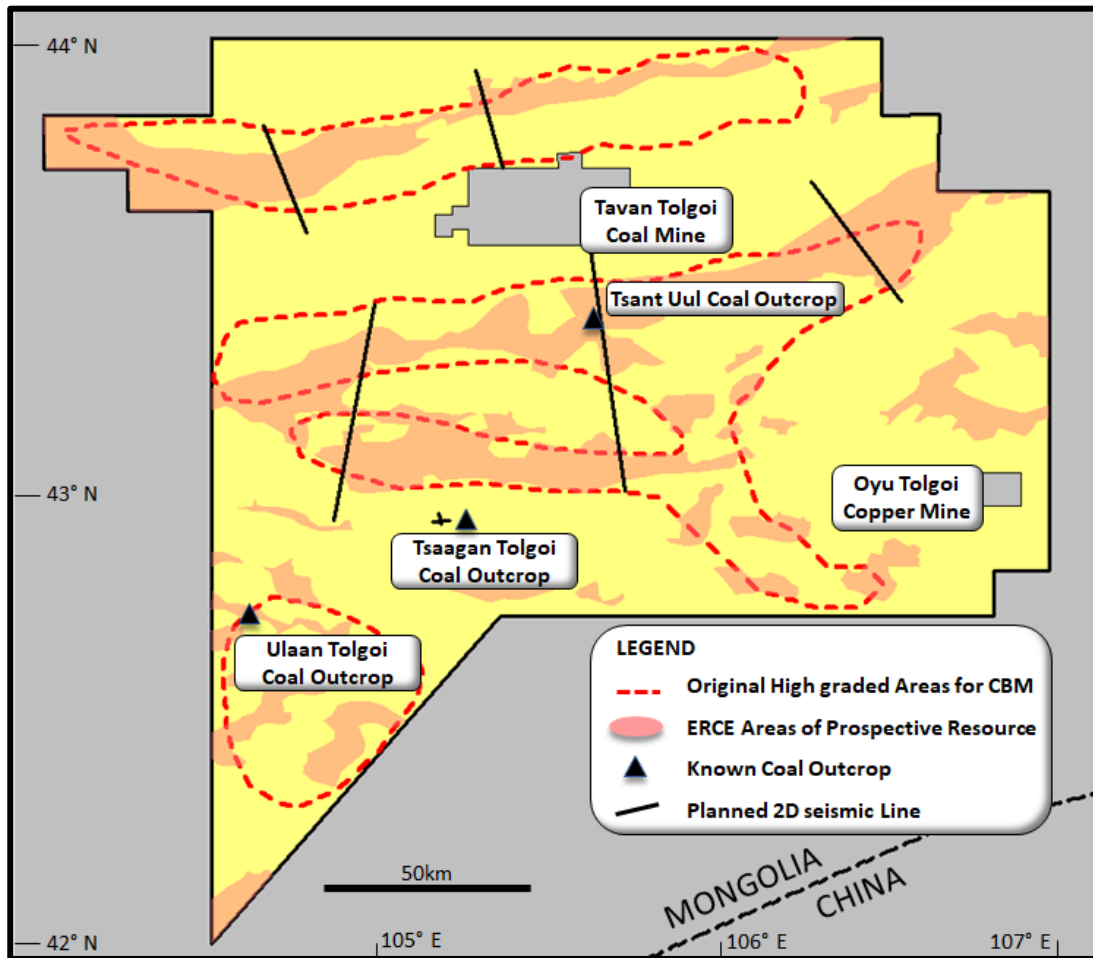


Figure 1: Location of 2D Seismic Lines

Tender Process Update

Following the finalisation of the 2D seismic lines and field acquisition parameters, seismic contractors were invited to tender through a formal process as required under the PSC. The contractors were asked to demonstrate their capability in acquiring and processing the 2D seismic program and provide a cost estimate for the program.

Eight companies responded and have now lodged tenders, including subsidiaries of Chinese National Oil Companies as well as experienced Mongolian seismic acquisition companies. The Company is currently assessing the tenders in conjunction with the regulator and expects to commence negotiation of a seismic contract shortly.

Elixir has recently contracted an experienced Mongolian seismologist to act as its “company man” through the tendering, acquisition, processing and interpretation phases. The contactor has worked extensively on seismic acquisition programs in Mongolia and internationally with over 15 years’ experience.

The Company has scheduled the seismic acquisition to commence in the second quarter.

Approvals Process Update

As with most jurisdictions, Mongolia requires resource companies operating in the country to follow environmental impact assessment processes and standards standard for the industry.

The first stage in this process has been to undertake a Baseline Environmental Impact Assessment (BEIA) over the PSC area. This work has been completed by a local environmental consulting firm and submitted to the Mongolian Ministry of the Environment and Tourism and has been approved.

The second stage (now underway) is to undertake a Detailed Environmental Impact Assessment (DEIA) over the areas of proposed operations, which includes preparing an environmental management plan and undertaking local community consultations.

The Gobi region is internationally known for its rich prehistoric and human past. Elixir has hired specialists from the Mongolian Academy of Sciences and associated bodies to undertake archeological and paleontological studies over the area. No issues arose.

The approvals process for the Nomgon IX CBM PSC is summarized below.

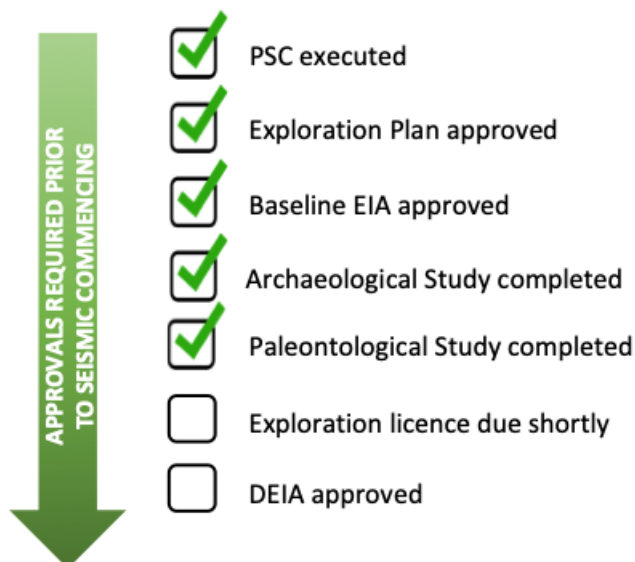


Figure 2: Summary of approvals acquired prior to acquiring seismic in Nomgon IX

Elixir's Chief Executive Officer, Neil Young, said "We are pleased that our 2019 CBM exploration program in Mongolia is proceeding apace, with milestones being passed on the various fronts of detailed technical work, contractor engagement, Government approvals and local community liaison. The progress (in the short 6 months since the PSC was signed) can be attributed to Elixir combining its deep Australian CBM experience with its strong ties and relationships in Mongolia."

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For further information on Elixir Petroleum, please visit the Company's website at www.elixirpetroleum.com or follow us on Twitter.