



Elixir Energy

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14 December 2023

DAYDREAM-2 LOGS 154 METRES OF NET PAY

HIGHLIGHTS

- Logging program at Daydream-2 records an interpreted 154 metres of net gas pay in the primary objective Permian sandstones
- Cumulative targeted coal zones totaling 65 metres which will be a key target to stimulate and flow – and add to net pay and production potential
- Recently encountered permeable zone feeding into stimulation & flow test plans

Elixir Energy Limited (“Elixir” or the “Company”) is pleased to provide an update on the Daydream-2 appraisal well in its 100% owned Grandis Gas Project (ATP 2044), located in the Taroom Trough of the Bowen Basin, Queensland.

Running of the logging program at Daydream-2 was finalized in recent days and currently the production liner is being run to case off the well to total depth. The rig is expected to be released from location this weekend, with the well costs coming in under budget.

The Company’s preliminary interpretation of net gas pay from log analysis (using standard Australian onshore cut-offs) indicates the following:

Kianga Formation –	78 metres
Back Creek Group –	<u>76 metres</u>
Total –	<u>154 metres</u>

Gaseous coal zones were also logged throughout the primary objective interval, totaling a cumulative 65 metres. As flagged previously, these thermally mature coals will be targeted for stimulation and flow testing in the New Year. Success in those endeavours would materially add to the current well net pay and well production potential.

As announced on 7 December 2023, the well intersected an unexpected permeable sandstone zone at approximately 4,200 metres. The zone flowed gas into the wellbore which resulted in a flare at the surface. The Company’s analysis of this zone is now feeding into the stimulation and flow testing plans for early in the New Year.

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Estimates of the over-pressure in the Permian gas bearing zones in the well are at this stage somewhat subjective (being largely based on the drilling mud required to control the gas influx encountered in the lower zone), but are currently considered to be significant - in the region of 0.69 psi/foot.

A number of laboratory analyses of various drill cuttings from the well are currently underway and the results therefrom will help inform, optimize and de-risk the planning for the upcoming next stages of the program for the well.

Elixir's Managing Director, Mr. Neil Young, said: *"Recording 154 metres of net pay at Daydream-2 is a great result – exceeding our pre-drill expectations – and in due course our fully funded plans aim to add the coal zones to this net pay category. Encountering a permeable "conventional" sandstone reservoir at depths of 4,200 metres has been a very exciting recent and unexpected development and this zone will be a key focus for next year's stimulation and flow testing operations".*

By authority of the Board:

Neil Young - Managing Director
Elixir Energy Ltd (ABN 51 108 230 995)
Level 3, 60 Hindmarsh Square
Adelaide SA 5000, Australia

For further information on Elixir Energy, please call us on +61 (8) 7079 5610, visit the Company's website at www.elixirenergy.com.au