



Elixir Energy

ASX ANNOUNCEMENT

ASX : EXR

7 December 2023

GAS FLOW FROM PERMEABLE ZONE PROVIDES UNEXPECTED UPSIDE

HIGHLIGHTS

- Daydream-2 reaches Total Depth of 4,300 metres
- Permeable gas bearing zone discovered - with gas flowed to surface without stimulation
- Gross interval of 607 metres intersected with peak gas shows of 800 units
- Drilled ahead of schedule and under budget

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

An unexpected naturally permeable gas bearing zone has been discovered – with gas flowed to surface without stimulation:



Flare at Daydream-2

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Overnight Daydream-2 reached a Total Depth (TD) of 4,300 metres. This was approximately 100 metres deeper than originally planned, as the well continued to demonstrate elevated levels of gas in excess of pre-drill estimates. The deeper TD also allows for greater operational flexibility in relation to the next few phases of the Company's appraisal plans for the well.

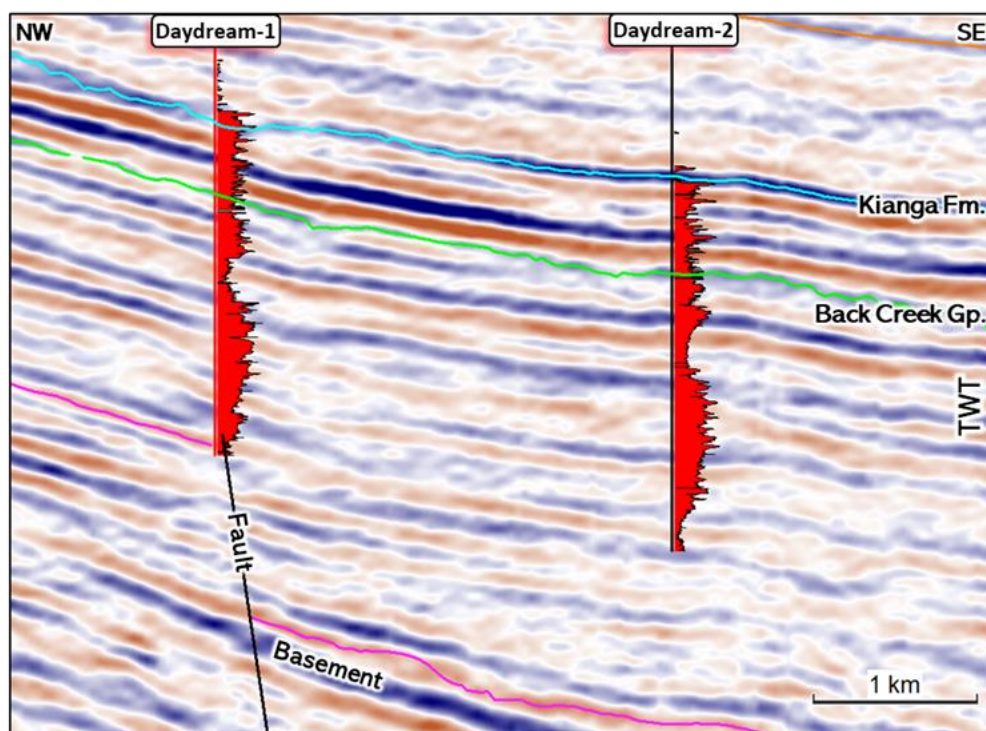
During the course of drilling the final 100 metres of the well, a rapid increase in the rate of well penetration ("drill break") was encountered. This drilling break was associated with a gas influx from the formation into the well bore.

Using drilling best practice, this gas influx was circulated out of the well to the rig's flare – see short video on the Company's youtube channel - <https://www.youtube.com/shorts/onDTRPgfwyo>

The volume of gas flared was estimated at the wellsite to be approximately 50,000 cubic feet. As a result of the influx, the drilling fluid was "weighted up" and the well safely and successfully drilled to a TD of 4,300 metres.

To encounter a permeable reservoir section this deep in the well provides significant upside for Elixir's Grandis Gas Project. Substantial further work is required to truly establish the implications of this discovery, but these could be materially positive.

During the course of drilling through the Permian strata, gas shows continued through the primary objective reservoir sections. Peaks of up to 800 units were noted, consistent with nearby wells. In total, a gross interval of 607 metres was intersected. The dominant lithologies within the interval were sandstones, coals and siltstones.



Gas shows on seismic line between Daydream-1 and Daydream-2



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The well has been drilled to a total depth greater than planned, in a timeframe and at a cost less than budgeted. That was the case even allowing for time spent acquiring data for Origin Energy under the Information Sharing Agreement announced to the ASX on 6 November 2023. Origin has now paid Elixir in full for the services rendered under this Agreement.

Wireline logs will now be acquired and a petrophysical evaluation undertaken. The well will be then cased and suspended. Once all the data has been compiled, Elixir will finalise its forward plan for extensive evaluation, completion and production testing of this well.

Elixir's Managing Director, Mr Neil Young, said: *"Flowing gas without stimulation from a deep section is immensely exciting for Elixir. Although these are still early days, the unexpected intersection of a permeable gas zone this deep in the section may unlock another new Australian deep gas play and will be of interest to many parties. Furthermore, on almost every other front the well has exceeded expectations – in terms of geology, engineering, economics and project management."*

By authority of the Board:

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