



Elixir Energy

ASX ANNOUNCEMENT

ASX : EXR

16 August 2023

DAYDREAM-2 SPUD DATE UPDATE

HIGHLIGHTS

- Daydream-2 appraisal well to spud in last week of October
- New BOP to deal with high formation pressures in the Taroom Trough dispatched from the manufacturer
- Water bore well to spud by end of month
- Wellsite construction and other Tier-1 ancillary contracts well advanced

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

As advised in its ASX announcement dated 3 July 2023, Elixir has contracted with global oil-field services company SLB (previously called Schlumberger) for the use of its SLR 185 rig to drill the Daydream-2 well. This rig – following the very successful drilling earlier this year of 2 wells in neighbouring Taroom Trough tenements– is currently undertaking a program for a large Operator in Queensland.

Elixir has recently been advised that the rig will be released from these operations by around mid October. It will then be mobilized to the Daydream-2 location.

Daydream-2 will be drilled to a total depth of ~4,200 metres. Given the expected over-pressure in the Taroom Trough at this depth, a new blow out preventer (BOP) capable of handling 10,000 psi well pressures has been procured to safely optimize drilling operations. Over pressure is an important and positive geological attribute in the targeted gas bearing formations of the Daydream-2 appraisal well.

The new BOP has just been dispatched from the manufacturer and is expected to be installed on SLR 185 in early October. The spud date for the Daydream-2 well will immediately follow the successful installation of the BOP and rig acceptance – which is expected to be in the last week of October.

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As part of the preparations for the arrival of the rig, Elixir is currently:

- Procuring long lead items such as casing and a well head;
- Mobilizing for the drilling of an on-site water well by the end of this month. Water from this well will be used for drilling and stimulation activities;
- Finalising the selection of a contractor for construction of the well pad and access track upgrades, which will be undertaken in September; and
- Contracting for all ancillary services required to support the drilling, logging and completion of Daydream-2.

Elixir's Managing Director, Mr Neil Young, said: *"We are very pleased to confirm that the drilling of Daydream-2 is on track for the second half of October – now only around 2 months away. It is exciting to be a part of the growing drilling activity in the Taroom Trough – from not only juniors like Elixir – but also from the likes of the Super-Major and large Australian independent who are also in the play. We believe this location – in the success case – is very well placed to supply material volumes of gas to domestic and international markets in a very timely manner."*

By authority of the Board:
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