

5 April 2024

IMPRESSIVE INITIAL FLOW TEST RESULTS

HIGHLIGHTS

- Highly encouraging initial flow test in the Lorelle Sandstone
- Stabilised flow rate of 1.3 million cubic feet per day achieved without stimulation
- Stimulation and multiple zone flow testing to follow imminently

Elixir Energy Limited (“Elixir” or the “Company”) is pleased to provide an operations update on its 100% owned Grandis project located in Queensland, adjacent to the Wallumbilla gas hub.

Following a recent successful suite of Diagnostic Formation Integrity Tests (DFITs) conducted at Daydream-2, the Company decided to test the free-flowing capacity of the Lorelle Sandstone between 4,200 and 4,217 metres (the zone which flowed into the well bore late last year).

The test has been highly successful – with a maximum rate of 2.3 Million Standard Cubic Feet Per Day (MMSCFPD) and stabilised flow rate of 1.3 MMSCFPD (through a 20/64 choke). Elixir understands this is the deepest unstimulated flow of gas in onshore Australia East of the Perth Basin.



Flare (estimated to be 15 metres in height) from the Lorelle Sandstone Test at Daydream-2 during the 1st flow period

Some short videos of the flare are available on YouTube: <https://youtu.be/kGUUhsLojNE>

The flow test was conducted following encouraging results from the DFIT over the permeable Lorelle Sandstone (the other DFITs conducted went to plan and provided useful data for the final design of the stimulation program). The test was conducted over two distinct flow periods. The well is now shut in for longer term pressure build-up before stimulation begins later in the month.

The testing work was not impeded by heavy recent rain in the region, which reflects its favourable ease of access and well constructed civil works. The Daydream-2 lease could well be utilized again for another appraisal well – Daydream-3 – for which preliminary planning has commenced (but whose final design will ultimately be informed – inter alia – by the imminent outcomes from Daydream-2).

The test program was conducted as follows:

Time Period	Duration	Remarks
First Flow	4 hours to unload wellbore fluid 7 hours flowing gas	Initial maximum Rate: 1.8 MMSCFPD Stabilised Rate: 1.3 MMSCFPD
First Shut-In	11 hours	Casing Wellhead Pressure increased from 700 psi to 6,785 psi
Second Flow	7 hours	Initial maximum Rate: 2.3 MMSCFPD Stabilised Rate: 1.3 MMSCFPD
Second Shut-In	14+ hours	Well will remain shut-in until stimulation phase. Pressure steadily increasing from 740 psi

The gas flow was not associated with any water or condensate, other than the fluid already in the wellbore. A total of 0.6675 MMSCF of gas was produced over both flow periods. Strong build-ups were seen during both shut in periods.

Appendix 1 provides the information required with respect to this announcement under ASX Listing Rule 5.30.

In the next few weeks the stimulation phase of the Daydream-2 program is due to commence and will be followed by more extensive flow testing. As flagged previously, the stimulation program will target 6 zones (but only 19% of the total net pay) and will include this natural flowing sandstone.

The Lorelle Sandstone's flowrate is expected to materially increase post stimulation. That in turn is planned to be built upon with gas flows from the tight sandstones and coals above the Lorelle.



Daydream-2 Lease during 2nd flow period

Gas samples have been obtained and are being sent for laboratory testing. Preliminary onsite analysis confirmed the expected low (pipeline quality) CO₂ component (1.6%).

Elixir's Managing Director, Mr Neil Young, said: *"this is a fantastic result – achieving a material **stabilized** flow rate means that the gas kick we got late last year was not just an isolated freak of nature. The Lorelle is now expected to be a major contributor to the final results of Daydream-2 – and could really boost the economics of the vast unconventional resources of the Taroom Trough."*

Elixir's Chairman, Richard Cottee, added: *"like CSG at the turn of the century heralding the start of a whole new gas play in Australia, this discovery, combined with other activities in the Taroom Trough, may just about herald a new – and very well located - Queensland gas play at a critical time of a looming domestic gas shortage."*

By authority of the Board:

Neil Young - Managing Director
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Appendix 1: 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:	Lorelle Sandstone
f. Depth of the zone tested:	4,200 - 4,217 metres
g. Type of test and duration:	Cased Hole Flow Test First Flow: 7 hours First Shut-In: 11 hours Second Flow: 7 hours Second Shut-In: 14 hours
h. Hydrocarbon phases recovered:	Dry Gas only
i. Any other recovery:	No water or condensate recovered after 198 bbls of completion fluid
j. Chokes sizes used, flow rates and volumes	Max Rate: 2.3 MMSCFPD on 20/64" choke Stabilised Rate: 1.3 MMSCFPD on 20/64" choke Gas Recovered: 0.6675 MMSCF
k. Number of stimulation stages:	The test is over an unstimulated zone
l. Material volumes of non-hydrocarbon gases	1.6 % CO ₂ (preliminary field measurement) Recovered: 0.0105 MMSCF
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.