

15 March 2024

OPERATIONS UPDATE

HIGHLIGHTS

- Coiled tubing unit cleaning out Daydream-2 wellbore in preparation for DFITs
- Significant stimulation and testing program at Grandis on track for April through to June
- Nomgon Pilot Project continues reservoir de-pressurisation process

Elixir Energy Limited (“Elixir” or the “Company”) is pleased to provide an operations update on its 100% owned Grandis and Nomgon projects located in Queensland and Mongolia respectively.

Grandis Project

A coiled tubing unit has recently been mobilised and is currently cleaning out the Daydream-2 cased wellbore.



Coiled tubing unit at Daydream-2



This cleanout is a pre-cursor to the Diagnostic Formation Integrity Test (DFIT) program which will follow shortly thereafter. The results of this DFIT program will then be used to optimize the subsequent stimulation and flow testing phases of Daydream-2, which will run from April through to around June.

The detailed design of the stimulation and testing program has now been finalized, with a total of 6 zones to be stimulated. These zones cover ~47 metres of pay out a total of 245 metres (being the final sandstone net pay of 180 metres and coals of 65 metres) recorded in the Daydream 2 wellbore (19% of the total net interval). The sandstone net pay advised to the market on 14 December 2023 of 154 metres has been revised upwards following an external independent expert review.

The zones selected represent a cross-section of permeable sands, tight sands and coals. The total zones being tested in Daydream-2 are guided by the key principle of maximizing useful data acquisition from an appraisal well – that would then inform how future development wells would be designed.

In such future development wells, much greater pay would likely be stimulated and flowed. The results from the stimulation program in Daydream-2 will guide the targeting of further zones in future wells and can be extrapolated over the entire gas prone intervals.

The stimulation program, to be conducted by global leading contractor Halliburton, will be followed by a series of flow tests in May and June.

Nomgon Project

In conjunction with this intense program in Queensland, operations also continue at the Nomgon Pilot Project in Mongolia. In Mongolia, the current key objective is to continue to de-pressurise the gas-bearing coal reservoir through the ongoing pumping of water therefrom.

Recently one of the pilot wells, Nomgon-10, was worked over, with a larger downhole pump installed. Increased water rates have already been observed. Elixir's engineers are actively managing the Pilot Plant to maximise water production and therefore accelerate the time to reach desorption pressure. Data analysis from the Nomgon field indicates that steady progress is being made in reducing the reservoir pressure required to reach the gas desorption pressure.



Workover rig at Nomgon-10



The Company is currently considering adding one or two additional pilot wells at the Project with a view to increasing the pace of the de-pressurisation process.

Elixir's Managing Director, Mr Neil Young, said: *"We are pleased that operations at both of our large gas projects in Queensland and Mongolia are on track to meet their core de-risking objectives. The Daydream-2 well at Grandis will be the scene of intense activity through to around the middle of the year as we now move into the key stimulation and flow testing phases. Given this, we are very pleased to note that the current activities by a range of Operators in the Taroom Trough is drawing more and more gas industry attention."*

By authority of the Board:

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