



Elixir Energy

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21 September 2023

DAYDREAM-2 WELL UPDATE

HIGHLIGHTS

- Well site and access road civils work underway
- Water well rig on site & drilling ahead
- Long lead items procured & Tier 1 contractors appointed
- Desorption analysis laboratory ordered for deep coal targets

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

Construction of the well pad and upgrade of pre-existing access roads for Daydream-2 commenced within the last week and is well underway. Prior to the commencement of these civil works, the relevant ground received the appropriate cultural heritage clearance from representatives of the Mandandanji people.

The drilling of an on-site water well is underway. This well has a target depth of 1,200 metres and will provide all the water needs for the upcoming drilling and stimulation programs, not only for Daydream-2, but also for future wells in the same area. This will be the only water well accessing the target aquifer in a wide region, and as such does not compete with water used for existing agricultural activities.

All key long lead items for Daydream-2 have now been procured, including a high pressure rated blowout preventer (BOP), casing and a well head. In addition, all Tier 1 contracts have been awarded for drilling fluids, cementing, wireline & mud logging, measurement while drilling (MWD) and drill bits.

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Water well drilling at Daydream-2 wellsite

Elixir's previously released estimates of prospective resources in the deep coal formations in the Taroom Trough were based on gas in place estimates within the coal fracture system only. A recent review of offset well cores indicates good prima facie fracturing and parting, as illustrated below.



Full-hole core of a Permian coal lithology at the nearby Dunk-1 well

The Company's technical team now considers it feasible that additional gas in place could still exist adsorbed to the coal matrix. To that end, Elixir will mobilise an on-site desorption lab from ALS to undertake gas content measurements from cuttings taken from the Permian coal measures. If successful, this could contribute to an increase in the gas in place volumes.

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In the lead up to the spudding of the well, supporting activities over the next few weeks will include:

- Finalising the construction of the pad and access road for Daydream-2
- Completing the drilling of the on-site water well
- Testing of the BOP
- Finalising with SLB the official rig release date for the contracted SLR 185 rig from the current operations – this is still expected to be in October such that the well will spud a few weeks thereafter

Elixir's Managing Director, Mr Neil Young, said: *"The countdown to the drilling of the high impact Daydream-2 well continues apace and we are pleased to report strong progress on all fronts. As indicated by our recent execution of a Data Sharing Agreement with Santos, activity in the broader Taroom Trough is growing – reflecting its great market location and very large known gas resources."*

By authority of the Board:

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