

21 February 2025

FARMOUT OF MONGOLIAN ASSETS

HIGHLIGHTS

- Agreements executed to farmout Mongolian gas and renewables assets
- Incorporated joint ventures established in which farminee acquires 51% interests
- Elixir to be fully carried through to final investment decisions
- Conditional 2-way options for Elixir to potentially exit upon FIDs

Elixir Energy Limited (“Elixir” or the “Company”) is pleased to advise that it has entered into two Agreements to farmout its Mongolian gas and renewables assets.

The key terms of the Gas Farmout Agreement are as follows:

- The Agreement establishes an incorporated joint venture (IJV) that holds Elixir’s Mongolian coal bed methane (CBM) business – primarily the Nomgon CBM PSC and sundry related equipment and facilities.
- The farminee party acquires a 51% interest in the IJV and will fully carry Elixir through all costs to a final investment decision (FID) on a gas development.
- The Farmout Agreement also contains conditional put and call options that can be exercised upon FID being reached, providing for Elixir to exit at a price of US\$0.30/GJ of 2P booked reserves, capped at US\$30 million.
- The Farminee is a UK registered company controlled by Mongolian business interests that are well known to Elixir.

The key terms of the Renewables Farmout Agreement is as follows:

- The Agreement establishes an incorporated joint venture (IJV) that holds Elixir’s Mongolian based renewable energy business – the Solar Ilch pre-development solar farm, wind/solar monitoring equipment and all data/IP.



The Solar Ilch solar project site

- The farminee party will acquire a 51% interest in the IJV and fully carry Elixir through all costs to any final investment decisions (FIDs) on the proposed solar/wind farm developments.
- The Farmout Agreement also contains conditional put and call options that can be exercised upon FID being reached, providing for Elixir to exit on the following terms:
 - Solar farm – US\$2 million and US\$20k per MW of installed capacity up to a maximum of 50 MW. A 50 MW solar farm would therefore entail a total payment of \$US3 million to Elixir.
 - Wind farms – US\$1 million and US\$10k per MW of installed capacity up to a maximum of 200 MW. A 200 MW wind farm would therefore entail a total payment of US\$3 million to Elixir.
- The Farminee is the same party as noted above.

Elixir's Managing Director, Mr Neil Young, said: *"This farmout deal facilitates the ever greater focus of Elixir upon its Grandis project in Queensland, as the farminee party will cover all costs for the Company's Mongolian businesses up to FID. The deal also provides a pathway to potentially exit in due course on pre-agreed terms which are highly valuable to Elixir, with possibly payments totalling A\$56 million (at current exchange rates)".*

By authority of the Board:

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APPENDIX 1 - Disclosures of Farmin Agreement key terms per 4.15 of Guidance Note 8:

1. Equity to be earned by farminee under the Farmin Agreements - 51% in each of Elixir's Mongolian gas and renewables assets.
2. Farmin work to be paid for by farminee – for both assets, all costs up to FID.
3. Farminee: Gobi Terra (UK) Limited – a private UK company controlled by Mongolian business interests.
4. Operator of farmin work - farminee. Operator post farmin work - farminee.
5. Joint venture agreements for each business will be standard Shareholder Agreements typical for oil and gas IJVs.
6. An additional key feature of the farmins are the matching call and put options summarised above, capable of being exercised upon FID.