Elixir Energy

Noosa Mining Conference Presentation

17 November 2023

ASX:EXR

Elixir Energy

1. Company Overview

Macro Overview

1

Oil and gas

Prices & animal spirits

- Oil & gas prices very strong
- Energy transition is much longer dated than hoped
- Emerging animal spirits coming from US – will wash around the world

2

Security of supply

Australia & Mongolia

- Ukraine war showed value of security of supply
- A key Australian advantage
- Mongolian gas very secure for China

3

Location, Location

Close to markets

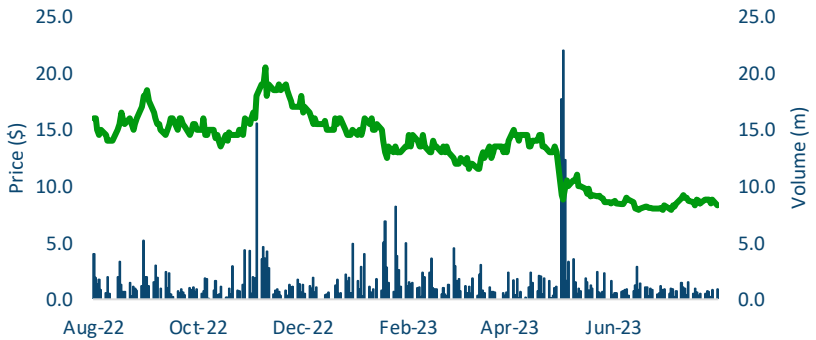
- Elixir's assets located close to infrastructure
- LNG plants in Queensland have growing spare capacity
- Location even more important for H2

Capital Structure / Board

Capital Structure

Capital Structure	Current
Number of Shares	1,056 million
Performance Shares and Options	83 million
Market Capitalisation (at A$0.075)	A$79 million
Cash (30 September 2023)	A$11 million
Enterprise Value	A$68 million

Share Price Performance



Board of Directors

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)

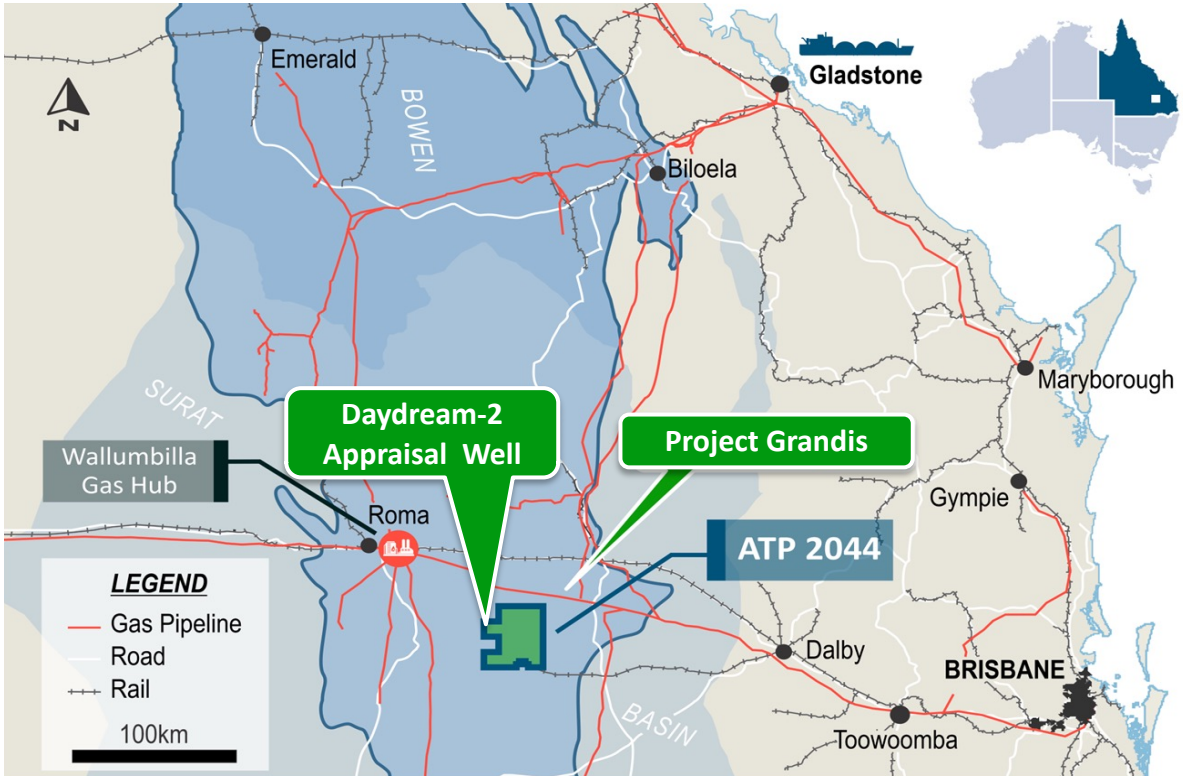
Anna Sloboda
Non-Executive Director
Previous employers include Lehman Bros, Clough, Curtin University & Trans-Tasman Resources
Ex-USSR background and experience of working in China

Elixir Energy

2. Grandis Gas Project

Project Location

Elixir currently drilling Daydream-2 Appraisal Well

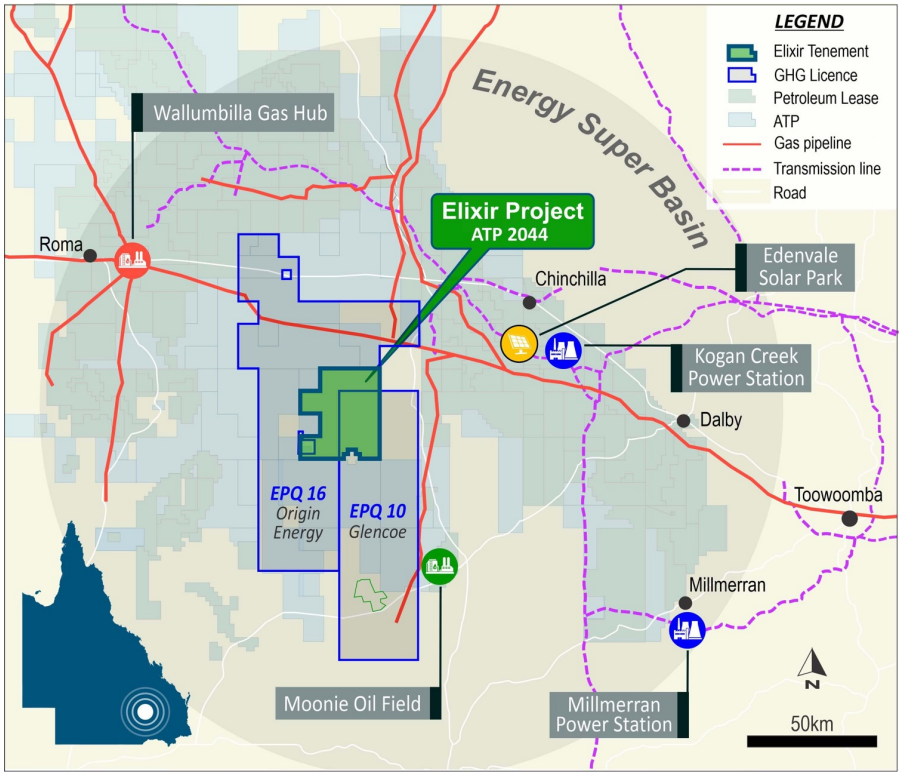


- The Grandis Gas Project is very well located in the southern Taroom Trough (TT)
- Market factors are now driving new rounds of drilling in the TT, including by Majors:
  - The rapidly growing demand/supply gap in the East Coast gas market
  - Spare capacity in Queensland's LNG plants – also growing
  - International buyers' requirements for reliable supply – especially given the Ukraine War and other geopolitical factors
- **Australian Government to fund 48.5%** of qualifying well costs for Daydream-2 through R&D rebate

An Emerging **Energy Super Basin**

Elixir's recent $1M deal with Origin Energy confirms the Taroom as an emerging Energy Super Basin

- Wood Mackenzie's **Energy Super Basin** concept:
  - *"Super basins are the future"*
  - *"The future is upstream co-located with low carbon"*
  - *"These are basins with the co-location of upstream hydrocarbons, clean electricity, standalone and/or hub scale CCS"*
- Grandis is located in such an **Energy Super Basin**:
  - Tcfs of contingent and prospective gas resources (with low CO2)
  - Overlapping GHG (CCS) licences
  - Major electricity infrastructure – with solar projects adding to thermal power stations

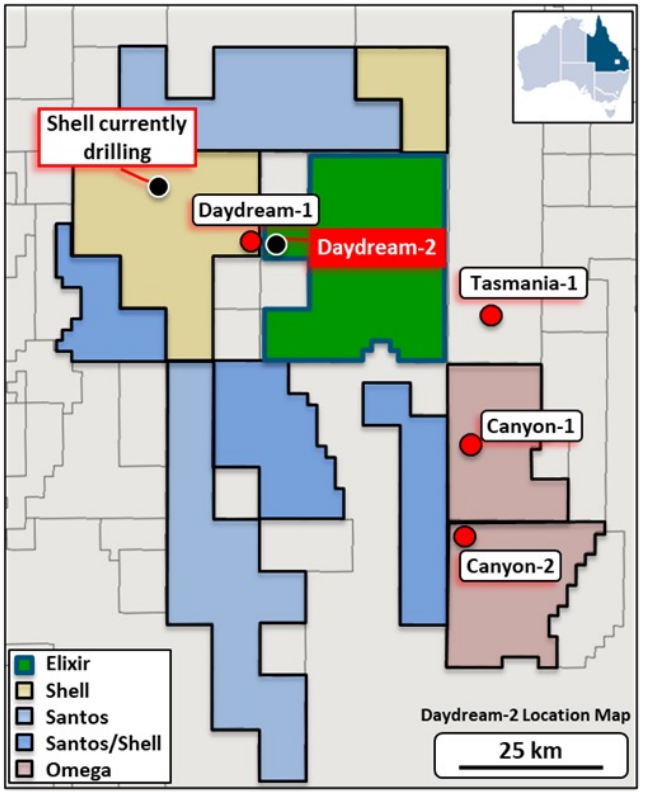


Taroom Trough

Home to several majors, the Taroom Trough hosts material discovered and potential gas resources

- **Shell:** Currently drilling. *"The estimate of recoverable hydrocarbons in this reservoir across ATP 645 in the area covered by PCA 1 (305), on an unrisked P50 basis, is 3.0 Tcf sales gas and 252 mmboe NGLs and condensate"* [1]
- **Santos:** Recently executed Data Sharing Agreement with Elixir. *"If the play works then we believe there is multi-Tcf potential" (*Kevin Gallagher - Santos CEO - Australian Financial Review on 15 November 2018
- **Elixir:** 2C contingent resources of 395 Bcf and 2U prospective resources of 1,287 Bcf
- **Omega:** 2C contingent resources of 1.73 Tcf. Stimulated horizontal well to follow in 2024

With multiple operators investing substantially and experimenting with different approaches – the greater the chance the "code" is cracked for the benefit of all



1 - https://www.daf.qld.gov.au/__data/assets/pdf_file/0010/1672921/21-296-File-G.pdf

Resources

Contingent Resources – Sandstones only

ATP – 2044 – GRANDIS GAS PROJECT				
Contingent Resources (100%)				
	Units	1C	2C	3C
Gas Initially In Place	Bcf	2,128	7,007	22,699
Recoverable Gas	Bcf	93	395	1,493
Recoverable Condensate	MMbbl	0.7	3.6	17.3

Note – tight sandstone reservoirs only

- In October 2022 ERC Equipoise Pte Ltd (ERCE) prepared a Competent Person's Report (CPR)
- ERCE has attributed Contingent Resources to the ATP 2044 permit as shown
- Only the sandstone reservoirs' hydrocarbon volumes were attributed as Contingent Resources

Prospective Resources - Fractured Coals

ATP – 2044 – GRANDIS GAS PROJECT				
Prospective Resources (100%)				
	Units	1U	2U	3U
Recoverable Gas	Bcf	401	1,287	4,135
Recoverable Condensate	MMbbl	4	25.7	165.4

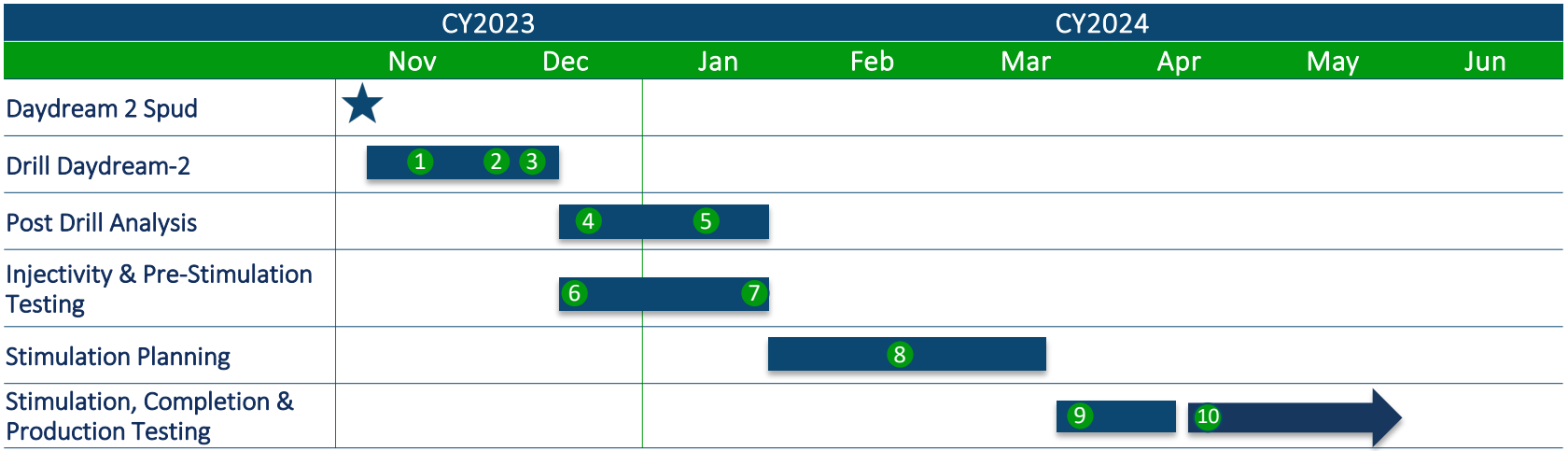
Note – fractured, thermally mature coals only

- In addition to the Contingent Resources calculated by ERCE in the Tight Sandstone Play, the Fractured, Thermally Mature Coals Play provides an additional primary target
- Flowing gas from the coals in Daydream-2 should start to convert prospective into contingent resources

Notes

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. See appendix for further information.

Grandis Gas Project Timeline



1. Intermediate wireline logging (funded by Origin Energy)
2. Intersection of primary target intervals
3. Final wireline logging (delivering thickness of gross interval, net pay, gas saturation etc.)
4. Compilation of post well analysis (final pay information and initial production testing plans)
5. Review of Contingent Resource
6. Diagnostic Fracture Injectivity Testing (DFIT) to directly measure formation stress, pore pressure and permeability
7. Pre-stimulation optimisation and testing activity (to guide formal stimulation plans)
8. Working with Halliburton Global Technology Centre for optimal strategy on stimulation of Daydream 2 reservoirs
9. Execution of stimulation program for sandstone and coal reservoirs (up to 5 stages)
10. Completion and production testing (initial flow rates from specific isolated intervals in coals and sandstones) - TBC

Daydream-2 – Game Changing Objectives

Daydream-2 has multiple objectives that collectively can deliver enormous de-risking and value

- ***500m gross vertical interval of prospective reservoirs***
- ***Stimulation program covers entire zone***
- ***Preliminary plan is for 5 stages of stimulation isolating both coals and sandstones***
- ***Confirm liquids content and low Co2***
- ***Extended DFITs to fully evaluate stress, pore-pressure and permeability***
- ***Expand Contingent Resources on coals and sandstones***
- ***Exciting R&D plans include:***
    1. *Micro-proppants*
    2. *Dynamic diversion injection*
    3. *Fibre-optic completion technology*
- ***Gather data for scalable development plan with could include more than 500 wells. Ultimate development case of vertical, deviated or horizontal wells to be determined post multiple operator results***

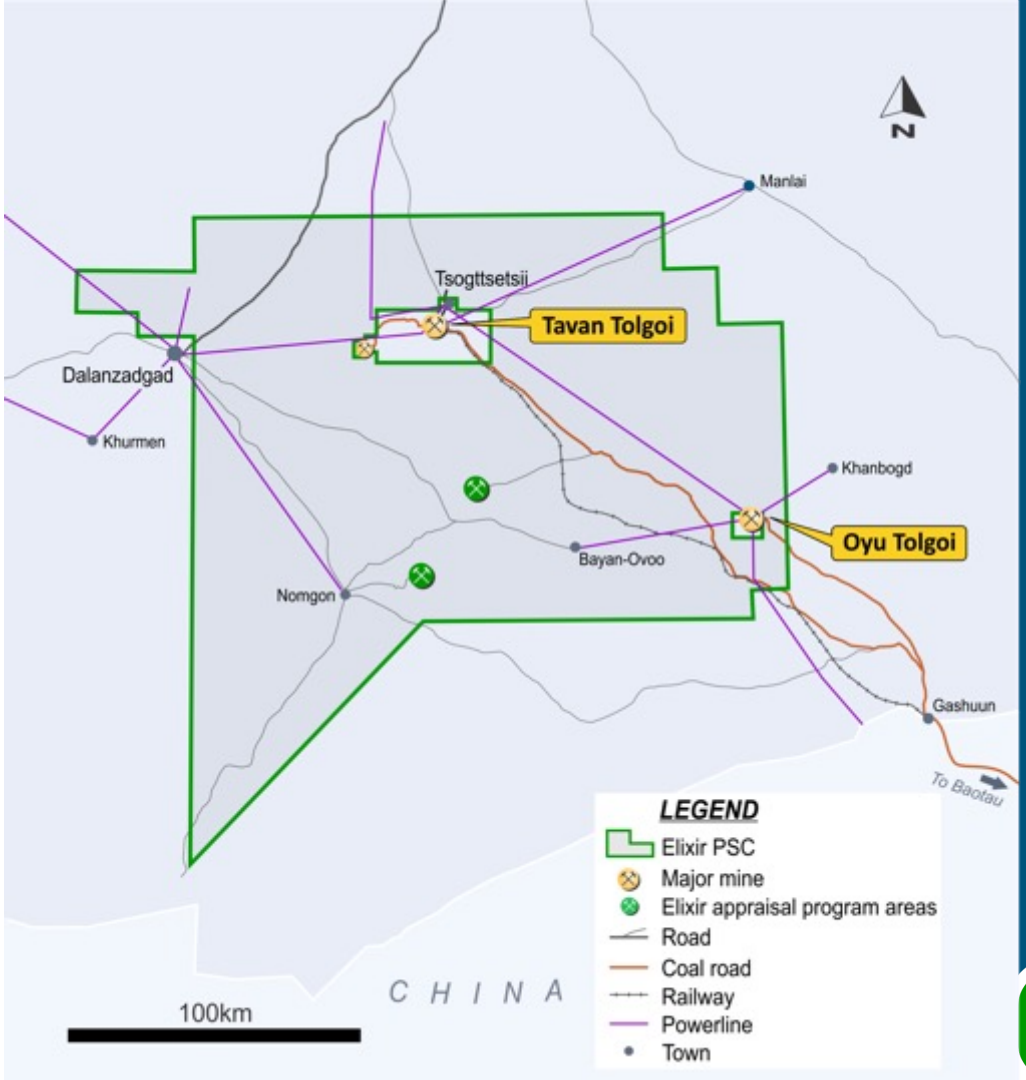
Elixir Energy

3. Nomgon CBM PSC

CBM Asset Overview

- Elixir's foundation asset – the 100% owned Nomgon IX Coal Bed Methane (CBM*) Production Sharing Contract (PSC) project in the South Gobi region of Mongolia
- Highly experienced CSG team – first mover in taking Australia's industry leading skills to Mongolia
- Located on Mongolian/Chinese border with excellent infrastructure, mines and planned pipelines
- This location provides many market options – domestic and export
- Exploration commenced in 2019 and first CBM discovery made in 2020
- Production Pilot Project ongoing though 2024

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



Elixir Energy

Extended Pilot Production Test

Aim

- Dewater coals and flow gas from the Nomgon CBM discovery
- Provide proof of concept for commercial development
- First extended production test in Mongolia
- Growing cooperation with other Operators

Wells

- Initial 2 production wells drilled 100m apart
- Additional pilot well (Nomgon-10) added and shows improved permeability and lower formation damage
- Depth to coal ~450m

Production

- Water and gas production to continue into 2024
- Varied flow rates typical of a first pilot in the region - measured up to 200,000 cubic feet per day
- Production system now fully remote, with the ability to control most process form Australia

Nomgon-9 flare

4. Gobi H2

Gobi H2 Overview

Elixir's longstanding experience in Mongolia's energy sector and stakeholder engagement with Governments and customers, has provided a strong foundation for the Gobi H2 Project

- Gobi H2 is Elixir's green hydrogen project (i.e. one where hydrogen is produced from renewable electrical energy sources) located in the Gobi region of Mongolia
- Elixir's longstanding experience in Mongolia's energy sector and stakeholder engagement with Governments (at multiple levels), communities, customers, etc, has provided a strong foundation upon which to build the Gobi H2 business
- The strength of the concept behind the project was demonstrated in mid-2022 when Elixir announced the signing of a Memorandum of Understanding (MOU) over Gobi H2 with Japan's SB Energy Corp (now Terras Energy following Toyota Tsusho taking control)
- Elixir procured a Pre-Feasibility Study (PFS) from global consulting firm AECOM earlier this year to give the parties confidence to advance the project
- The (confidential) PFS results were such that in February 2023 Elixir and SB Energy expanded upon the MOU through the execution of a Term Sheet - which provides an exclusive framework to work towards entering into a binding 50/50 joint venture later in the year
- Green hydrogen infrastructure projects in neighbouring China – including the development of a regional hydrogen pipeline transmission network – can ultimately be expanded Northwards to capture the benefits of the Gobi's exceptional renewable resources

Term sheet with Terras

Pilot pre-feasibility results secured

Targeting local and export markets

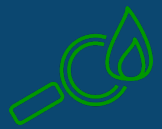
Project financiers engaged for pilot

Short and long term water procurement

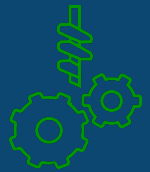
Banking renewable resources

5. Highlights, Disclaimer and Appendix

Corporate Highlights



High impact Daydream-2 appraisal well currently drilling ahead



Mongolia's first CBM pilot production project ongoing

Key catalysts due this FY – adding material resources and de-risking

Highly experienced teams in Australia and Mongolia and multiple funding sources procured

Ukraine war and growing difficulties in energy transition highlighted need for energy security and key role for gas in the medium term

Strong balance sheet and 100% gas asset ownership provides maximum strategic optionality

Important Notice & Disclaimer

This document has been prepared by Elixir Energy Limited (ABN 51 108 230 995) ("Elixir") in connection with providing an overview of its business to interested analysts/investors.

This presentation is being provided for the sole purpose of providing preliminary background financial and other information to enable recipients to review the business activities of Elixir. This presentation is thus by its nature limited in scope and is not intended to provide all available information regarding Elixir. This presentation is not intended as an offer, invitation, solicitation, or recommendation with respect to the purchase or sale of any securities. This presentation should not be relied upon as a representation of any matter that a potential investor should consider in evaluating Elixir.

Elixir and its affiliates, subsidiaries, directors, agents, officers, advisers or employees do not make any representation or warranty, express or implied, as to or endorsement of, the accuracy or completeness of any information, statements, representations or forecasts contained in this presentation, and they do not accept any liability or responsibility for any statement made in, or omitted from, this presentation. No responsibility or liability is accepted and any and all responsibility and liability is expressly disclaimed by Elixir and its affiliates, subsidiaries, directors, agents, officers, advisers and employees for any errors, misstatements, misrepresentations in or omissions from this presentation. Elixir accepts no obligation to correct or update anything in this presentation.

Any statements, estimates, forecasts or projections with respect to the future performance of Elixir and/or its subsidiaries contained in this presentation are based on subjective assumptions made by Elixir's management and about circumstances and events that have not yet taken place. Such statements, estimates, forecasts and projections involve significant elements of subjective judgement and analysis which, whilst reasonably formulated, cannot be guaranteed to occur. Accordingly, no representations are made by Elixir or its affiliates, subsidiaries, directors, officers, agents, advisers or employees as to the accuracy of such information; such statements, estimates, forecasts and projections should not be relied upon as indicative of future value or as a guarantee of value or future results; and there can be no assurance that the projected results will be achieved.

Prospective investors should make their own independent evaluation of an investment in Elixir.

Nothing in this presentation should be construed as financial product advice, whether personal or general, for the purposes of section 766B of the Corporations Act 2001 (Cth). This presentation consists purely of factual information and does not involve or imply a recommendation or a statement of opinion in respect of whether to buy, sell or hold a financial product. This presentation does not take into account the objectives, financial situation or needs of any person, and independent personal advice should be obtained.

This presentation and its contents may not be reproduced without the express written permission of Elixir. All references to dollars, cents or $ in this presentation are to Australian currency, unless otherwise stated.

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.

INVESTORS & MEDIA

Neil Young
Managing Director
info@elixirenergy.com.au
Phone +61 8 7079 5610
www.elixirenergy.com.au

Elixir Energy

www.elixirenergy.com.au