

Elixir Energy

AGM Managing Director's Presentation

28 October 2021

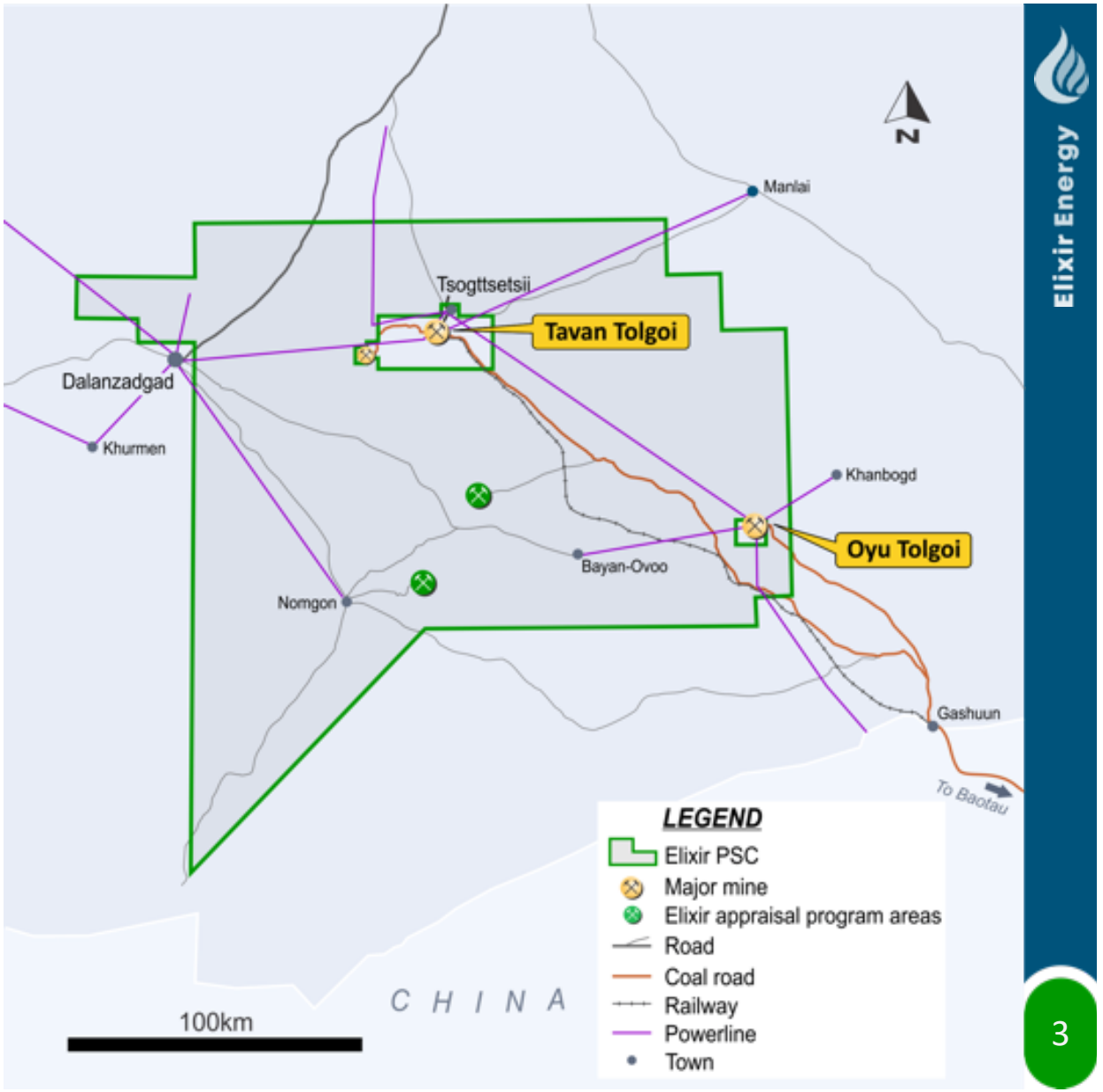
ASX:EXR

1. The Company

Company Overview

- Elixir is focused on its 100% owned Nomgon IX Coal Bed Methane (CBM*) Production Sharing Contract (PSC) project in the South Gobi region of Mongolia
- Highly experienced CSG team – taking Australia's leading skills to Mongolia
- Located on Mongolian/Chinese border with excellent infrastructure, mines and planned pipelines
- This location provides many market options – including hydrogen
- Strong balance sheet funding aggressive exploration and appraisal program for years to come

** Coal Seam Gas – CSG – is usually referred to as CBM outside Australia*



Capital Structure / Board

Capital Structure	Current (pre-raise)
No of Shares	**891**M
Performance Shares & Options	**21**M
Market Capitalisation (at 29c)	$**258M**
Cash (at 30th Sept - unaudited)	$**30.9**M
Enterprise Value	$**227**M

Share Price



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)



Anna Sloboda

Non-Executive Director

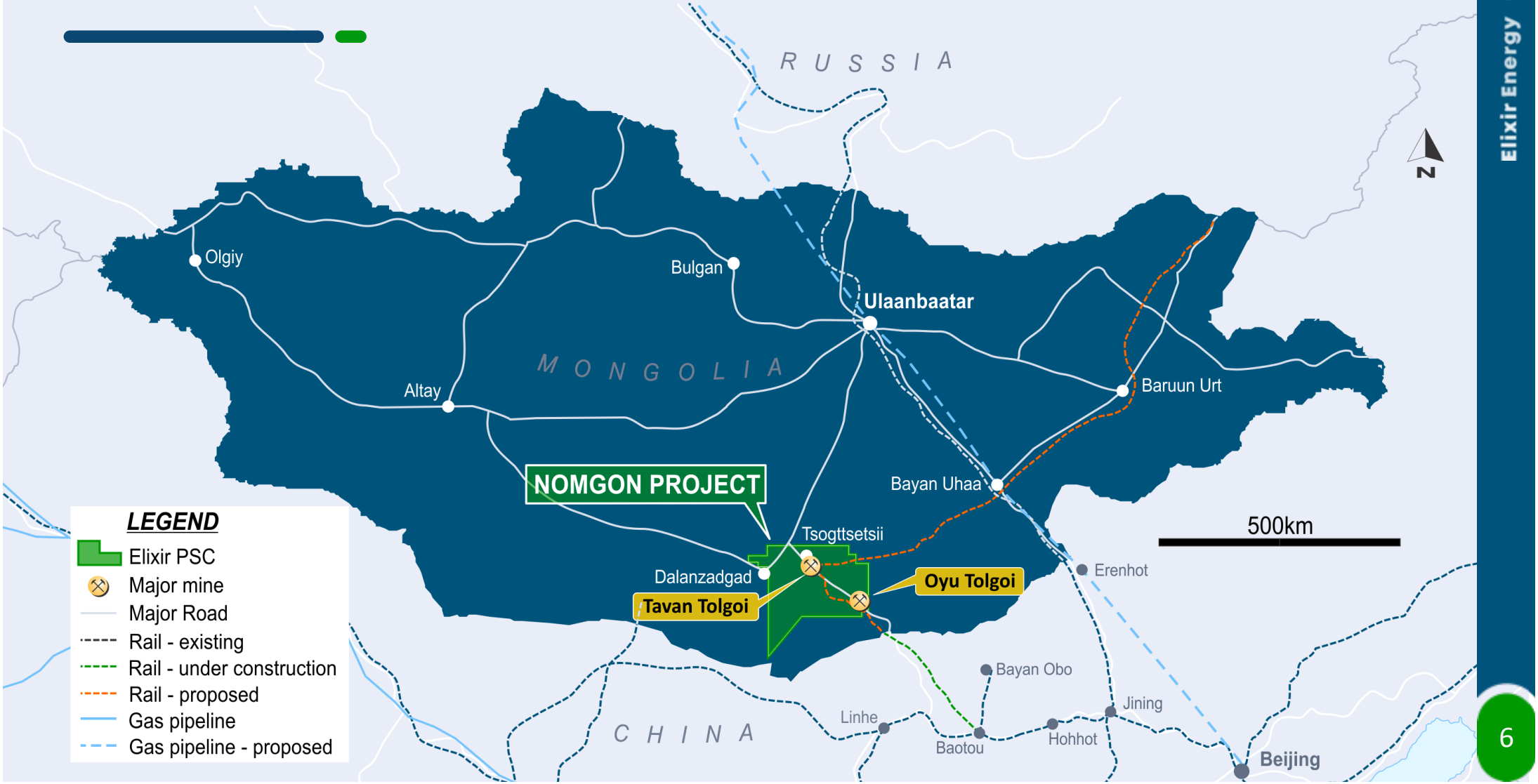
Previous employers include Lehman Bros, Clough, Curtin University & Trans-Tasman Resources

Belarus background and experience of working in China

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2. The Project

Located on Chinese Border



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Current State of Play – October 2021

1. 

Large Prospective Resource (Risked best case of 14.6 Tcf)

2. 

First Contingent Resource - matched with Electricity Generation MOUs

3. 

~20 well Exploration and Appraisal program in 2021 near completion

"Rinse & repeat" model adding resources across the PSC

4. 

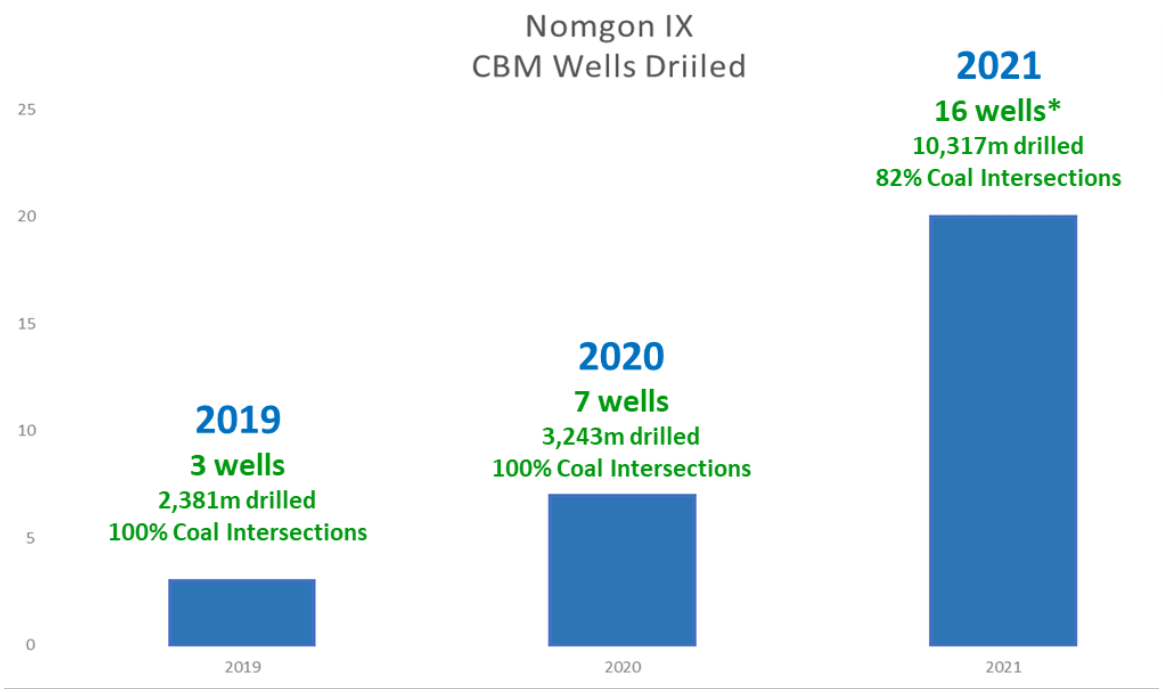
Phase 1 of Production Testing program just delivered - acquired extensive flowrate, gas, water and permeability information

5. 

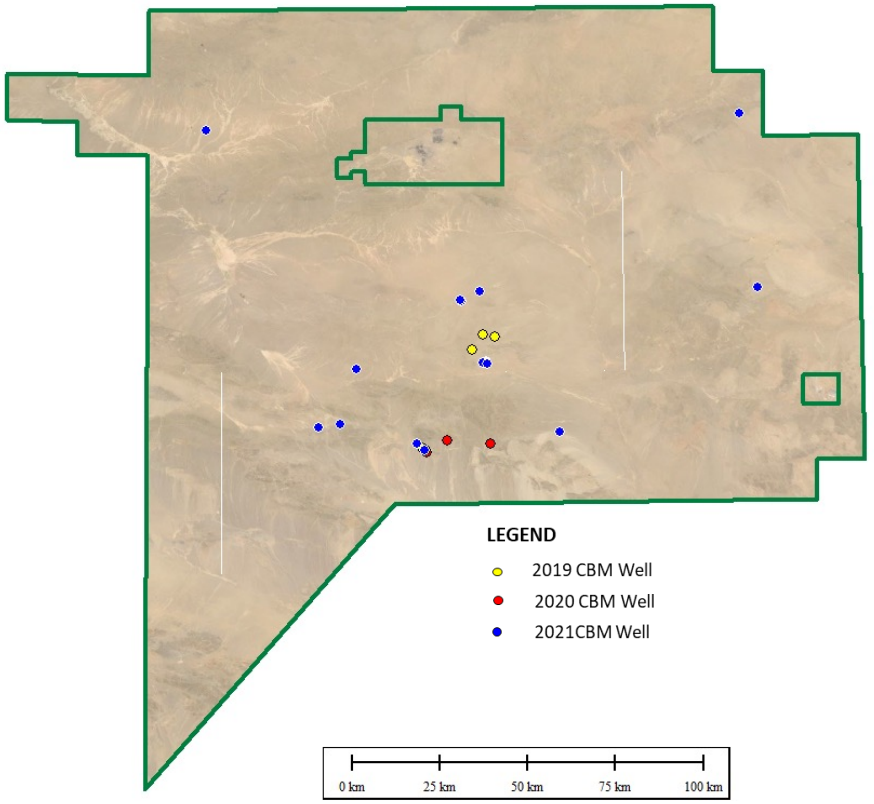
This stabilised production test is pre-cursor to multi well pilot production program in 2022

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Historical Drilling in Nomgon IX

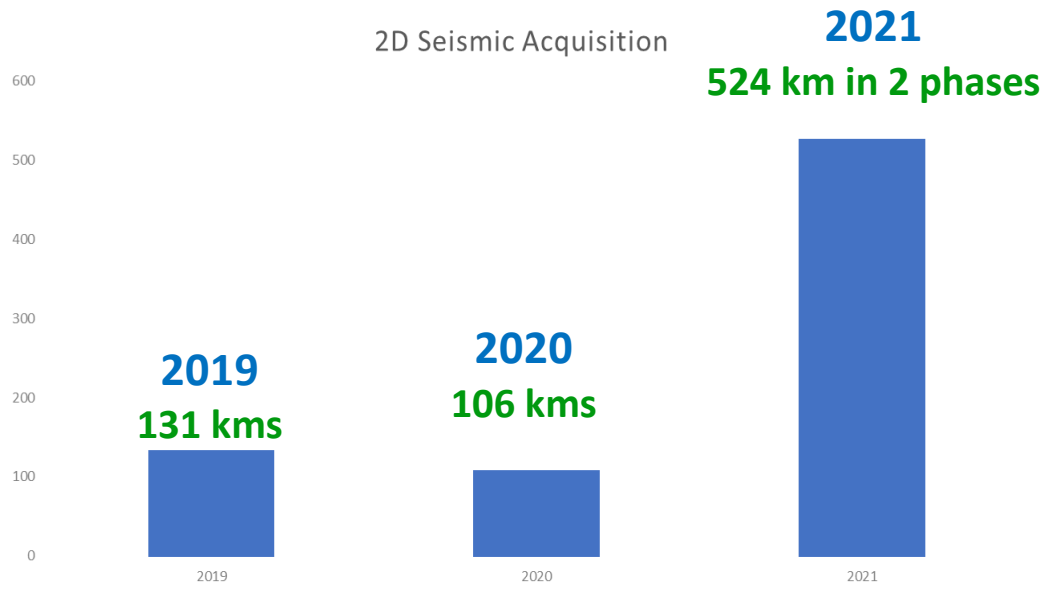


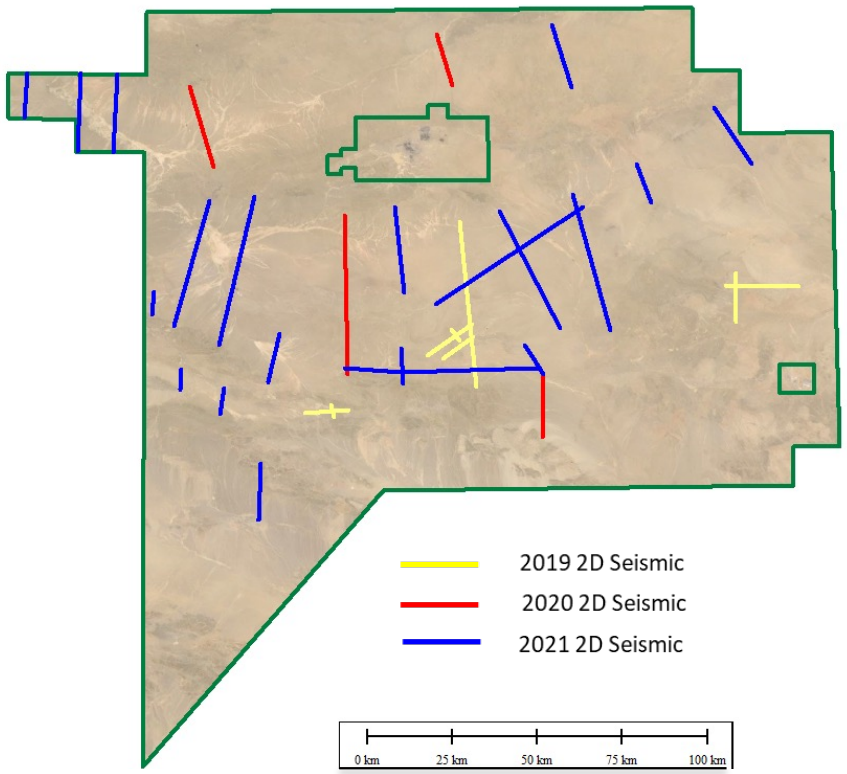
** 20 wells targeted before year end 2021*



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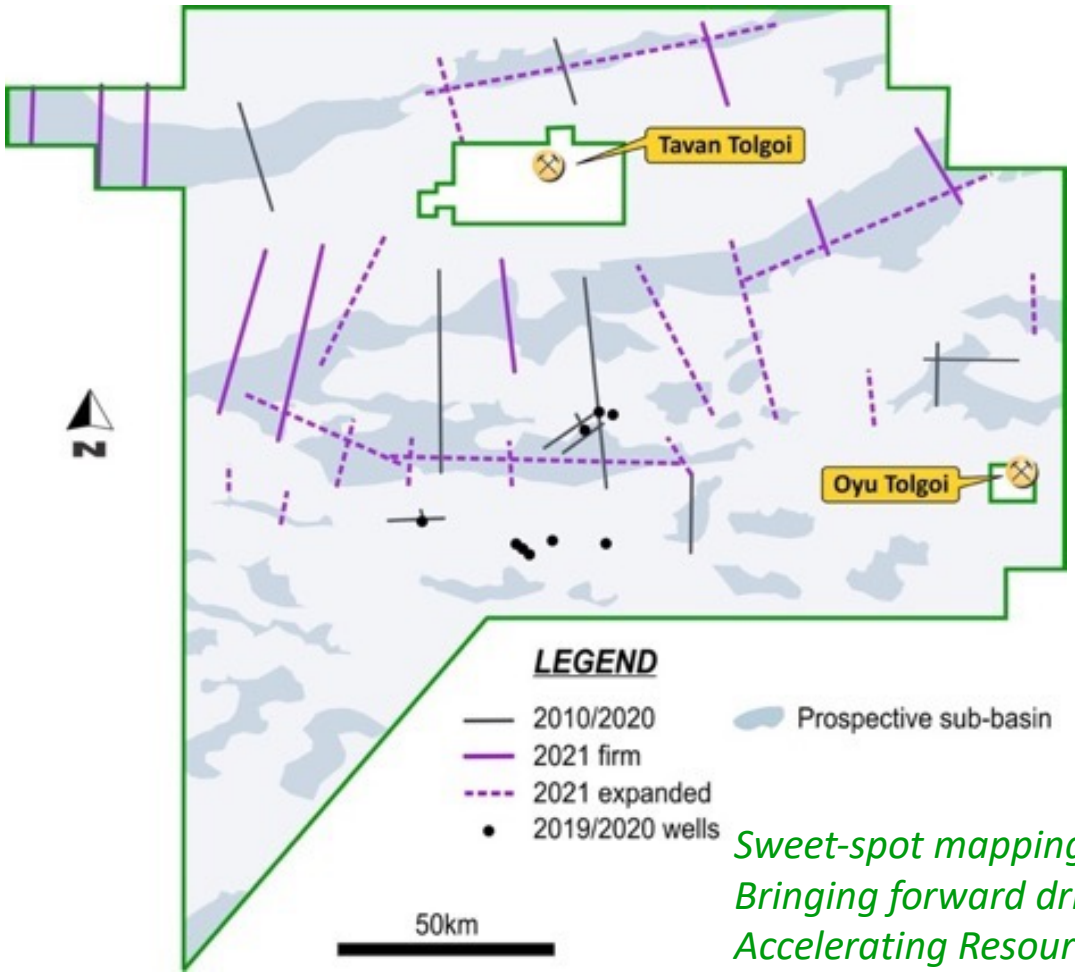
Historical Seismic Acquisition in Nomgon IX





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Expanded Seismic Program for 2021

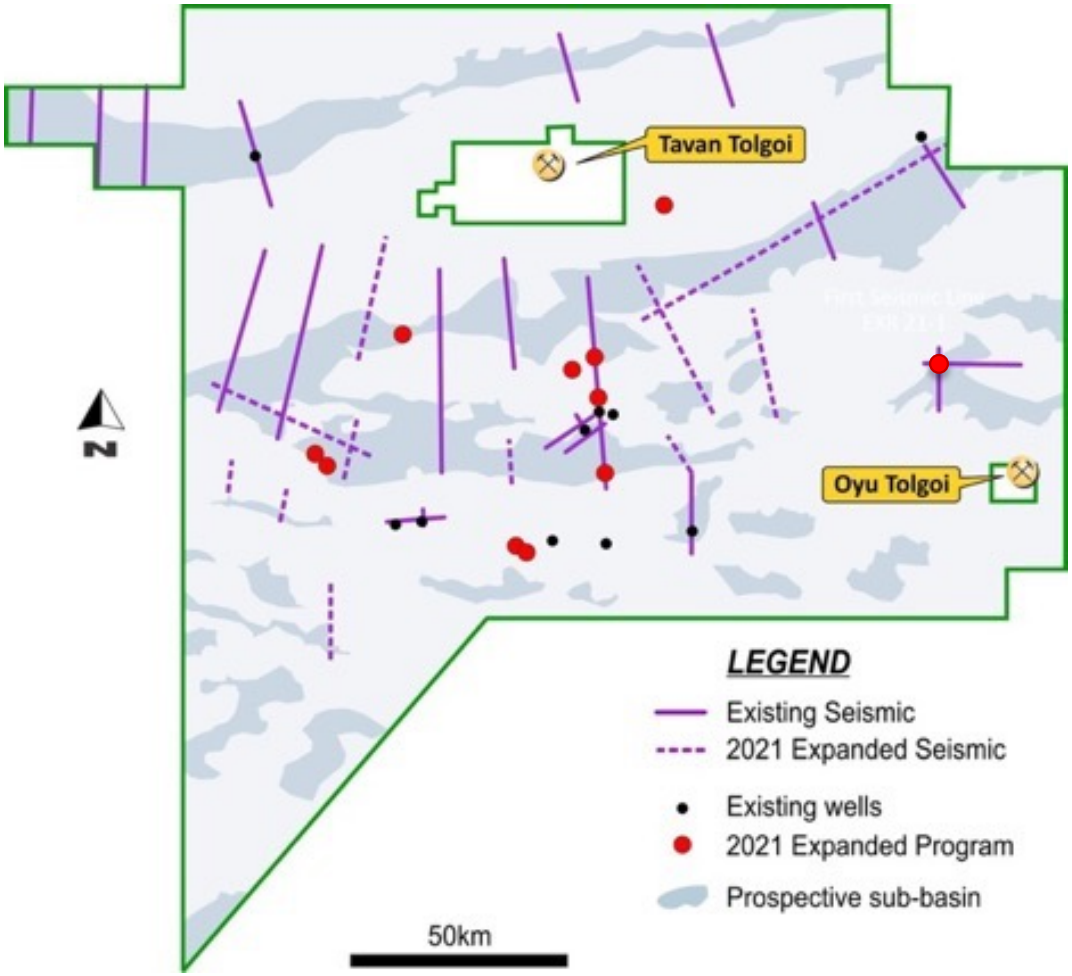


- Expanded program of seismic acquisition to 500km of 2D in 2021
- To date, 200km acquired in first stage – now processed and interpreted
- Further acquisition of 300km well underway
- Program will continue into subsequent years – seismic remains a very low cost way of expanding geological knowledge of a vast region
- The intent of this program to bring forward more & more drill locations

Sweet-spot mapping
Bringing forward drilling targets
Accelerating Resource bookings

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Accelerated Drilling Program



- Accelerated drilling program to drill ~20 wells in 2021
- Exploration and appraisal targets across multiple sub-basins
- Second then third rig introduced, notwithstanding COVID limitations
- Program outcome designed to position Elixir as a leading North Asian gas resource owner
- Wide ranging optionality in dealing with potentially interested counterparties, ranging from customers to potential co-owners

Nomgon-6 well

- Elixir has just undertaken a game-changing drill stem testing program at Nomgon-6, conducting a series of integrated tests including:
  - Air Assisted Flow Testing (AAFT)
  - Conventional Inflow Testing (CIT)
  - Injectivity Falloff Testing (IFOT)
- The testing confirmed
  - A combined rate of 280 BWPD from 4 zones of the primary target “100 series” coal
  - The presence of methane (up to 25,000 ppm[1]) flowing with the water from the beginning of the test

Note 1: Although the gas-meter is regularly calibrated for methane and other gases, and there is no doubt about the presence of gas, the procedure for sampling the gas at the wellsite is not calibrated, and the results should be treated as qualitative only



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Significance of Fluid Flow

1. First early stage production test of its kind in Mongolia
2. Successfully completed with remote supervision
3. Strong gas and water flows
4. Gas flowed early in testing, supporting high gas saturation
5. First gas flow to surface for Elixir in Mongolia
6. Natural fractures are likely to be a key feature of the reservoir's character
7. Data has enabled an immediate start to pilot program planning
8. Water management can now be modelled



2022 Forward Program

1. Drilling

3 rigs drilling exploration and appraisal wells



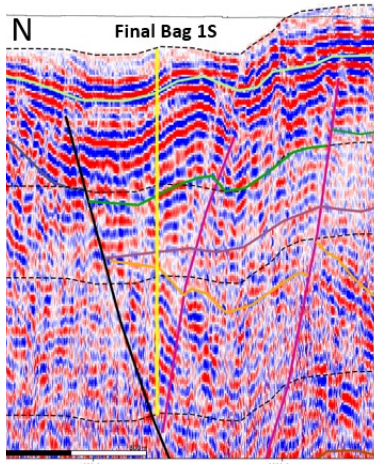
2. Pilot

~6 month program from a pattern of wells to produce gas and water from Nomgon



3. Seismic

Infilling our regional seismic grid across the block



4. Development

Matching results of pilot with our development plans for electricity generation in the Nomgon area



5. Hydrogen

Working with key stakeholders to implement our hydrogen strategy

H O

Electrolysis

Renewables

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3.

The Opportunity & Markets

Chinese Gas Markets

De-carbonisation in China is real – but also realistic

Current exceptionally high Asian gas prices being paid by China - > $30/mmbtu

Govt policy statements indicate security of supply even more important to China than price

PRC already actively reducing carbon intensity of its economy - Inner Mongolia changing its coal heavy energy mix



Diversity and security of supply are paramount

The enduring role of gas as a bridging fuel has been highlighted by recent global renewable energy shortfalls

Russia's increasing gas supply leverage over Europe not un-noticed by the PRC

China accelerating its own hydrogen developments – in the long term likely to need imports

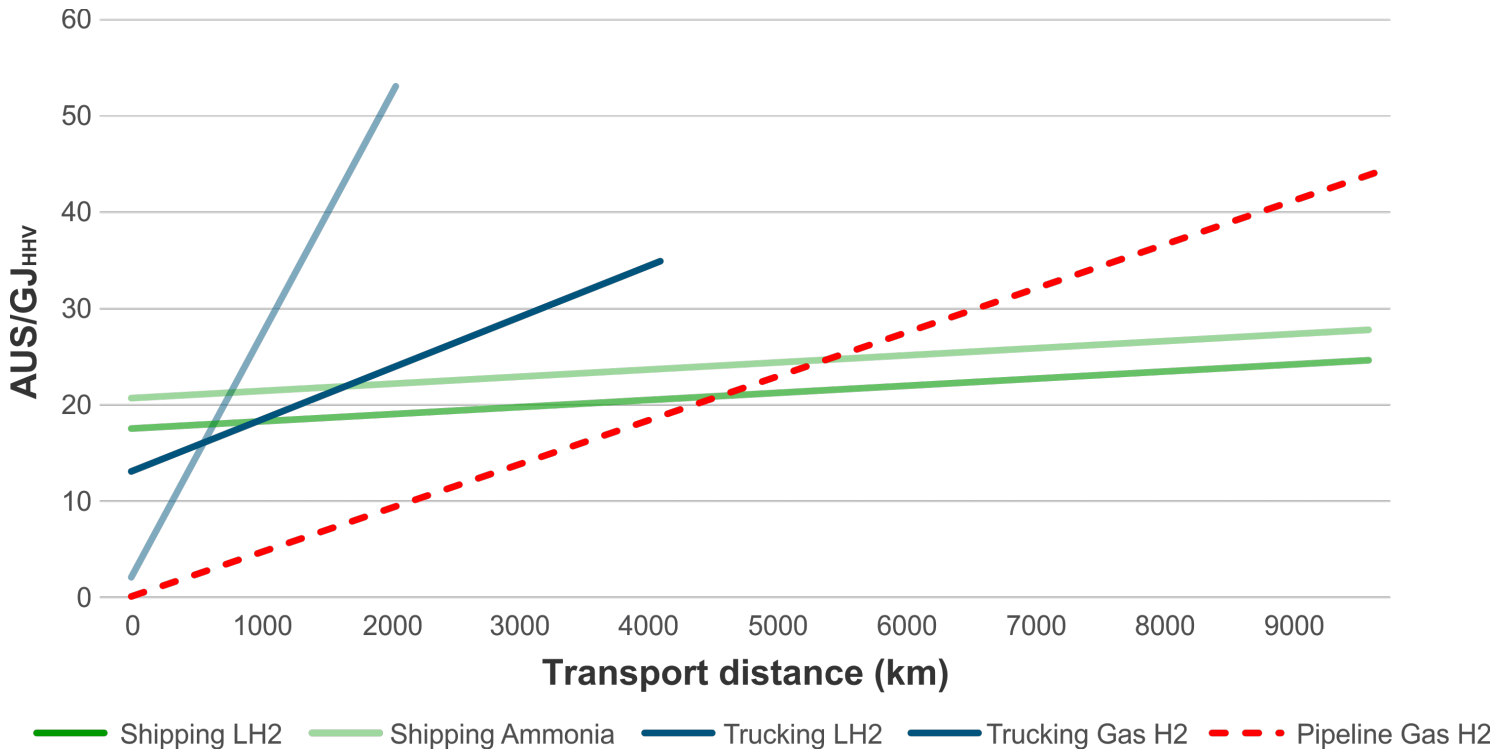
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Our Competitive Advantage - Hydrogen Delivery Costs

- Around 2/3 of the cost of producing green H2 are the cost of renewables
- Shipping H2 by boat costs multiples (~$20/GJ) of shipping the same energy as CH4 (~$5/GJ)
- The delivered cost of H2 is therefore all about the quality of renewable energy ***and the cost of delivery***
- Access to markets by pipeline is massively advantaged over seaborne supplies – ***Mongolia can supply H2 to Chinese markets by pipeline***

Cost of gas-to-gas hydrogen transportation, including conversion and reconversion - 2030s

For hydrogen production of ~15PJ/year

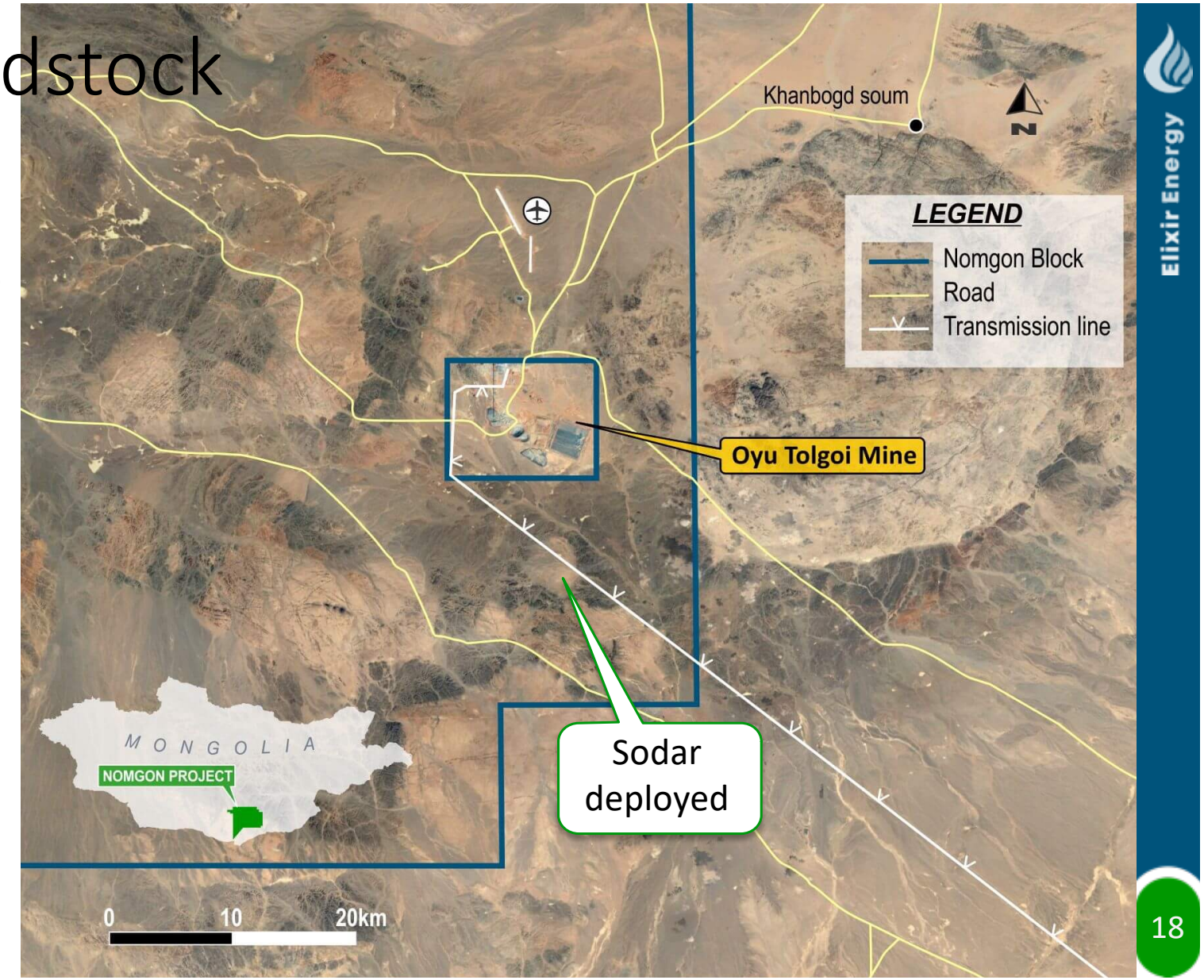


Source: Rystad Energy research and analysis commissioned by Elixir Energy -

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Green H2 feedstock

- Elixir has imported Australian built Sodar equipment into Mongolia to measure wind and solar resources to bankable standards
- The Sodar has been deployed to the same region as where the Company's current CBM operations take place
- Elixir's analysis shows exceptional wind & solar combined capacity factor in the region



4. Investment Highlights

Work program exponentially expanding

- ✓ *"Rinse & repeat" model established*
- ✓ *Low risk and low cost*
- ✓ *Leading player in country*
- ✓ *Aiming to build a regionally material gas resource*

2022 Onwards

Sustained Pilot testing
More & more "rinse & repeat" resource adds

2021

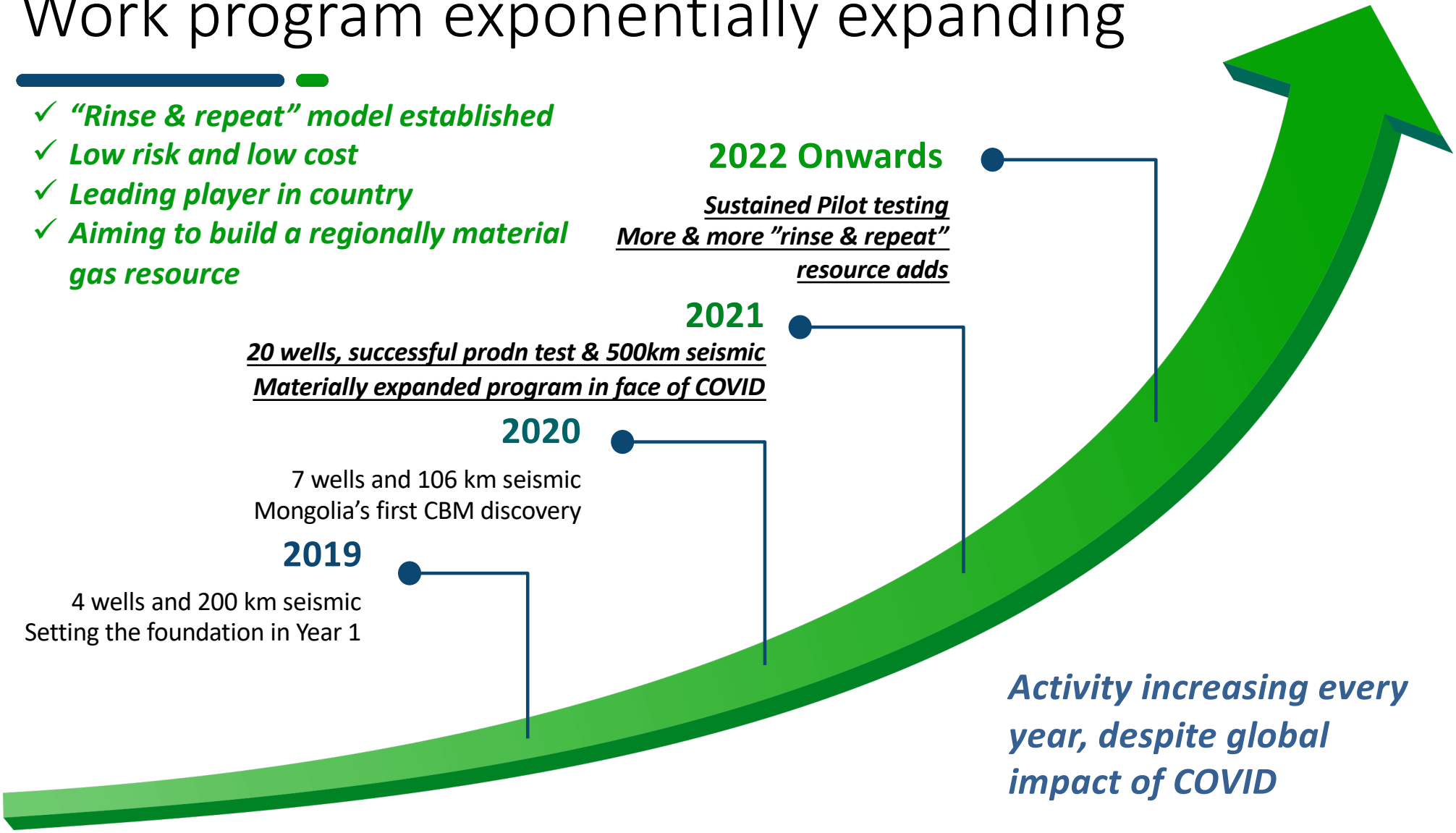
20 wells, successful prodn test & 500km seismic
Materially expanded program in face of COVID

2020

7 wells and 106 km seismic
Mongolia's first CBM discovery

2019

4 wells and 200 km seismic
Setting the foundation in Year 1



Activity increasing every year, despite global impact of COVID

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Investment Highlights



Elixir's program materially expanding year on year. Working around COVID



"Rinse and repeat" exploration/appraisal program adding more and more resources



Financial strength reinforces sustained 100% ownership position - to maximise future optionality



Low cost, safe and experienced Operator – with deep CSG expertise from Australia being transmitted to Mongolia



Multiple market channels, both local and export. Gas symbiotic with renewables and a key to net-zero by 2060 in China



Building on existing relationships & superb location to develop a hydrogen business

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