

## Chairman's Address

The timing of your Company's pivot towards the Australian domestic gas market could not have been more propitious. The reluctance of the major gas consuming States towards onshore gas exploration coupled with the steep decline in Bass Strait production foreshadows a deepening gas shortage in the Eastern Seaboard markets. A little over a decade ago over 70% of gas produced for the domestic market was sourced from Bass Strait with Queensland supplying less than 10% of the Supply. Now Queensland supplies over half of the Eastern Seaboard domestic market's requirements. This looming reality presaged a more accommodating Federal Government gas policy.

Not only is there to be an unnecessary gas shortage but the realisation has dawned first on the developed world and belatedly Australia just how difficult the much-touted energy transition will be both in the short and long term. Gas will be the lubricant to that transition- a stark reality still being denied by the wishful thinkers.

Taking all of this into account, Elixir's key focus of the last 15 months has been the Grandis Project in the Queensland's Taroom Trough. Your directors are extremely pleased with the exploration results to date. Soon we will commence the final production test of this remarkable well. Your board have become Daydream Believers

With a degree of history repeating itself like in the nineties the threat (or in my view the challenge) of the introduction of PNG Gas heralded the start of a concerted CSG effort, the challenge of the domestic gas shortfall has seen a concerted industry effort to "crack the code" to the best production method for the deep tight gas resources of the Taroom Trough. As in the early days of the CSG revolution, the industry's participants like Santos, Origin and Shell are co-operating in the efforts of nurturing the birth of this new resource. Such co-operation is unheralded but clearly in the National Interest.

At last year's AGM Elixir was able to announce the first flows of gas from the production tests at our Nomgon pilot in Mongolia. The normal ebb and flow in production testing experience in early stage CSG plays has been repeated at Nomgon. As evidence of the Board's confidence in Nomgon it has invested more capital in the form of an additional well being brought on slowly at rate determined by the nature of the geology. We await

the results with bated breath consistent with the aim of achieving commerciality in a region that dearly needs a plentiful source of clean energy.

The future for Elixir's shareholders will certainly contain plenty of excitement. The 12-month planning of the now imminent Daydream -2 well has now been completed with it due to be spudded in the next month or so. It will then need to be stimulated after drilling which, as shown by Daydream -1, will take up to 6 months from now.

On behalf of the Board, I would like to express our appreciation of shareholder's support and trust that this coming year's efforts will amply reward you for your patience and support