



Elixir Energy

ASX ANNOUNCEMENT

ASX : EXR

29 August 2022

ACQUISITION OF QUEENSLAND GAS ASSET

HIGHLIGHTS

- Highly opportune acquisition of a Queensland gas asset – ATP 2044
- Located proximate to Wallumbilla gas hub, giving local and international market access
- Material prospective resource in the Taroom Trough
- High impact drilling due in 2023

Elixir Energy Limited (“Elixir” or the “Company”) is pleased to advise the market that it has purchased a 100% interest in petroleum exploration permit ATP 2044 in Queensland, via the acquisition of special purpose vehicle EnergyCapture Pty Ltd. The attached presentation sets out more details on the asset. Given Elixir’s strong fiscal position (cash of \$22.7M as noted in the recent June quarterly report), no capital raising is anticipated in connection with this transaction.

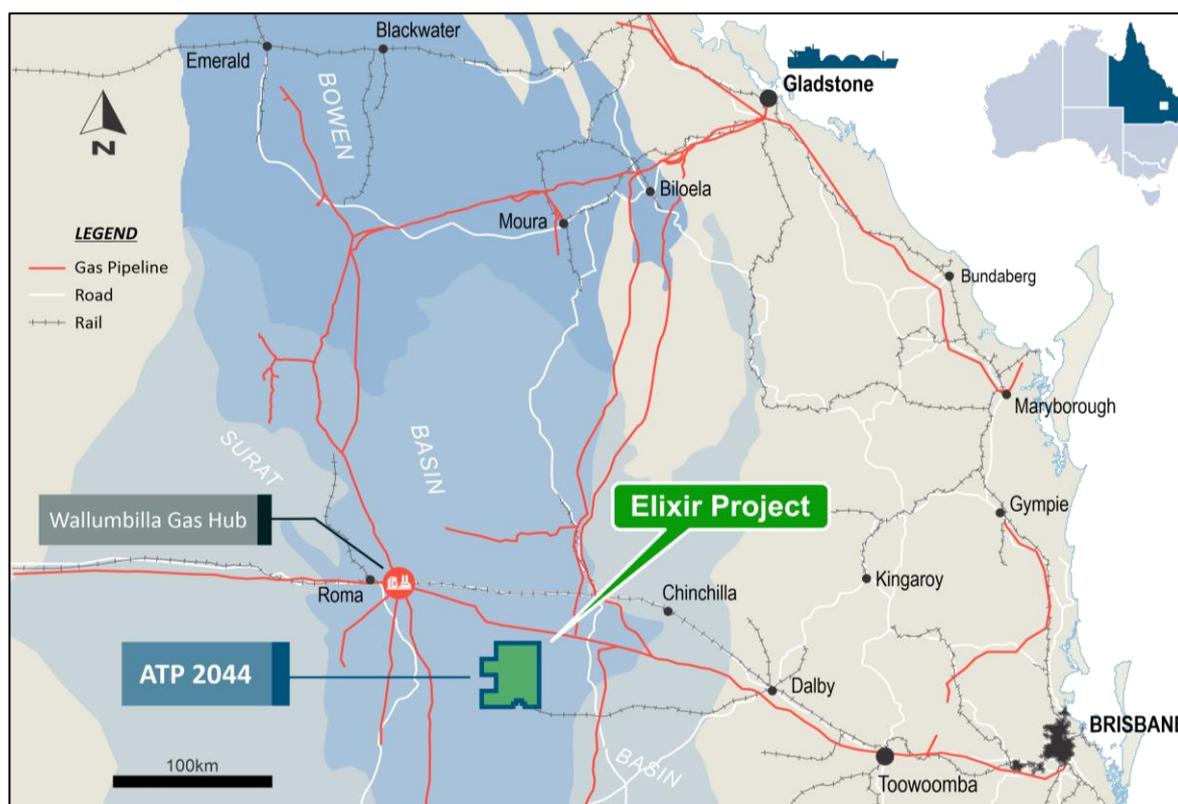
Elixir considers this asset compliments the skills of its Board and Australian team and provides its shareholders with an opportunity to profit from the rapidly changing international and local gas market dynamics. The Company’s existing natural gas and hydrogen projects in Mongolia, which will continue to be vigorously prosecuted in parallel with this new asset, also benefit from such factors as increasing customer emphasis on security of supply.

The consideration for the purchase is:

- A\$500,000
- The issue of 20,703,934 (worth ~A\$3 million) Elixir shares to the owners
- One third of shares escrowed for 9 months, one third escrowed for 18 months and one third unencumbered
- An over-riding royalty of 3% - on hydrocarbon liquids production only

Elixir considers that ATP 2044 is very well located in the Taroom Trough, some 35 kilometres to the south of one of Australia’s main gas hubs at Wallumbilla. This hub connects by transmission pipelines to both East Coast and international gas markets (via the Gladstone LNG facilities).

ASX ANNOUNCEMENT



Location map of ATP 2044

ATP 2044 is prospective for gas and condensate trapped in conventional and unconventional sandstones and fractured coals. These reservoirs are proven in the Taroom Trough, where the Daydream-1 well, ~3 kilometres west of the permit edge, flowed gas at rates of up to 3.5 million cubic feet per day. The primary objective reservoirs are the sandstones and fractured coals of the Permian aged Kianga Formation and Back Creek Group within the Bowen Basin. A technical overview is set out in the attached presentation.

Elixir estimates the prospective resource potential of ATP 2044 is as follows:

TOTAL UNRISKED PROSPECTIVE RESOURCES¹					
ATP 2044 GROSS (100%)					
<i>Log Normal Distribution</i>	Low 1U²	Best 2U³	Mean⁴	High 3U⁵	
TOTAL RECOVERABLE GAS	940	2488	3,265	6811	Bcf
TOTAL ASSOCIATED CONDENSATE	9	50	75	272	MMbbl

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

ASX ANNOUNCEMENT

moveable hydrocarbons.

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.

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 dated 1 August 2022. 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 and 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.

Elixir aims to drill a well in ATP 2044 in 2023. The Company understands that other Operators in the Taroom Trough may conduct drilling programs in a similar time-frame and plans to engage with them immediately to coordinate matters such as potentially sharing the same rig. The outcomes of these discussions will determine a more specific time-frame for the Company's drilling.

Elixir's Managing Director, Mr Neil Young, said: *"We are very pleased to have purchased a 100% interest in ATP 2044 - a Queensland based asset that has very attractive characteristics in the current global and local energy market environments. Our team has considerable experience in Queensland, which in my view is one of the few locations in the world which could credibly supply new sources of LNG to a very short international market in the next few years. The East Coast gas market is also facing material gas shortages as identified recently by the ACCC and the new asset accordingly has great optionality in potentially supplying either or both markets. The favorably located asset sits adjacent to permits operated by both Shell and Santos and we will explore potential synergies to target this exciting play. Our Mongolian natural gas and hydrogen projects will continue undisturbed in parallel."*

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



ASX ANNOUNCEMENT

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.