

8 October 2024

DAYDREAM-2 OPERATIONS CONCLUDED**HIGHLIGHTS**

- Five out of six stimulated zones flowed gas
- Additional deep coal flow to increase contingent resources
- Stabilised flow rate less than previously measured but remediable in future wells
- Well to be retained as a future gas producer
- All licence commitments now met for ATP 2044 and retention lease to be sought

Elixir Energy Limited (“Elixir” or the “Company”) is pleased to provide an operational update on the Daydream-2 well in its 100% owned Project Grandis in Queensland’s Taroom Trough.

Elixir has now concluded its testing program of the Daydream-2 well and the well is being retained through a process of suspension as a future gas producer. The Coil Tubing Unit (CTU) has been released back to Elixir’s neighboring Operator to continue with its ongoing multi-well program.

All licence commitments have now been met for ATP 2044 and Elixir will now proceed with a process of applying for the licence to be deemed a retention lease (in Queensland this is called a Potential Commercial Area – PCA – which has a maximum term of 15 years).

The well delivered gas flow rates from five out of the six stimulated zones – including for the first time in two separate deep coal zones.

Achieving flows from these deep coals should allow the commencement of the conversion to contingent resources of the current prospective resources booked in the coals in ATP 2044 (see ASX announcement of 21 February 2024). Elixir will work with its independent auditors over this initial contingent resource booking in the coming months.

During the final phase of testing, gas was flowed at various rates and various choke sizes. A maximum flow rate of 2.6 MMSCFD was recorded and the stabilized rate was 1.0 MMCFPD prior to shut-in.

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This reduction in stabilised rate has been attributed to condensate or water banking immediately around the wellbore.

This was likely caused by the multiple open and closures of the well during recent operations, or by adverse reactions to fluids introduced into the wellbore. Such issues are common in early stage tight gas plays globally and can be remedied by operational changes to fluid use and well management. Due to the appraisal nature of this well, the extensive multi-phase testing and evaluation undertaken (including for R&D purposes) was required as part of the planning for a future development.




Flare from Daydream 2 prior to well being suspended

The successes of the Daydream-2 appraisal program are multiple and material:

- Achieving what Elixir considers to be a commercial flow rate (see ASX announcement of 16 August 2024).

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- Increasing 2C contingent resources by 328% to 1.47 trillion cubic feet (see ASX announcement of 19 August 2024).
 - Increasing 2U prospective resources by 180% to 3.6 trillion cubic feet (see ASX announcement of 21 February 2024).
 - Flowing gas from two separate deep coal zones, hence allowing the commencement of the conversion of these prospective into contingent resources (see ASX announcement of 23 August 2024).
 - Flowing gas from five out of six stimulated zones – some for the first time in the Taroom Trough.
 - Confirming the raw gas contains low amounts of CO₂ – within pipeline specification.
 - Meeting all licence commitments (hence facilitating the PCA process – which provides tenure for up to 15 years), in line with all HSE and community standards.
 - Applying novel extraction techniques, some for the first time in Australia, attracting Commonwealth Government research and development fiscal support.

Planning of the Daydream-3 appraisal well in the Grandis Project is in progress, which will focus on further de-risking of the very significant gas resources now established.

Elixir's Managing Director, Mr Neil Young, said: *"The Daydream-2 appraisal program has massively exceeded our expectations of more than 2 years ago when we acquired Project Grandis. Our work – combined with that of our various neighbours – is opening up vitally needed and very material gas resources for Gladstone, Queensland and Australia. The extensive data gathered to date will inform possible pathways to production. We expect our discussions with potential partners will now likely be accelerated as the global oil and gas industry turns its eye to the enormous opportunities in the Taroom Trough."*

By authority of the Board:

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Forward Looking Statements

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