ELIXIR ENERGY (ASX:EXR)

Building On Mongolia's First Gas Discovery

11 May 2020

Company Overview (ASX:EXR)

Building on a recent coal seam gas discovery on the Chinese border

- In February Elixir announced Mongolia's first CSG discovery
- The company has now procured new funding to build upon this discovery
- 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
- Virus related limitations are manageable
- Multiple market options, including the rapidly growing Chinese gas market

CAPITAL STRUCTURE	Current (million)
Ordinary Shares (assuming $2M raised)	600
Listed Options (ex 6.79c by 31.12.20)	110
Performance Shares (Milestones)	32.5
Market Capitalisation (at 2.6c)	$15.68M
Cash (pro forma March 5B + $2M)	$2.9M
Enterprise Value	$12.7M

** - 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)

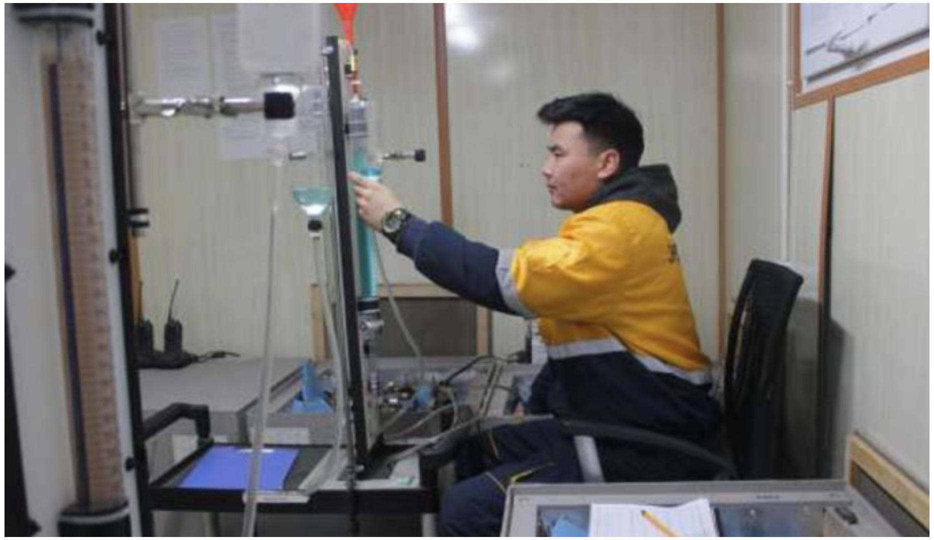
Bayanjargal Byambasaikhan
Non-Executive Director

- Chairman of Business Council of Mongolia (BCM)
- Former CEO of Mongolia's sovereign investment company, Erdenes Mongol (EMGL)

February's Coal Seam Gas Discovery

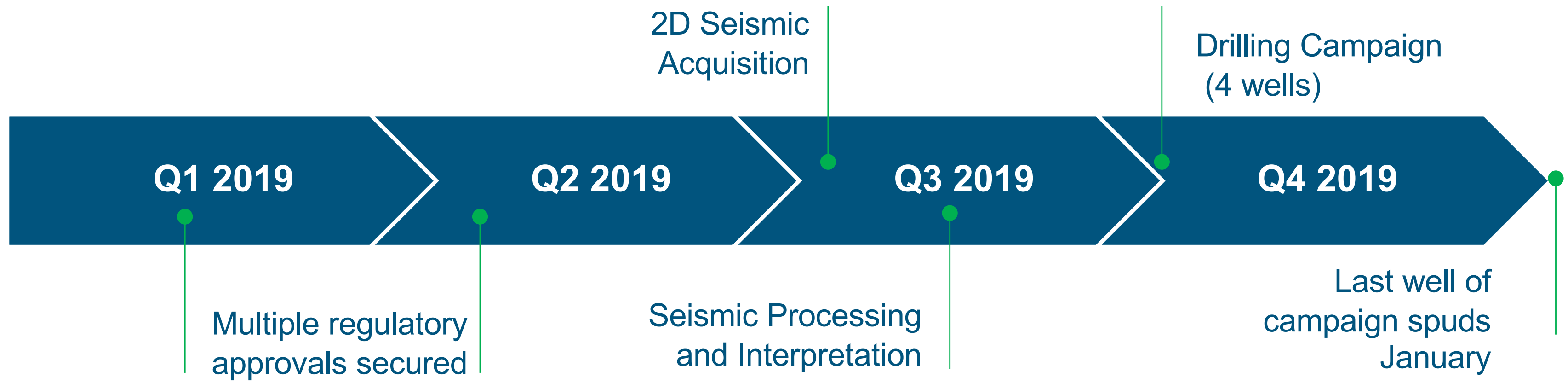
Nomgon-1 core-hole delivers a CSG discovery

- Net coal intersected of 71 metres
- Thickest coal seam (series 100 seam) package of ~50 metres, with net coals of 37 metres
- Average raw gas content of series 100 seam measured at >5 m3 per tonne
- Raw gas content number will increase with further lab work and a dry ash free (DAF) number is determined
- First injection fall-off tests (IFOT) undertaken in Mongolia to measure permeability
- Permeability analogs from producing fields confirm a gas discovery. Further work to determine optimal completion techniques for the area



First Year's Exploration Program

A history of delivery and discovery

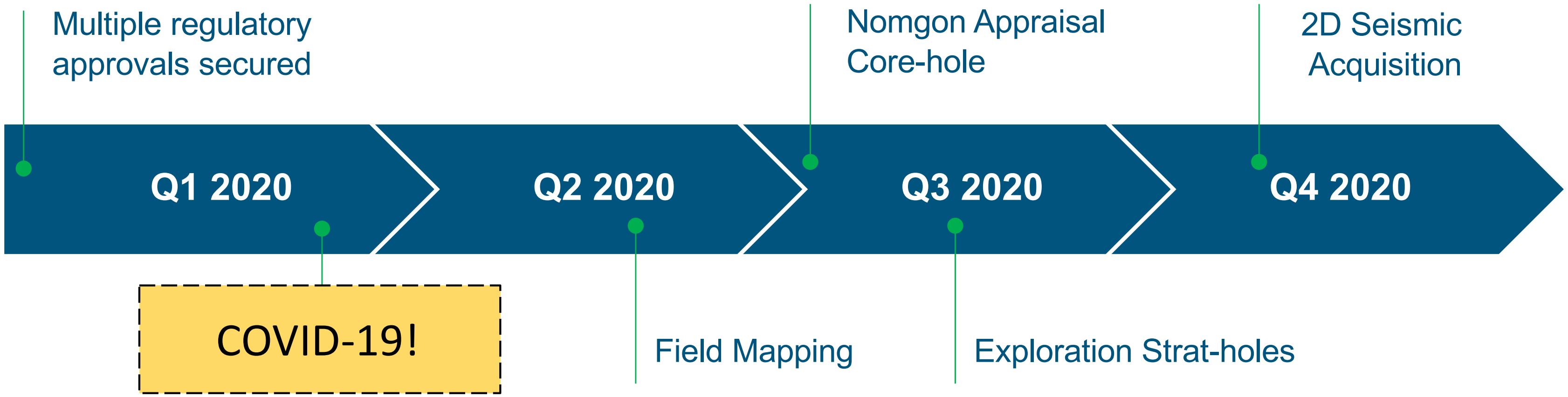


Elixir's First Year Exploration Program in Mongolia has delivered:

1. Track record of managing multiple regulatory approvals in a timely fashion
2. Elixir becoming Mongolia's first CSG Operator
3. Working with local contractors & communities safely, efficiently and cost-effectively
4. A targeted seismic program shot in the PSC
5. The drilling of multiple wells which have intersected coal seams
6. <u>The Nomgon-1 well delivered Mongolia's first gas discovery</u>

Year 2 Exploration and Appraisal Program

Appraising a CSG Discovery



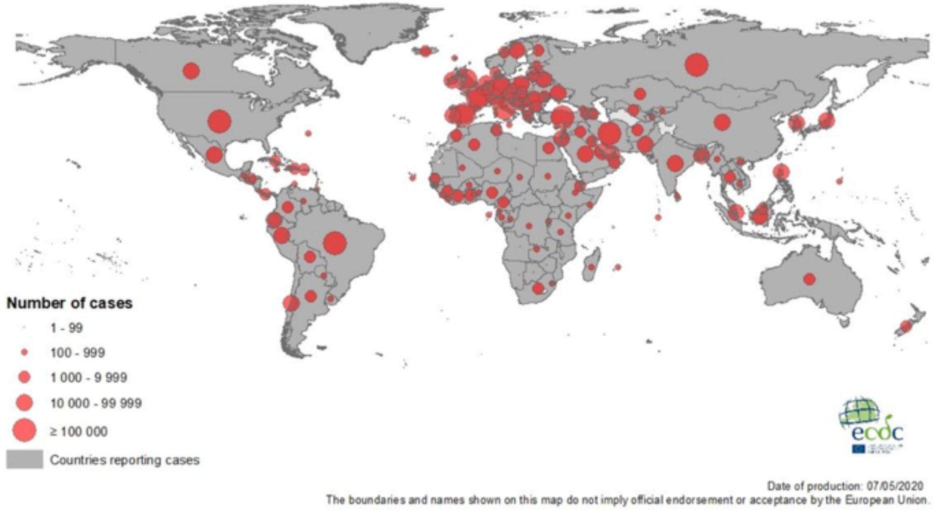
Elixir's Second Year Work Program in Nomgon IX will:

1. Continue to interpret and analyse data gathered in Year 1
2. Appraise the Nomgon-1 CSG Discovery – delineation work commencing July
3. Appraisal data will feed into maiden contingent resource assessment in sub-basin
4. Explore in new sub-basins using strat-holes
5. Acquire further 2D seismic data along prospective trends
6. Operate effectively and safely within Mongolia with in-country staff & contractors

COVID-19 in Mongolia

Mongolia was an early mover to isolate from China – then the World

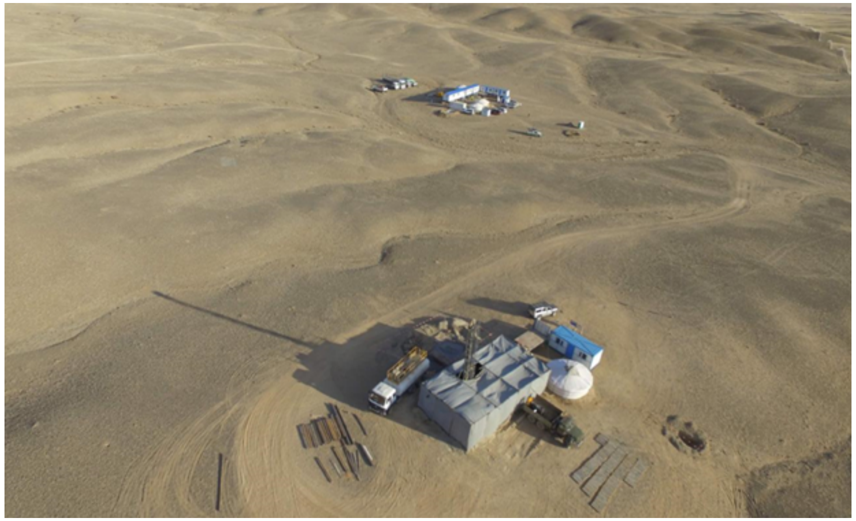
- Borders vigorously controlled from January
- Globally low cases recorded to date (less than 50) and no fatalities
- No internal outbreaks
- Ability to restart work programs in the South Gobi
- Parliamentary election to proceed as normal in late June
- Commencement of field work planned for early July 2020



Ongoing Ability to Operate

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

- Strong local management in place
- Experienced local sub-contractors
- Same overall team as 2019
- Online supervision from Australia successfully trialled during Nomgon-1 well
- Resident expats available as required
- Obtained all central Government approvals
- Gobi soon ready for activity with contractors and local staff already liaising with local Government
- No imports of equipment required
- Elixir and contractors proven safe operators in all seasons

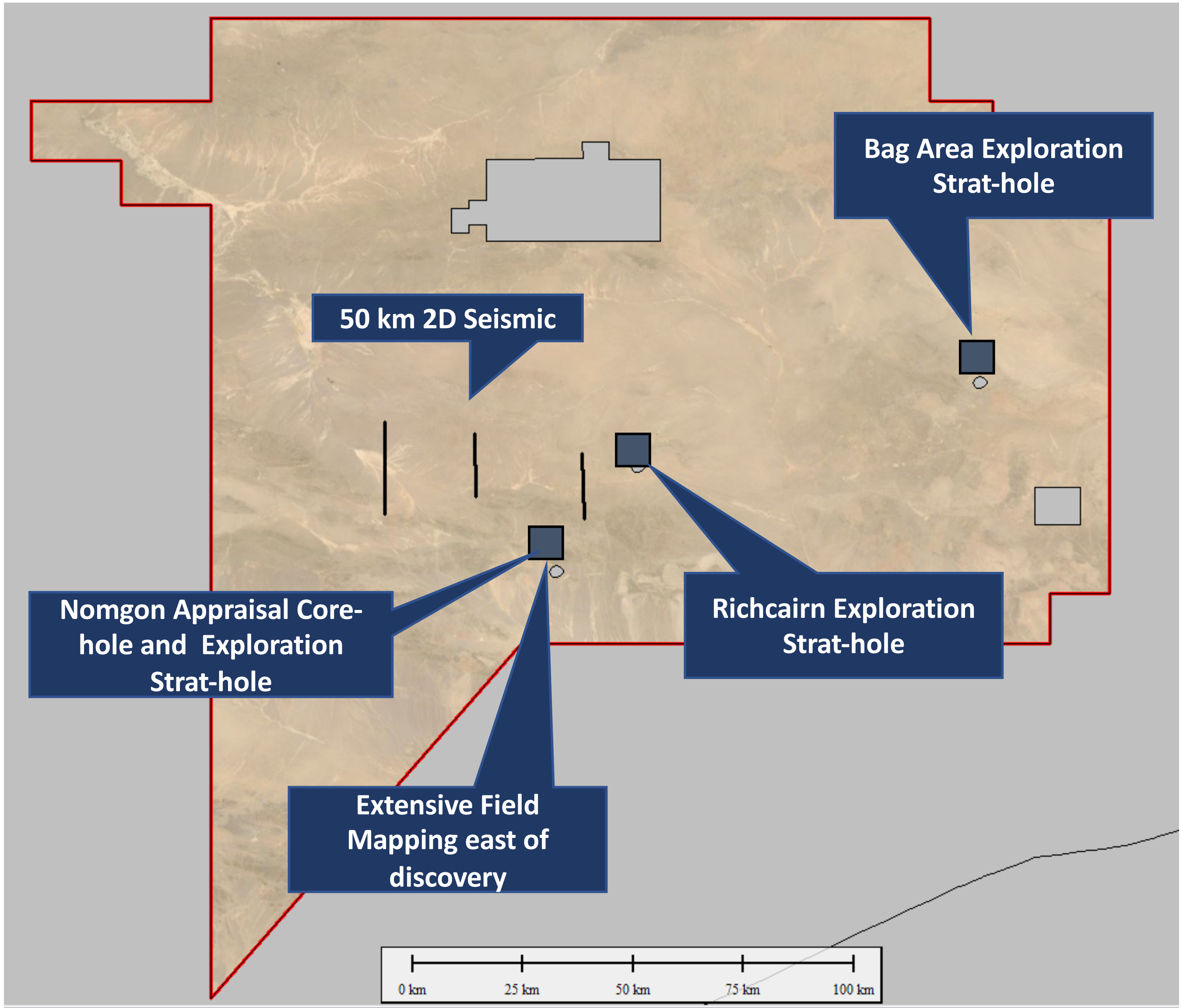


Updated 2020 Fast Track Program

Delineation & exploration program to commence shortly

- Laboratory Data Analysis
- Field Mapping
- Appraisal based around fully cored drilling (**Core-hole**) with desorption and testing
- Ultra-low cost exploration to open up new sub-basins - using stratigraphic drill holes (**Strat-Holes***)
- Targeted 2D Seismic Program

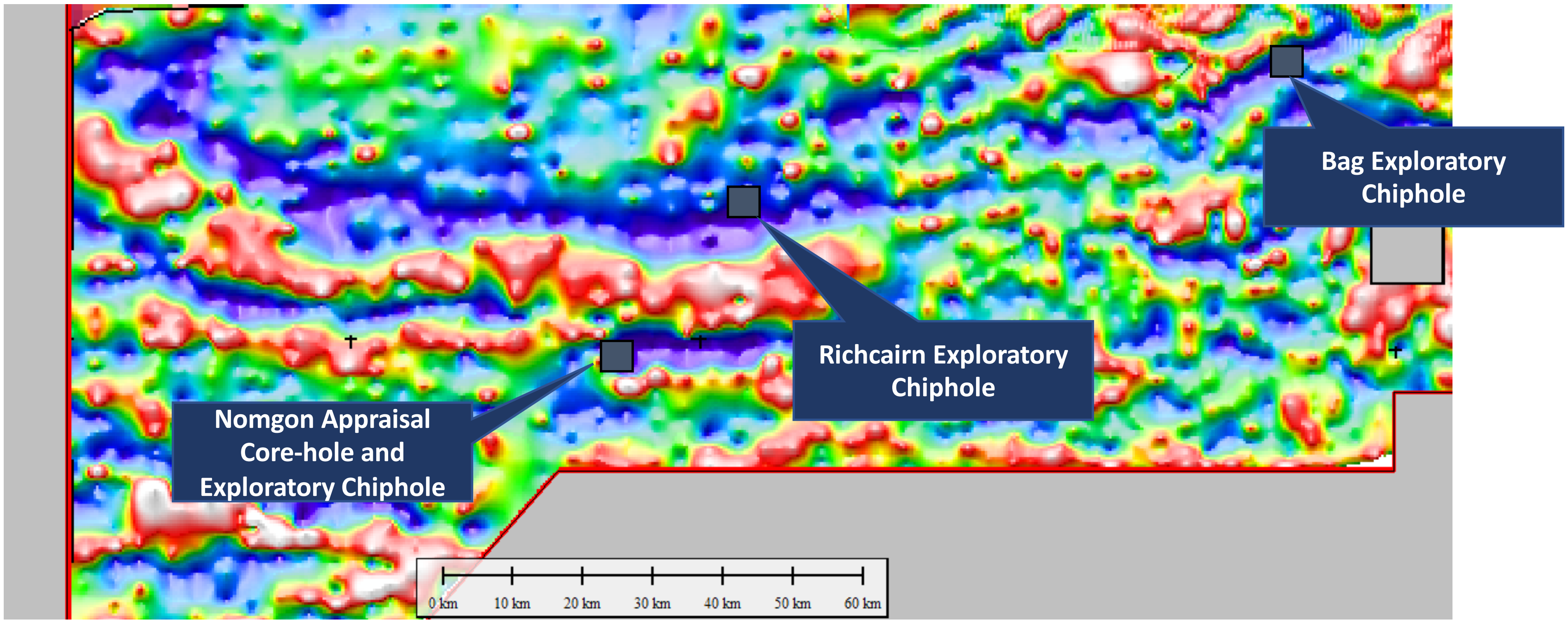
**Strat-hole drilling replaces 2019 chip-hole drilling technique*



2020 Drilling Program

Drilling plans include a mix of a fully tested core-hole & strat-holes

- Nomgon-2 appraisal core-hole well, with full desorption and testing
- Three exploratory wells drilled as ultra-low cost strat-holes



Targeted Seismic Program

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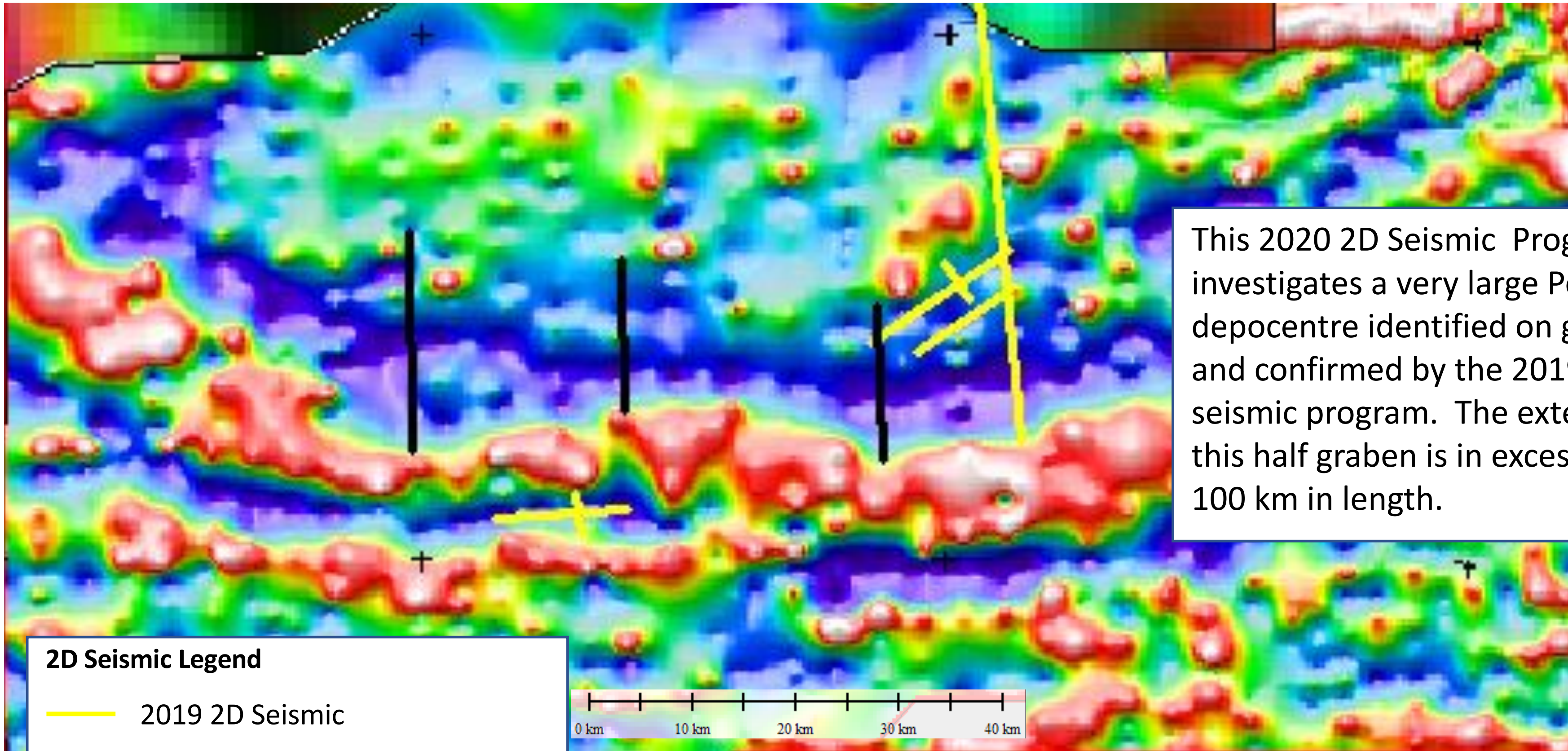
2D seismic program for 2020 focused on a large exploration target



This 2020 2D Seismic Program investigates a very large Permian depocentre identified on gravity and confirmed by the 2019 2D seismic program. The extent of this half graben is in excess of 100 km in length.

2D Seismic Legend

2019 2D Seismic

2020 (50 km)

Regional Gravity Mapping

COVID-19 & Gas Markets

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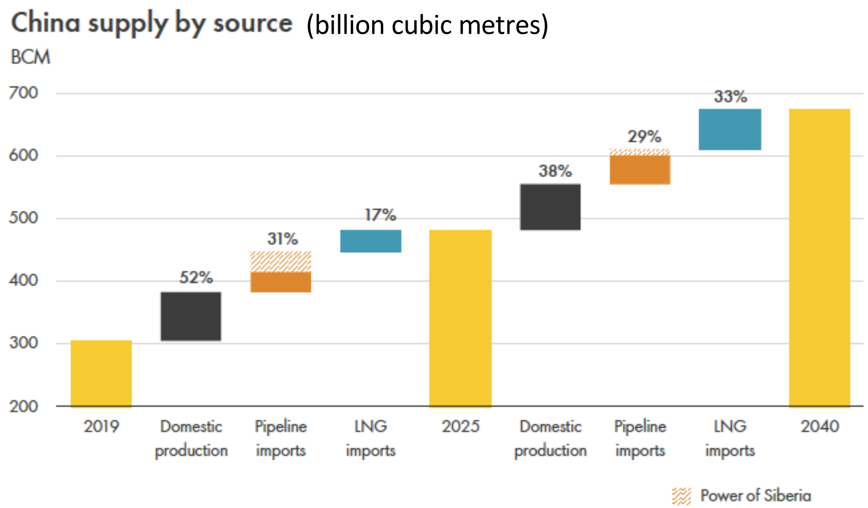
Gas shows its long term resilience as an energy commodity

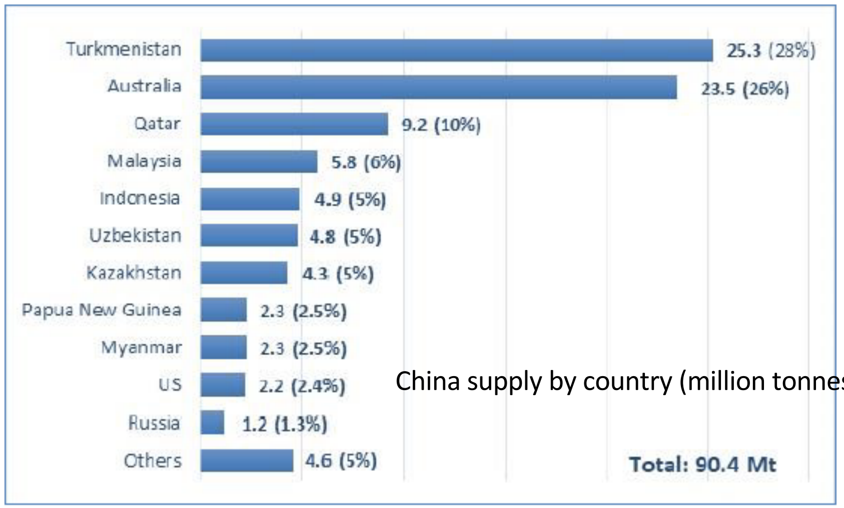
- Gas pricing is increasingly de-linking from weak oil markets. Some views (e.g. CEO of Shell recently) suggest oil demand could be peaking at present
- Oil's key markets are transportation related. However, gas meets heating, power & industrial needs, which have proven more resilient and are likely to bounce back early and strong
- 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



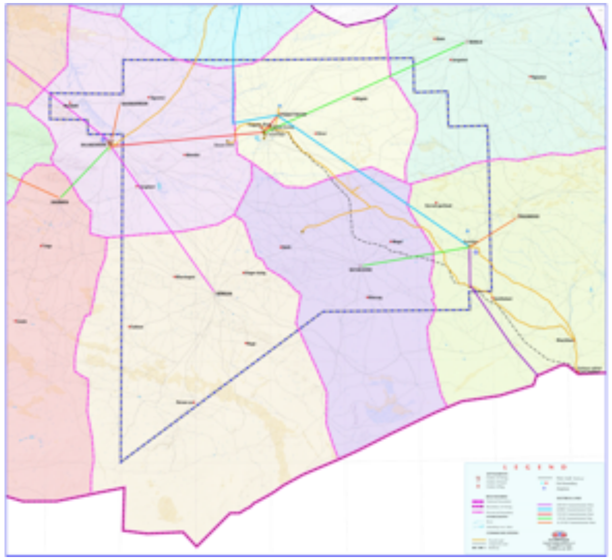


Source: CEDIGAZ, GAC, GIIGNL.

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
- Cash-flow generation can be early and modular
- 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 delivers on strategy with first CSG discovery made in Mongolia
- Rapid follow up with 2020 delineation and exploration program
- 100% ownership position maximizes optionality to pursue value adding farm-out(s)
- Low cost, safe and increasingly experienced Operator – validated by first year’s operations
- 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 demanded in Asia

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