



Elixir Energy

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ASX : EXR

10 November 2022

INITIAL CONTINGENT RESOURCE BOOKED IN QUEENSLAND

HIGHLIGHTS

- Initial contingent resources (2C) booked of 395 billion standard cubic feet of gas
- Independently certified by ERCE
- Daydream-2 appraisal well planned to be drilled in latter part of 2023

Elixir Energy Limited (“Elixir” or the “Company”) is pleased to announce the booking of an initial contingent resource for its 100% owned Queensland asset (ATP 2044 - now named the “Grandis Gas Project”). This is in addition to the Company’s gas resources in Mongolia.

The contingent resources have been independently certified by international firm ERC Equipoise Pte Ltd (“ERCE” – see below for a description of this firm).

The estimates of contingent resources in the Grandis Gas Project are set out in the table below. The subclass of Contingent Resource (as defined under the PRMS – illustrated in Appendix 1), is “Development Unclarified”.

ATP 2044 - Grandis Gas Project Contingent Resources (100% WI)				
	<i>Units</i>	1C	2C	3C
<i>Gas Initially In Place (GIIP)</i>	<i>BCF</i>	2,128	7,007	22,699
Recoverable Gas	BCF	93	395	1,493
Recoverable Condensate	MMbbl	0.7	3.6	17.3

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

Detailed notes on the background to the preparation of the contingent resources report are set out in Appendix 1.

Elixir has two primary targets in the Grandis Gas Project, namely:

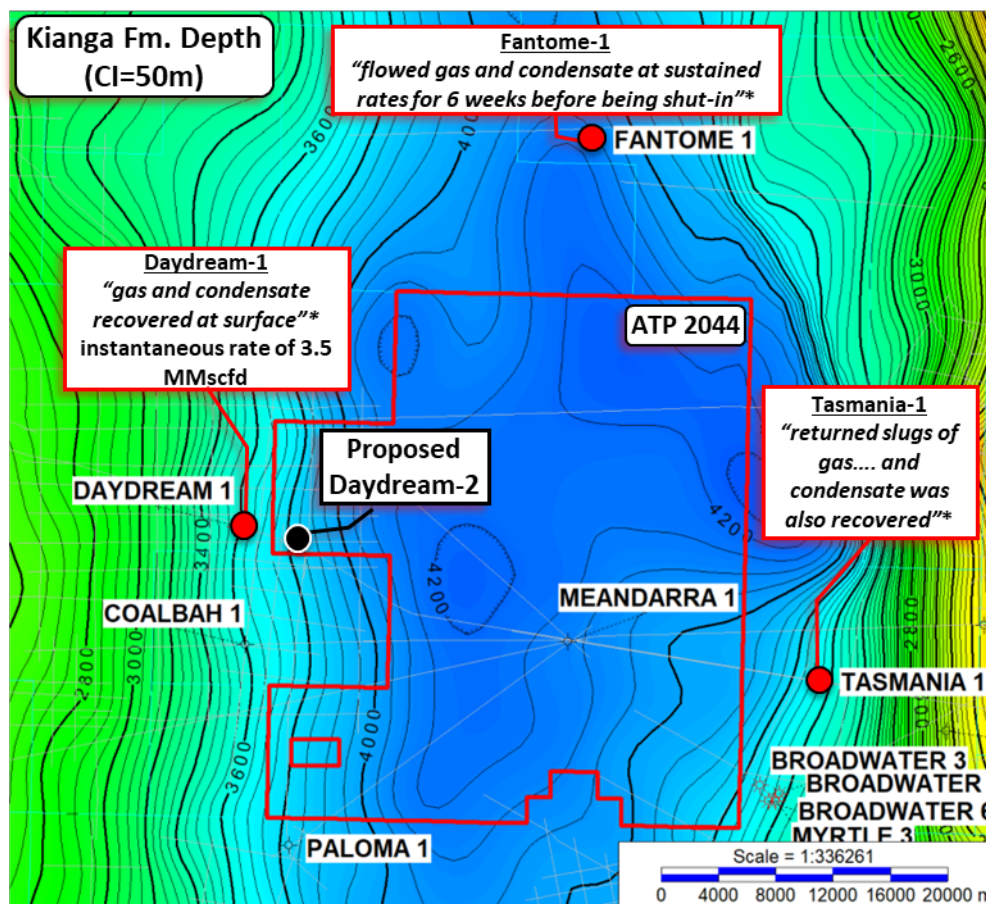
1. Tight unconventional sandstones.
2. Fractured thermally mature coals.

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ERCE assigns contingent resources to the tight sandstones of the Permian aged Kianga Formation and Back Creek Group only, as these are the origin of the gas flows in nearby wells. The estimation of the contingent resources is based on the results of previous drilling in the same Taroom Trough play, immediately to the West, North and East of ATP 2044.

The fractured thermal mature coals remain an exploration target and have not been evaluated by ERCE. Establishing flow rates therefrom is a key objective for Daydream-2 and a success case in Elixir's view could lead to a material increase in contingent resources in the overall licence area.

Elixir's technical team analysed drilling, logging and test data from these wells. Specific analysis including seismic interpretation, core analysis, wireline petrophysics, chromatographic gas analysis, DFIT, production test analysis and gas sampling have all been incorporated in the resource estimations. ERCE has independently reviewed these interpretations.



Gas and condensate recoveries from nearby wells (*QGC)

The key contingencies of the Grandis Gas Project are the ability to flow gas at sustained commercial rates and the optimum well design. Elixir is planning an appraisal well, Daydream-2 (expected to be drilled in Q4 2023 subject to rig availability), which will be extensively stimulated and tested in order to prove commercial flow rates.

Elixir plans for drilling Daydream-2 are now under way. A Project Manager has been appointed, rig companies, other service sector companies and adjacent operators engaged, and the initial scoping and well design have been initiated. A readily accessible preliminary location for Daydream-2 will be approximately 3 kilometres East of Daydream-1 (which was drilled by BG Group in 2011 and flowed gas at an instantaneous rate of 3.5 MMscfd).



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Elixir's Managing Director, Mr Neil Young, said: *"Our technical team has done a superb job in working with ERCE to book a very material initial contingent resource for our Grandis Gas Project. Location is critical for gas resources, and given this year's geo-political events, this asset is fantastically well placed, adjacent to existing gas infrastructure that connects to domestic gas markets and via the Gladstone LNG plants, to global gas markets. We anticipate drilling the Daydream-2 appraisal well in the latter part of next year and our work activities for all aspects of this are going to plan."*

By authority of the Board:

Neil Young - Managing Director
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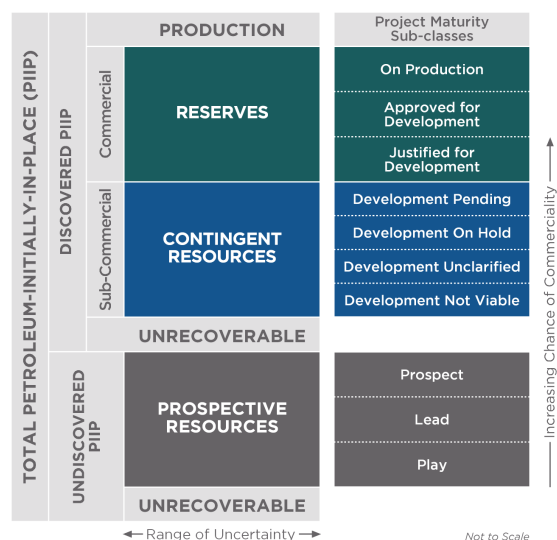
About ERCE

ERCE is one of the largest petroleum Reserves and Resources auditors globally. Examples of current public clients include Harbour Energy, Jadestone Energy, Neptune Energy, Gulf Keystone, Tullow, Lundin Petroleum and Internatinoal Petroelum Corporation (IPC). The firm was formed in 2010, when ERC Energy Resource Consultants Ltd (ERC) and Equipoise Solutions Ltd (Equipoise) merged. ERCE employs geoscientists, engineers, petrophysicists and economists, and has an extensive group of senior associates who bring further regional, technical and petroleum economics expertise to projects. ERCE has offices in the UK, Singapore, Kuala Lumpur, Malaysia and Perth, Australia.

The work on the contingent resources has been supervised by Mr Adam Becis, Principal Reservoir Engineer of ERCE's Asia Pacific office, who has over 15 years of experience. He is a member of the Society of Petroleum Engineers and also a member of the Society of Petroleum Evaluation Engineers.

APPENDIX 1

1. The evaluation date of the ERCE Contingent Resource Report is 4 November 2022.
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.



4. BCF means Billions of Standard Cubic Feet.
5. MMbbls means Millions of Stock Tank Barrels.
6. The totals are based on probabilistic aggregation of reservoir estimates.
7. Contingent resource assessments in this release were estimated using probabilistic methods in accordance with 2018 PRMS SPE-PRMS standards.
8. 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.
9. This document contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they and or their timing may be affected by many variables which could cause actual results or trends to differ materially. The technical information provided has been reviewed by Mr Gregory Channon, Chief Geoscientist of Elixir Energy Limited. Mr Channon is a qualified geologist with over 30 years technical, commercial and management experience in exploration for, appraisal and development of, oil and gas. He is qualified as a competent person in accordance with ASX listing rule 5.41. Mr Channon is a member of the American Association of Petroleum Geologists and consents to the inclusion of the information in the form and context in which it appears.