



9 December 2020

PROSPECTIVE RESOURCES INCREASED

HIGHLIGHTS

- Independent Prospective Resources report updated for first time since exploration started
- Unrisked and Risked Prospective Resources have increased significantly in all cases from the 2018 estimates
- Risked 2U (best case) of 14.6 Tcf, a 92% increase from the 2018 estimate
- Chance of Geological Success now 30%, a 58% increase from the 2018 estimate

Elixir Energy Limited (“Elixir” or the “Company”) is pleased to provide an update on the Nomgon IX CBM PSC Prospective Resources. This has been prepared by independent reserve auditor ERC Equipoise Pte Ltd (ERCE - see note below “About ERCE”)

The Prospective Resources for Elixir’s 100% owned Nomgon IX CBM PSC have been updated for the first time since exploration commenced in 2019 (the initial prospective resource report for the PSC was summarized in Elixir’s ASX announcement dated 19 November 2018).

A summary of the prospective resource range is outlined below:

Prospect Volumetrics (in Tcf)	Gross Unrisked Prospective Resource				Working Interest	COS	Net Risked Prospective Resources			
	IU	2U	Mean	3U			IU	2U	Mean	3U
Nomgon IX CBM	17	48	66	133	100%	30%	5.0	14.6	19.9	40.3

Cautionary Statement: The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons.

Detailed notes on the background to the preparation of the prospective resource report are set out in Appendix 1.

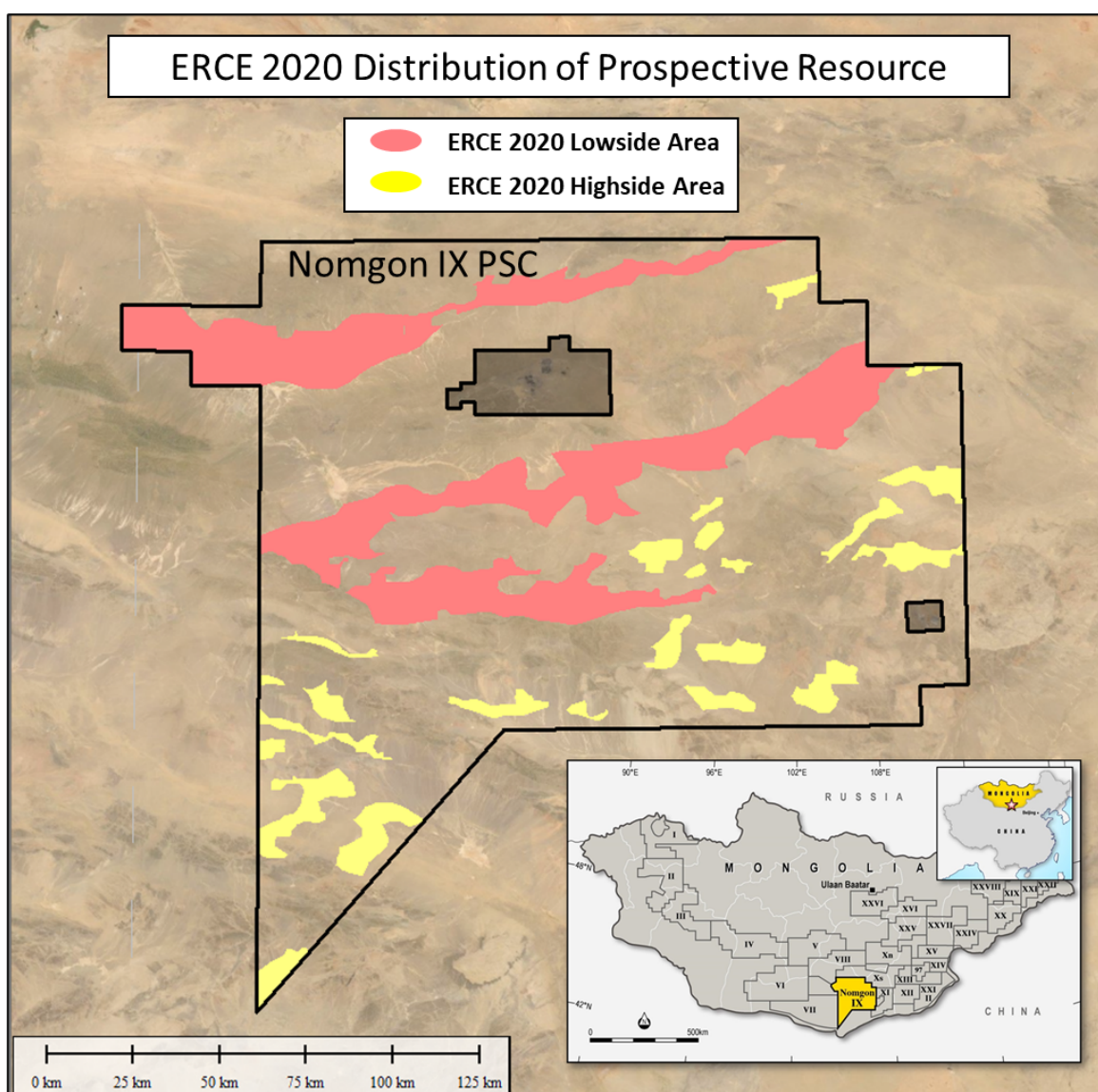
ASX ANNOUNCEMENT

The Company's 2020 independent Prospective Resource update has produced a significant increase on the numbers estimated for the 2018 report. The field and technical work accomplished over the last 2 years has led to increases in all cases run.

Comparison of Nomgon IX Prospective Resources 2018 to 2020			
Recoverable Tcf	2U	COS	Risked 2U
ERCE 2018	40.1	19%	7.6
ERCE 2020	48	30%	14.6

An initial contingent resource estimate for the Nomgon sub-basin discovery area will be prepared and issued once the all the data from the appraisal drilling program has been compiled, modelled and analysed.

Set out below is a map of the CBM bearing areas identified by Elixir and ERCE. Elixir's multi-sub-basin exploration plans for 2021 will be focused on the "lowside" areas.





ASX ANNOUNCEMENT

Elixir's Managing Director, Mr Neil Young, said: *"We are naturally delighted to see that our work over the last two years has delivered such a substantial increase in our prospective resources - with the best case nearly doubling. To achieve this level of de-risking of the asset with what in oil and gas terms has been a very modest outlay over a short period of time makes a real statement about how readily the enormous potential of the PSC might be realized. Our ongoing exploration and appraisal program is basically all about continuing to reduce risks in a very economic and demonstrable fashion."*

By authority of the Board:

Neil Young - Managing Director
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About ERCE

ERCE is one of the largest petroleum Reserves and Resource auditors globally. Examples of current public clients include Premier Oil, Jadestone Energy, Neptune Energy, Cairn Energy, Lundin Petroleum and IPC. The firm was formed in 2010, when ERC Energy Resource Consultants Ltd (ERC) and Equipoise Solutions Ltd (Equipoise) merged. ERCE employs geoscientists, engineers, petrophysicists and economists, and has an extensive group of senior associates who bring further regional, technical and petroleum economics expertise to projects. ERCE has offices in UK, Singapore and Perth, Australia.

APPENDIX 1

- 1. Elixir's working interest share of the Nomgon IX PSC is 100%. As royalties are not payable in kind in Mongolia, no netting out adjustment is made under listing rule 5.25.5. The Nomgon IX PSC has terms that determine Government take in various ways. At this stage of the asset life it is not possible to determine the level of that take given significant uncertainty over possible gas prices, development and operating costs and type curves. Elixir considers it therefore more appropriate to report Prospective Resources on a working interest basis.*
- 2. COS represents the geological Chance of Success. The Prospective Resources have also not been adjusted for the Chance of Development (COD), which is estimated by ERCE to be 50%. Quantifying the COD requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing. As many of these factors in Mongolia are outside the knowledge of ERCE they must be used with caution.*
- 3. Prospective Resource assessments in this release were estimated using probabilistic methods in accordance with 2018 PRMS SPE-PRMS standards. The data used to compile the independent Prospective Resources report includes gravity and magnetic data, detailed field mapping, and detailed geological interpretation of seismic, well and core data within the PSC. ERCE has used standard petroleum evaluation techniques in the preparation of this report. These techniques combine geophysical and geological knowledge with assessments of porosity and permeability distributions, fluid characteristics and reservoir pressure. There is uncertainty in the measurement and interpretation of basic data. ERCE has estimated the degree of this uncertainty and determined the range of petroleum initially in place and recoverable hydrocarbons. The accuracy of estimates of volumes of gas is a function of the quality and quantity of available data and of interpretation and judgment. While the estimates of Prospective Resources presented herein are considered reasonable, these estimates should be accepted with the understanding that reservoir performance subsequent to the date of the estimate may justify revision, either upward or downward.*
- 4. This document contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they and or their timing may be affected by many variables which could cause actual results or trends to differ materially. The technical information provided has been reviewed by Mr Gregory Channon, Technical Advisor of Elixir Energy Limited. Mr Channon is a qualified geologist with over 30 years technical, commercial and management experience in exploration for, appraisal and development of oil and gas. Mr Channon is a member of the American Association of Petroleum Geologists and consents to the inclusion of the information in the form and context in which it appears.*