

21 February 2024

SIGNIFICANT INCREASE IN PROSPECTIVE RESOURCES

HIGHLIGHTS

- Desorption analysis conducted on coal cuttings from Daydream-2 now completed
- Very high gas contents measured – prior expectations greatly exceeded
- Resultant significant increase in the prospective resources in ATP 2044 to 3.6 Tcf (2U)
- Imminent program aims to start converting these prospective to contingent resources
- Expected low CO₂ confirmed

Elixir Energy Limited (“Elixir” or the “Company”) is pleased to provide an update on further laboratory results recently received in connection with its Daydream-2 appraisal well in its 100% owned Grandis Gas Project (ATP 2044), located in the Taroom Trough of the Bowen Basin, Queensland.

During the drilling of the primary unconventional targets at Daydream-2, Elixir acquired coal desorption samples from drill cuttings. The cuttings were placed in traditional coal bed methane (CBM) desorption tubes and analysed for gas content. The work was undertaken by one of the global leaders in coal analysis, ALS.

This innovative work has identified a new and significant gas resource for the Company. This is gas adsorbed to the coals - in addition to the prospective resources already recognised by Elixir, which previously were solely in the coal fracture system.

The most representative samples averaged 23 cubic metres/tonne (Raw as received) for Q1 + Q2 + Q3, which translates to 34 cubic metres/tonne (Dry Ash Free).

This adsorbed gas component of the coal is now considered by Elixir to have significantly enhanced the prospectivity of Grandis, because of:

1. The exceptional gas contents still adsorbed to the coals;
2. The entire Permian section appears to be gas saturated without significant water; and
3. The natural permeability of the adjacent sandstones means there is a direct conduit from these gassy coals to the sandstone reservoirs.

The prospective resources of gas in the Permian coals in ATP 2044 has now been re-assessed to include both an adsorbed and fractured component, and is estimated as follows:

Total Unrisked Prospective Resources ¹				
Recoverable Gas associated with coal seams	1U ² (BCF)	2U ³ (BCF)	Mean ⁴ (BCF)	3U ⁵ (BCF)
Adsorbed Coal	755	2,316	3,702	8,497
Fractured Coal (unchanged)	401	1,287	1,841	4,135
Total Prospective Resources in Coal*	1,156	3,603	5,543	12,632
<i>Increase</i>	<i>755</i>	<i>2,316</i>	<i>3,702</i>	<i>8,497</i>

*added arithmetically

Notes to Table:

1. Each reservoir target was evaluated probabilistically, and the reservoirs were added together arithmetically.
2. At least a 90% probability that the quantities actually recovered will equal or exceed the estimate (low estimate).
3. At least a 50% probability that the quantities actually recovered will equal or exceed the estimate (mid 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 (high 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.


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 exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. 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 of the adsorbed coal in ATP 2044 dated 20 February 2024. 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 adsorption and proximate analysis, 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.

This prospective coal resource, combined with the permeable and tight sandstones recently logged in Daydream-2, will be the key targets of the upcoming stimulation and testing program, which will commence in mid-April 2025.

The current timing for the wellbore clean out of Daydream-2 will be within the next 2 weeks and Diagnostic Fracture Integrity Tests (DFITs) will commence in March. The stimulation and flow testing stages will follow and are planned to be completed in the second quarter.

Successfully flowing gas from the coals will lead to the commencement of the conversion of these very material prospective resources to contingent resources. In addition, the Company aims to re-assess the previously independently certified contingent resources in the sandstones after that flow test stage – with a view to also substantially increasing them.

Further work is ongoing on the samples in areas such as gas composition and saturation. However the preliminary average chromatographic gas breakdown confirms the expected low carbon dioxide content. This has been measured as around 1% - a level which requires no processing out before sales into pipelines, etc).



Elixir's Managing Director, Mr Neil Young, said: *"We are naturally pleased to announce this very substantial increase in our already very large prospective resources in the coals in ATP 2044. To our knowledge, conducting coal content analysis on deep formations in this fashion was a first in Australia and as such is a tribute to the innovative mind set of our internal team and supportive service providers. In only a few months' time we aim to commence converting these resources into discovered contingent resources."*

By authority of the Board:
Neil Young - Managing Director
Elixir Energy Ltd (ABN 51 108 230 995)
Level 3, 60 Hindmarsh Square
Adelaide SA 5000, Australia

For further information on Elixir Energy, please call us on +61 (8) 7079 5610, visit the Company's website at www.elixirenergy.com.au

Competent Person:

The technical information provided has been produced, supervised and reviewed in detail by Elixir's Competent Person, 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.