



**Elixir Energy**

**ASX ANNOUNCEMENT**

**ASX : EXR**

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## **NOMGON CBM PILOT PROJECT - OPERATIONAL UPDATE**

### **HIGHLIGHTS**

- Production shut-in period shows strong pressure build-up
- Major Drilling work-over rig utilized for routine clean-up of Nomgon 8 and 9 wells
- Drilling program Tendering near completion

Elixir Energy Limited (“Elixir” or the “Company”) is pleased to provide an update on the extended pilot production project underway in its 100% owned Nomgon IX Coal Bed Methane (CBM) Production Sharing Contract (PSC) in the South Gobi Basin, Mongolia.

Since pilot production from Nomgon-8 and 9 wells passed the milestone of 200,000 standard cubic feet per day (scfpd) of gas for the first time earlier this month, Elixir has again shut-in the two wells to record downhole pressure buildups. The pressure plot from Nomgon-9 during the early stages of the shows a strong buildup indicating good reservoir pressure support.

After the shut-in period, Elixir has elected to workover both wells with a view to improving production efficiency. Specifically, the workover will remove and replace all gauges in the two wells, clean and wash all cuttings and material from the wellbore, change and lower downhole pumps and recalibrate all surface equipment. Given the harsh Gobi winter that the equipment has been operating under, this is considered a routine activity which will be completed within ~10 days for both wells.

The extended production test at Nomgon will thereafter continue for around another couple of months to maximise the data gathering aim of the pilot.

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*Major Rig setting up for routine workover operations and Nomgon-8*

With respect to the 2023 drilling program, the standard Government mandated tendering process is nearing completion, and once finalized, will lead to the award of tenders and the initiation of the drilling program for 2023.

Elixir's Managing Director, Mr Neil Young, said: *"The Nomgon Pilot Program is now entering the final data gathering and fine-tuning phase. Our team in Mongolia continue to manage the wells carefully and are acquiring the maximum amount of data in preparation for the next regulatory and commercial phases that are intended to ultimately support development and production."*

By authority of the Board:

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