ASX ANNOUNCEMENT

9 October 2024

ASX ANNOUNCEMENT RE-RELEASED

Elixir Energy Limited ("Elixir" or the "Company") lodged an ASX release on 8 October 2024, the release has been updated.

The release updates include:

- Appendices 1, 2 and 3; and
- Competent person statement

By authority of the Board:

Neil Young - *Managing Director*
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9 October 2024

DAYDREAM-2 OPERATIONS CONCLUDED - UPDATED

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.

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).

- Increasing 2C contingent resources by 328% to 1.47 trillion cubic feet (see ASX announcement of 19 August 2024 and Appendix 1)

- Increasing 2U prospective resources by 180% to 3.6 trillion cubic feet (see ASX announcement of 21 February 2024 and Appendix 2).

- 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 and Appendix 3).

- 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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Appendix 1: ASX Requirements applicable to listing rule 5.27:

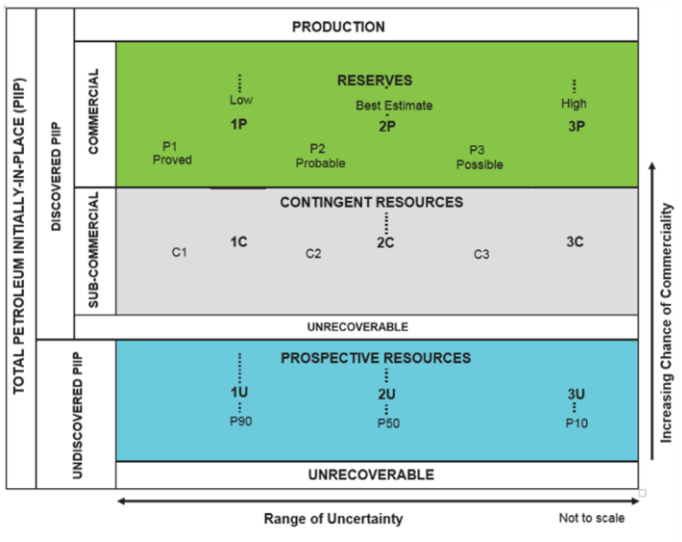
ERCE Contingent Resource Certification						
	1C		2C		3C	
	Gas BCF	Condensate MMbbls	Gas BCF	Condensate MMbbls	Gas BCF	Condensate MMbbls
November 2022	93	0.7	395	3.6	1,493	17.3
May 2024	**405**	**3.0**	**1,297**	**10.8**	**4,290**	**36.1**
% Increase	435%	429%	328%	300%	287%	209%

Notes:

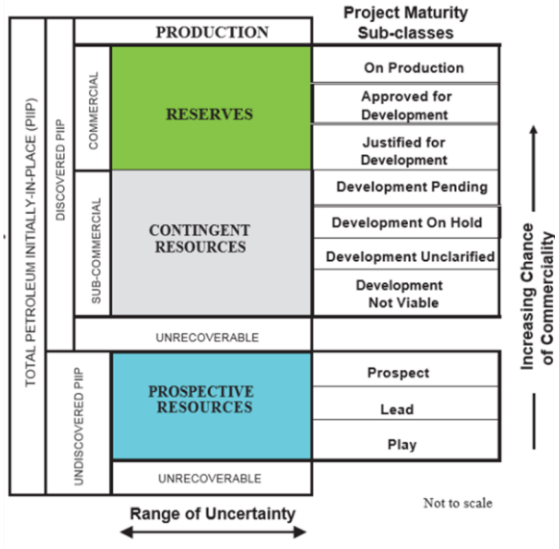
These are unrisked contingent resources that have not been risked for the chance of development and there is no certainty that it will be economically viable to produce any portion of the contingent resources.

These contingent resources are classified as "Development Unclarified".

1. *The evaluation date of the ERCE Contingent Resources is 24 May 2024.*
2. *Elixir's working interest share of ATP 2044 is 100%.*
3. *The Contingent Resources are considered to be in the "development unclarified" category as defined by the 2018 PRMS SPE-PRMS standards.*



Resources Classification Framework



Sub-classes based on project maturity

4. *Per Listing Rule 5.33.5, the land area and the number of wells for which the estimates of contingent resources are provided are 1,000 km^2 and ~300 respectively (for the 2C case).*
5. *BCF means Billions of Standard Cubic Feet.*
6. *MMbbls means Millions of Stock Tank Barrels.*
7. *The totals are based on probabilistic aggregation of reservoir estimates.*
8. *Contingent resource assessments in this release were estimated using probabilistic methods in accordance with 2018 PRMS SPE-PRMS standards.*

9. *The data used to compile the independent contingent resources report includes detailed geological interpretation of seismic, well, core and test data within the region. ERCE has used standard petroleum evaluation techniques in the preparation of this report. These techniques combine geophysical and geological knowledge with assessments of porosity and permeability distributions, fluid characteristics and reservoir pressure. There is uncertainty in the measurement and interpretation of basic data. ERCE has estimated the degree of this uncertainty and determined the range of petroleum initially in place and recoverable hydrocarbons. The accuracy of estimates of volumes of gas is a function of the quality and quantity of available data and of interpretation and judgment. While the estimates of contingent resources presented herein are considered reasonable, these estimates should be accepted with the understanding that reservoir performance subsequent to the date of the estimate may justify revision, either upward or downward. There is no certainty that it will be economically viable to produce any portion of the contingent resources.*

Appendix 2: ASX Requirements applicable to listing rule 5.28:

The prospective resources of gas in the Permian coals in ATP 2044 has now been re-assessed to include both an adsorbed and fractured component, and is estimated as follows:

Total Unrisked Prospective Resources [1]				
Recoverable Gas associated with coal seams	1U[2] (BCF)	2U[3] (BCF)	Mean[4] (BCF)	3U[5] (BCF)
Adsorbed Coal	755	2,316	3,702	8,497
Fractured Coal (unchanged)	401	1,287	1,841	4,135
Total Prospective Resources in Coal*	**1,156**	**3,603**	**5,543**	**12,632**
Increase	*755*	*2,316*	*3,702*	*8,497*

*added arithmetically

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.

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 moveable hydrocarbons. 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 of the adsorbed coal in ATP 2044 dated 20 February 2024. 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 adsorption and proximate analysis, wireline logs, seismic data and historical well records 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.

Appendix 3: ASX Requirements applicable to listing rule 5.30:

a. Name and Type of Well:	Daydream-2 Appraisal well
b. Location:	ATP-2044 Latitude: 27° 09’ 28.81” S Longitude:149° 40’ 11.91” E
c. Entity’s Working Interest:	100% Working Interest
d. Gross & Net Pay Thickness:	600m gross interval, 235m net pay (permeable sands, tight sands and coals)
e. Geological Rock Type:	Kianga and Back Creek Formations
f. Depth of the zone tested:	3,698 – 4217 metres
g. Type of test and duration:	Cased hole flow test (including shut-ins) total duration was 5 days, 3 hours
h. Hydrocarbon phases recovered:	Dry Gas with trace condensate
i. Any other recovery:	527 bbls of completion fluid and water
j. Chokes sizes used, flow rates and volumes	Choke sizes ranged from 48/64 to 28/64. Max rate recorded was 2.6 MMCPFD and final stabilised rate was 1.0 MMCFPD. 4.19 MMCF of gas was produced
k. Number of stimulation stages:	Six
l. Material volumes of non-hydrocarbon gases	Not recorded
m. Other relevant information:	None

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.