



Acquisition of Queensland Gas Asset

29 August 2022

ASX:EXR

Acquisition of Queensland Gas Asset

- Elixir has executed Agreements to **purchase 100% of EnergyCapture Pty Ltd**
- This company is a special purpose vehicle that owns 100% of Queensland gas exploration permit ATP 2044 – a **1,000 square kilometre tenement**
- ATP 2044 is **not subject to** any form of **domestic gas reservation**
- **Consideration** for the purchase is:
 - **A\$500,000**
 - The issue of **20,703,934 Elixir shares** to the owners (1/3 escrowed for 9 months, 1/3 escrowed for 18 months and 1/3 unencumbered)
 - An **over-riding royalty of 3% on hydrocarbon liquids** production only
- ATP 2044 is located **~35 kilometres South East from Australia's main gas hub at Wallumbilla** – and can therefore readily access both East Australian and international gas markets via Gladstone
- The permit overlies the **Taroom Trough** of the Bowen Basin – which BG Group (now Shell) drilled around a decade ago and **flowed gas and condensate to surface from multiple wells**
- Unrisked Mean Prospective Resources **of 3.3 Tcf and 75 MMbbl** associated condensate
- Elixir plans to **drill an appraisal well (Daydream-2) in 2023**, subject to rig availability and discussions with other Operators in the play such as Shell and Santos

Deal Highlights



Acquisition of 100% of large permit located close to Wallumbilla hub



Quick access to high priced East Australian – and international – gas markets



Highly opportune purchase given global energy market dynamics



Very strong neighbours and likelihood of multi Operator drilling program in the short term



High impact drilling planned for 2023 (subject to rig availability)



Sensible diversification within Elixir's portfolio that leverages the team's skills

Current Global Gas Market Dynamics

TTF price of
US\$94

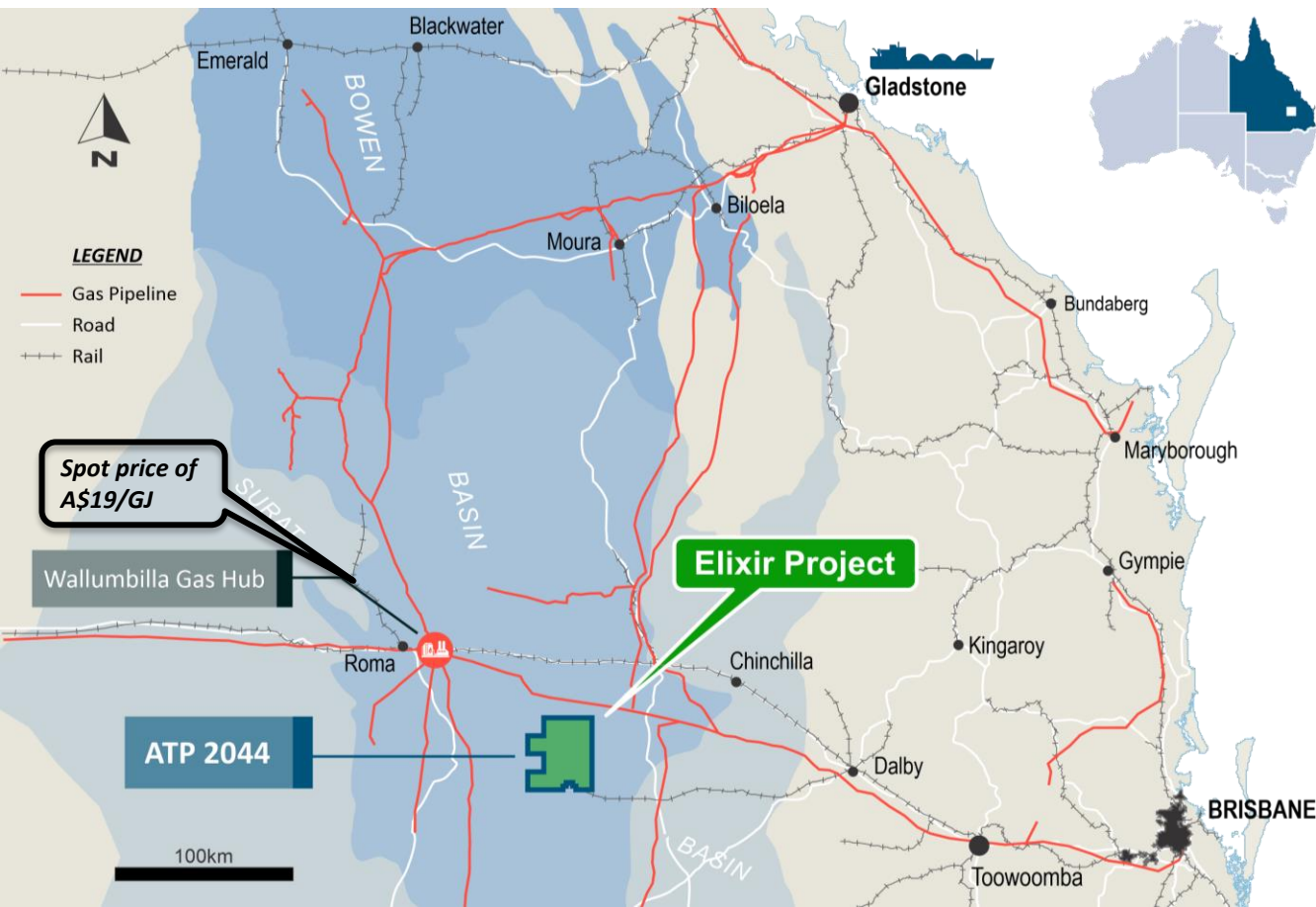
JKM price of
US\$70

- LNG flows to Europe, from Australia
- Current trading partners

LNG flows to Europe,
from Australia, post
Ukraine war –
potential future
market

TTF and JKM prices quoted are in MMBtu

Regional Location

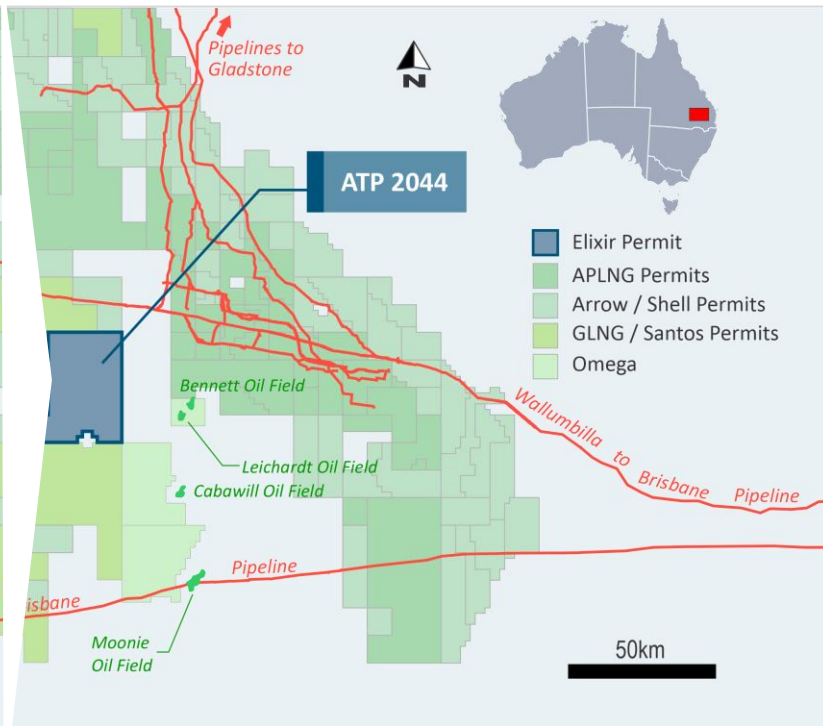
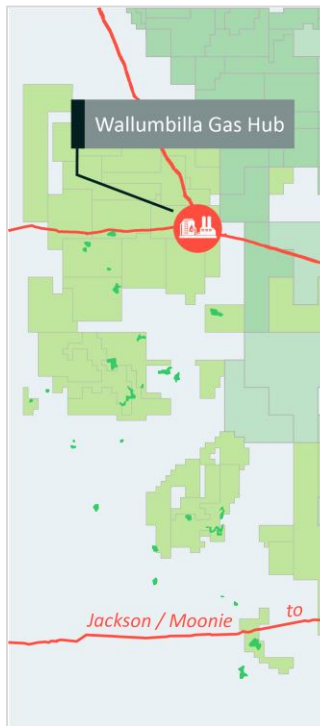


Area of 1,000 km²
located
approximately
35km away from
critical gas
transmission
infrastructure

Connected to
international
markets

Primary objectives
are Permian aged
sandstones and
coals, with a
globally relevant
prospective gas
resource

Adjacent to existing and proposed pipelines



ESG Friendly (for investors and industry players)



Fatah Birol, Executive Director of the IEA speaking at last month's July's Sydney Energy Forum

The Taroom Trough gas is low in CO₂ and scope 1 & 2 emissions would therefore be low

"It is true that we have to replace Russian oil and gas..."

..This can be done with the existing oil and gas resources in the world...

..using a lot of shale oil and gas...

..Because they are easier to come in, easier to get out of the market..."

- Gas from this project can reach world markets quickly via Gladstone
- The Taroom Trough contains discovered gas resources following BG Group's (now Shell) work
- The Taroom Trough contains an onshore unconventional play
- Production can be ramped up and down readily by pacing the drilling of wells

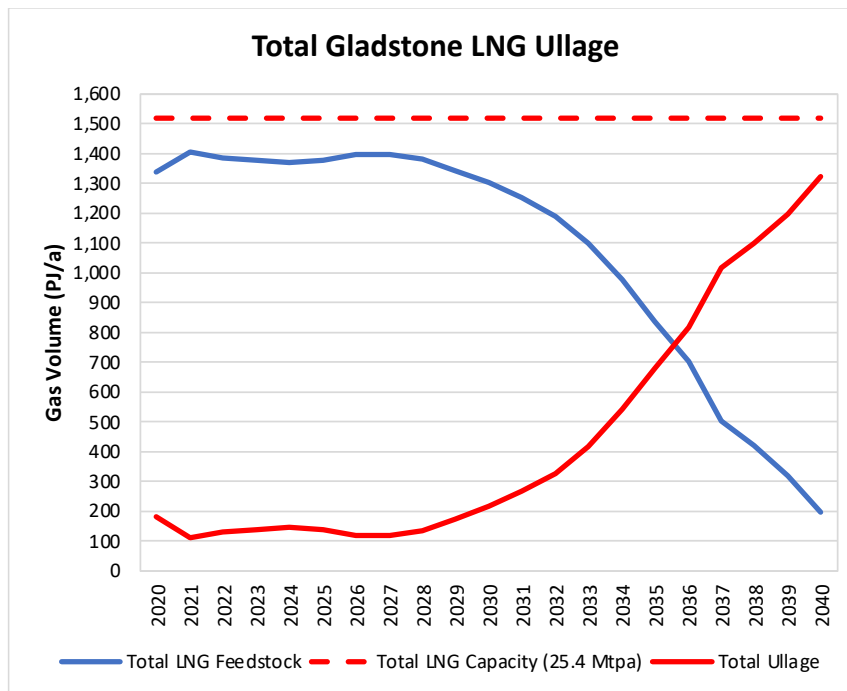
The Surat Basin in the region overlying the Permian Taroom is an emerging hub for CCS activities – e.g. current Glencore project and new areas under gazettal – some of these overlap with ATP 2044

Access to International Markets

Elixir considers that the Taroom Trough is one of a handful of low risk locations in the world with access to spare liquefaction plant capacity

"I will once again firmly request the United States, a major global LNG producer, and Australia, the largest LNG supplier to Japan, to step up production and ensure a stable supply of the fuel as the global LNG market is tightening in the wake of Russia's invasion of Ukraine." Japan's Trade Minister – 13 July 2022

"Germany is in negotiations with some of the world's top liquefied natural gas suppliers, including energy giant Shell Plc, to replace Russian fuel with alternative supplies. Joerg Kukies, German Chancellor Olaf Scholz's top economic aide, said he held talks on potential procurement in Sydney during a two-day energy forum". Bloomberg – 13 July 2022



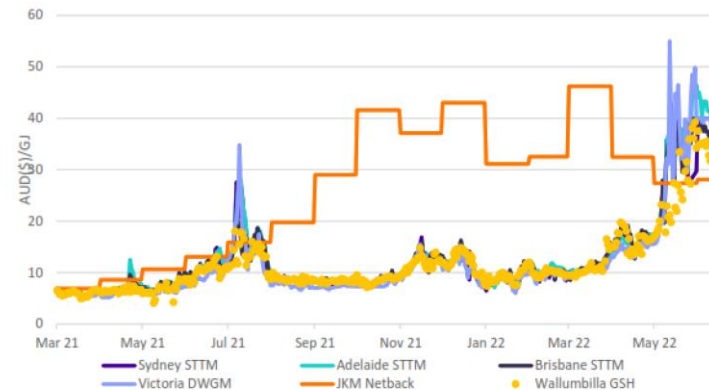
Source: EnergyQuest report for Elixir Energy

East Coast Gas Market Dynamics

The ACCC has recently highlighted the need for new (or diverted from export) East Coast gas supplies

- The recently released ACCC *Gas Enquiry* Report highlighted potential material – and growing – shortfalls of gas supplies to Australia's East Coast market
- Very high spot and forward contract prices reflect the supply squeeze
- Notwithstanding the new Federal Government's energy transition goals, gas is still projected to have a vital role to play in power generation (backing up ever growing renewables), manufacturing and heating
- Europe's current worsening gas crisis demonstrates the intense political, commercial and personal consequences resulting from supply shortfalls

Chart 2.3: Domestic short term market prices



Source: AEMO, ACCC (JKM netback), S&P Global Platts.

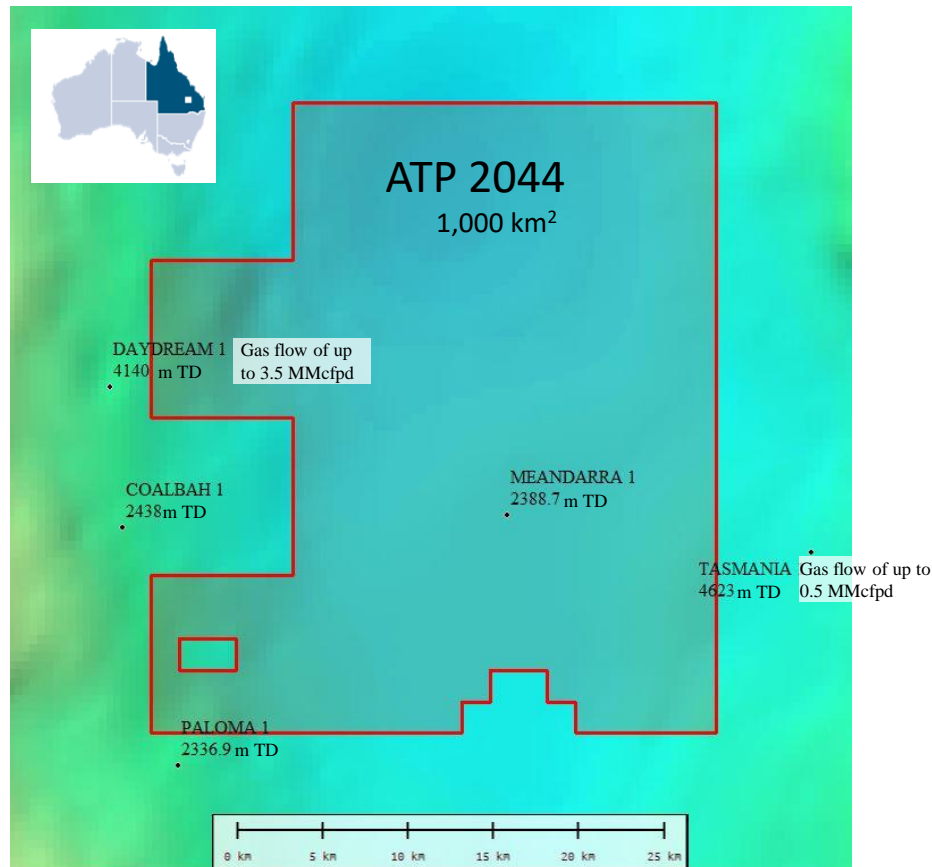
Source: ACCC Gas Enquiry report dated July 2022

Prospectivity of ATP 2044, Taroom Trough

- ATP 2044 is prospective for:
 1. Tight sandstones in a range of stratigraphic and unconventional traps
 2. Deep fractured thermal coal
- The Taroom Trough is geologically distinct from other Permian sediments in Australia:
 1. Significantly cooler than Cooper Basin
 2. Less hostile stress regime
 3. Less thermally mature
 4. No CO₂ or H₂S issues
 5. Potential for condensate given nearby oil fields

Existing Gas Flows

- Previous drilling by BG Group (now Shell) at Daydream-1 proved BCG play concept, 2 km west of permit
- Well flowed an instantaneous rate of 3.5 MMcfpd from an interval covering 1/10th of the gross prospective reservoir section
- Elixir's in-house reservoir modelling suggests flow rates can be significantly improved by:
 1. Accessing fractured coals as well as sandstones
 2. Using state of art stimulation techniques
 3. Focus on full Permian section (Kianga and Back Creek Formations)



Material Prospective Resources

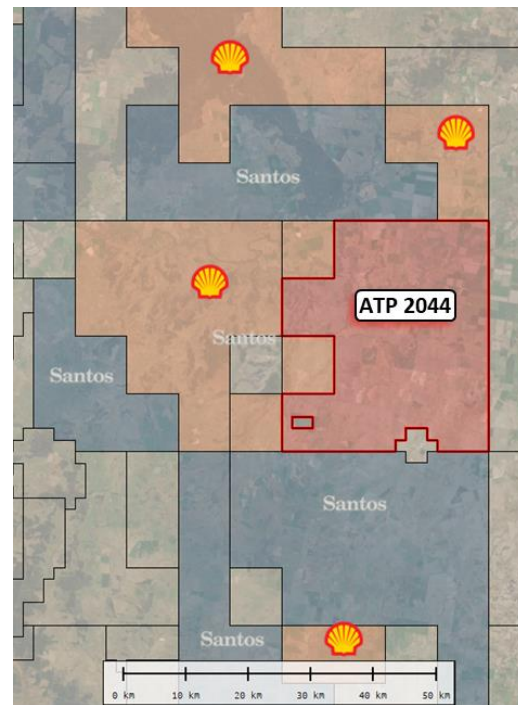
TOTAL UNRISKED PROSPECTIVE RESOURCES ¹					
ATP 2044 GROSS (100%)					
<i>Log Normal Distribution</i>	Low 1U ²	Best 2U ³	Mean ⁴	High 3U ⁵	
TOTAL RECOVERABLE GAS	940	2488	3,265	6811	Bcf
TOTAL ASSOCIATED CONDENSATE	9	50	75	272	MMbbl

Notes to Table:

1. Prospective Resources are those estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further explorations appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
2. At least a 90% probability that the quantities actually recovered will equal or exceed the estimate.
3. At least a 50% probability that the quantities actually recovered will equal or exceed the estimate.
4. The arithmetic average of the probability distribution.
5. At least a 10% probability that the quantities actually recovered will equal or exceed the estimate.
6. Prospective Resources have been assessed on the basis that they are unconventional in nature.
7. Bcf means billion standard cubic feet of gas.
8. MMbbl means million barrels of oil or condensate.
9. The resource calculations are probabilistic but each reservoir was added arithmetically
10. See appendix for further information.

In Summary

- ✓ Large scale gas asset with access to local and international gas markets
- ✓ Considerable in-house expertise of play and region
- ✓ Perfect timing to mature another gas play given the current global energy market dynamics
- ✓ International and Australian majors actively working the play
- ✓ 100% owned and controlled



An address dominated by much larger IOCs

“If the play works then we believe there is multi-TCF potential”

Kevin Gallagher (Santos CEO) Australian Financial Review
15 November 2018

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Appendix

Methodology:

The estimate of Prospective Resource was compiled by Elixir's Chief Geoscientist, Mr Greg Channon, who has completed a detailed and formal report on the prospective resources in ATP 2044. The work was undertaken in accordance with the Society of Petroleum Engineers internationally recognised Petroleum Resources Management System 2018 (PRMS). Mr Channon's methodology was to compile and review all available data and make interpretations of (amongst other things) the wireline logs, seismic data and historical well records relevant to the permit area. An estimate of the gross and net rock volume was determined, and from that, a probabilistic distribution of the prospective resource was compiled. A site visit to the area was conducted.

Competent Person:

Elixir's Competent Person is Mr Greg Channon. Mr Channon is a qualified geoscientist with over 35 years of oil and gas industry experience and is a member of the American Association of Petroleum Geologists and the South East Asian Exploration Society and is a graduate of the Australian Institute of Company Directors. He is qualified as a competent person in accordance with ASX listing rule 5.41. Mr Channon consents to the inclusion of the information in this report in the form and context in which it appears.

Reporting Standards:

Reserves and resources are reported in accordance with the definitions of reserves, contingent resources and prospective resources and guidelines set out in the Petroleum Resources Management System (PRMS) prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts (SPWLA) and European Association of Geoscientists and Engineers (EAGE), revised June 2018.



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The background of the slide features a large, semi-transparent blue flame graphic on the right side. The main image is a photograph of a white wind turbine in a desert landscape. In the foreground, a herd of camels is visible. The sky is blue with some clouds.

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