



**Elixir Energy**

# QEC Presentation Project Grandis

15 May 2024

ASX:EXR

Internal use only

# Gas - Macro Overview

1.



## The desired energy transition is very hard

- A wide variety of challenges – physical, economic and political – to the desired energy transition
- Increasingly being recognised by various (but not all) parties
- Gas is not optional – demand will in fact grow

2.



## LNG demand forecast to rise

- Multiple industry and Government parties forecast growing LNG demand
- Asian demand particularly strong
- Australian security of supply increasingly valued

3.



## East Coast Australia gas supply crisis

- The long recognised supply crunch is nearly upon us
- Govt now recognising depth of supply problems
- Current prices of >A\$12 expected to be a long term floor



# Elixir Team

## Board of Directors



### **Richard Cottee**

#### Non-Executive Chairman

Former Managing Director of CSG focused Queensland Gas Corporation (QGC), taking it from market cap of \$20M to \$5.7B

Other former CEO positions include CS Energy, NRG Europe & Central Petroleum



### **Neil Young**

#### Managing Director

Former Business Development Manager at Santos, where he helped build Santos' CSG business

Has worked in Mongolia since 2011



### **Stephen Kelemen**

#### Non-Executive Director

Extensive technical and commercial career at Santos, including managing its CSG business

Current Non Executive Director at CSG focused Galilee Energy (GLL)



### **Anna Sloboda**

#### Non-Executive Director

Previous employers include Lehman Bros, Clough, Curtin University & Trans-Tasman Resources

Ex-USSR background and experience of working in China

## Quality Partners and Suppliers



– Information Sharing Agreement



– Data Sharing Agreement



– Drilling services



– Stimulation services



– Drilling management services



Australian Government

– 48.5% R&D tax credit

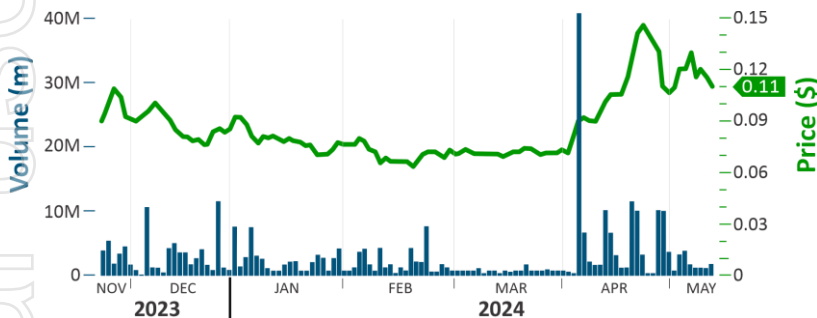


# Capital Structure

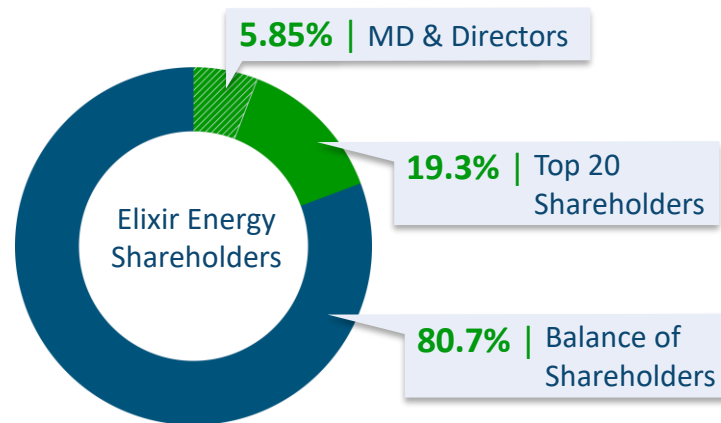
## Capital Structure

Capital Structure	Current
Number of Shares	1,132 million
Options & Perf Rights	115 million
Market Capitalisation (at A\$0.11)	A\$125 million
Cash (31/3/24 – inclusive of R&D)	A\$12 million
Enterprise Value	A\$113 million

## Share Price Performance



## Shareholder Information



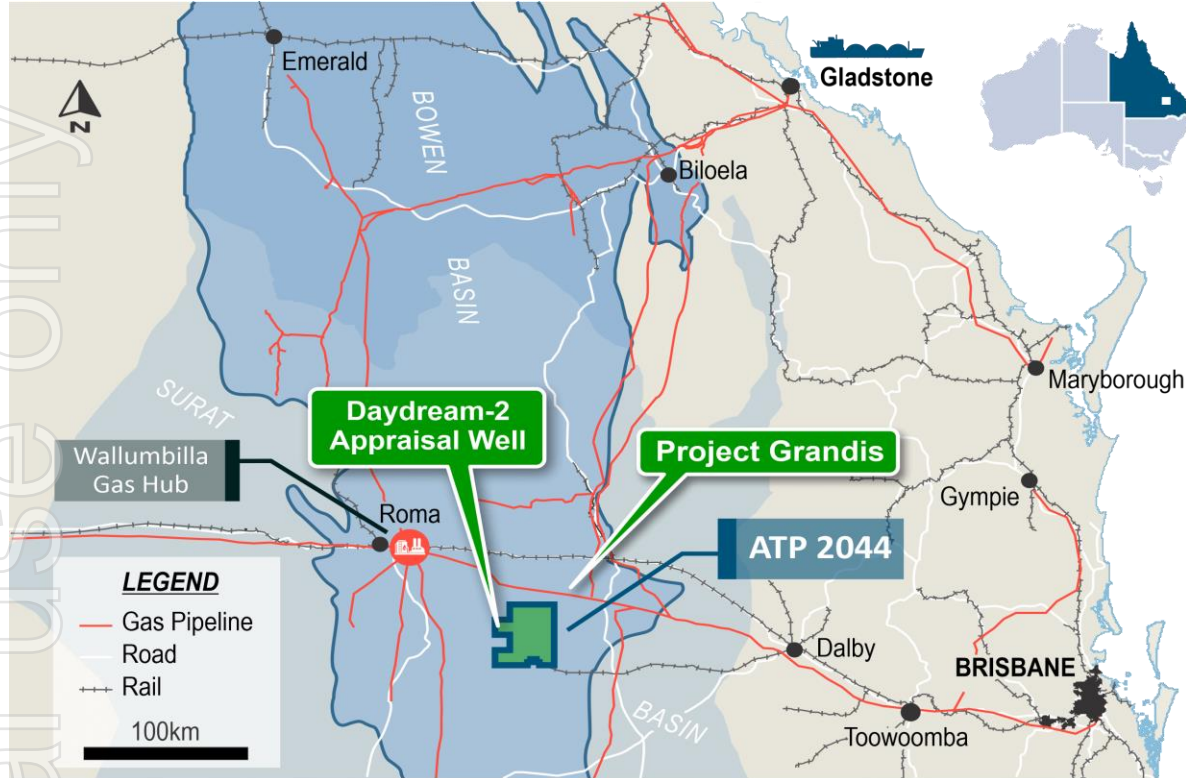
## Company Liquidity

Average trading of  
**>\$400k/day**  
over last month



# The Taroom Trough – An Advantaged Location

The prolific Bowen Basin is now set to deliver another energy source



- The Grandis Gas Project is very well located in the Taroom Trough in the Southern Bowen Basin
- Australia's premier physical and commercial gas hub – Wallumbilla – is immediately adjacent
- Market factors are now driving new rounds of drilling in the Taroom Trough - including by Majors
- Pipeline costs minimal – material savings per GJ – as well as avoidance of financing concerns over new transmission pipelines
- Long term community acceptance of oil and gas in the region
- Australia's onshore oilfield service sector is centred in the region

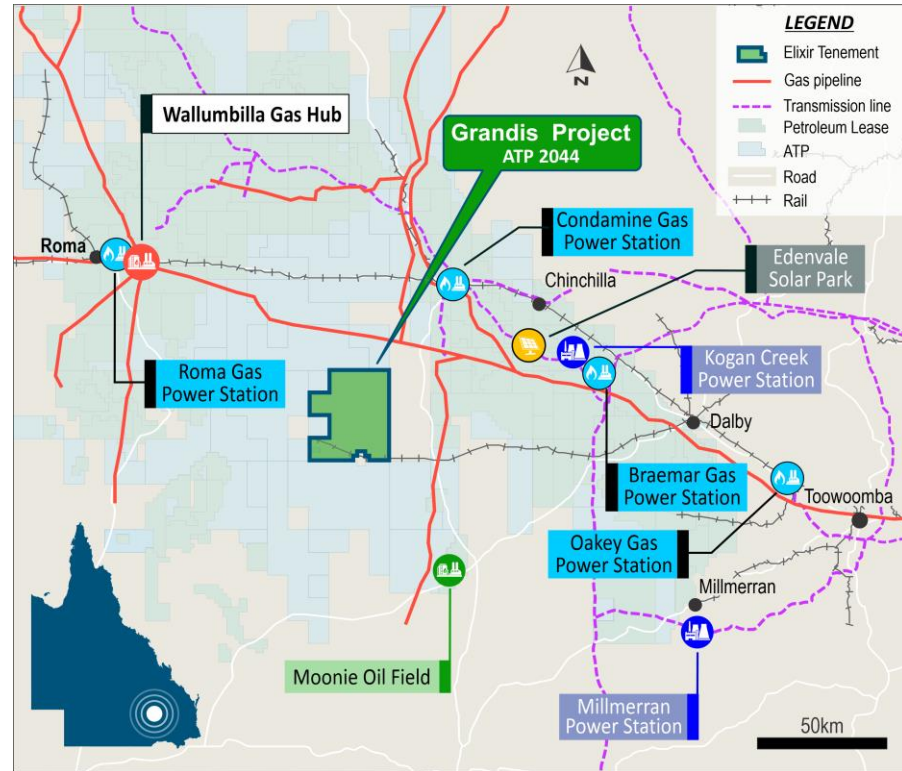




# Material and Growing Energy Infrastructure

## The Taroom Trough is adjacent to substantial and growing energy infrastructure

- New energy sources always benefit from adjacency to existing energy infrastructure – brownfields economics apply
- The region has a substantial existing gas fired generation fleet – and plans for more (and potentially much more as Queensland's energy mix evolves)
- Complementary gas storage assets are already in the area - with an arguable need for much more – cheaper and less politically challenged than greenfields pumped storage hydro
- The existing gas transmission network, centred around the Wallumbilla Hub, provides ready market access to both LNG and domestic gas markets
- Greenfields gas transmission developments are likely challenged by ESG concerns from investors (and lawfare) – not relevant in brownfields location



# Attractive to Large Sources of Capital

Securing material capital for gas development needs to pass through multiple gates



- The best source of capital for new gas developments is arguably existing large oil and gas companies – they provide not only money, but multiple technical, commercial and political skill sets

- The **Taroom Trough** is a favourable location for such large companies:

01

**Brownfields** – many majors, large LNG buyers, etc, are already in Queensland – and even for those who are not, the existence of the incumbents reduces risk perceptions

02

**Low emissions profile** – the Taroom is low in CO2 (pipeline spec) and has a long term pathway to eliminating scope 1 & 2 emissions from electrification, CCS, etc

03

**Materiality** – the resource size is multi-Tcf (with possibly 100Ms of bbls of liquids) and could accept billions of dollars of investment

04

**Low sovereign risk** – Queensland is a favourable location within Australia for resource investments – and despite its recent sins, Australia itself is still relatively benign

05

**Investments** in the future can be varied in response to market conditions – a key feature of an onshore unconventional play close to existing infrastructure

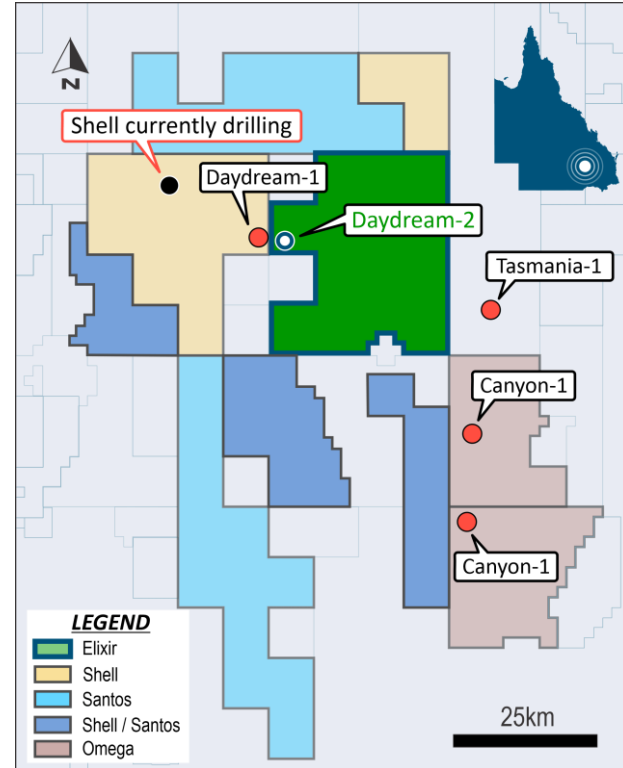


# Multiple Operator Activity

Home to several majors, the Taroom Trough hosts material discovered and potential gas resources

- **Shell:** Currently drilling. *“The estimate of recoverable hydrocarbons in this reservoir across ATP 645 in the area covered by PCA 1 (305), on an unrisks P50 basis, is 3.0 Tcf sales gas and 252 mmboe NGLs and condensate”*<sup>1</sup>
- **Santos:** Recently executed Data Sharing Agreement with Elixir. *“If the play works then we believe there is multi-Tcf potential”* (Kevin Gallagher - Santos CEO - Australian Financial Review on 15 November 2018)
- **Elixir:** initial 2C contingent resources of 395 Bcf and 2U prospective resources of 3,603 Bcf – to be upgraded in next few months
- **Omega:** 2C contingent resources of 1.7 Tcf. Stimulated horizontal well to follow in 2024

***With multiple operators investing substantially and experimenting with different approaches – the greater the chance the “code” is cracked for the benefit of all***

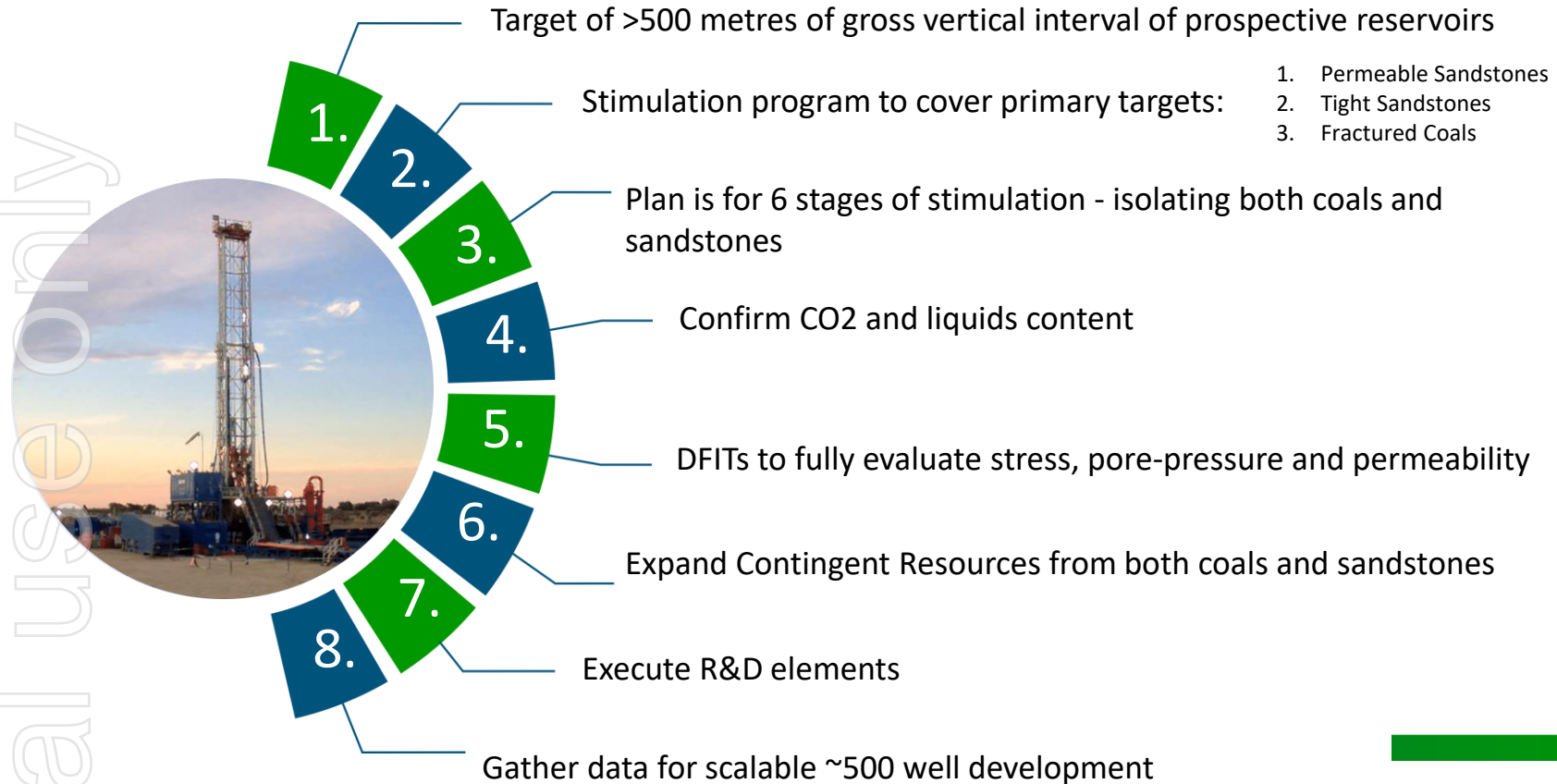


<sup>1</sup> - [https://www.daf.qld.gov.au/\\_data/assets/pdf\\_file/0010/1672921/21-296-File-G.pdf](https://www.daf.qld.gov.au/_data/assets/pdf_file/0010/1672921/21-296-File-G.pdf)



# Daydream-2 – Multiple Objectives

Daydream-2's multiple objectives are centred around de-risking and value creation



# Daydream-2 Delivers a Welcome Surprise

**Daydream-2 discovered a first in the Taroom Trough – a free flowing deep permeable formation \***

- Drilled to total depth of 4,300 metres (14,108 feet)
- Well drilled safely and under budget
- Gross interval of 607 metres intersected with peak gas shows of up to 800 units
- Logged 180 metres of net pay in the Permian sandstones
- Measured an additional 65 metres of gaseous coals in the primary objective interval as a new target for stimulation and flow testing
- ***Encountered an unexpected free-flowing gas zone at 4,200 metres – gas flowed to surface without stimulation***
- ***Analogues with deep Perth Basin?***



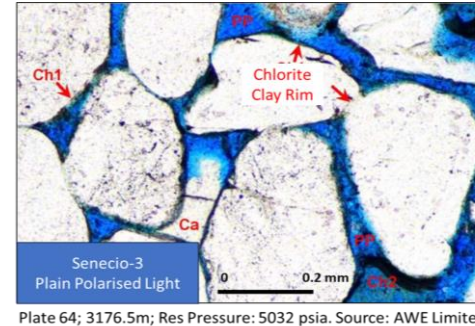
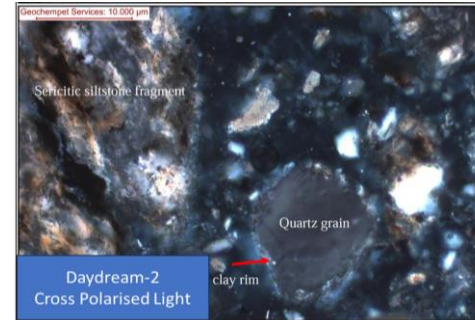
Flare at Daydream-2

\* See ASX release dated 7 December 2023

# Lab Results Deliver More Upside

## Lab results reported in recent results suggest Perth & Cooper Basin analogues \*

- Significant over-pressure confirmed – 9,400 psia in deep permeable zone
- Analysis of cuttings samples from the deep permeable sand interval has identified clay coatings (rims) around individual quartz grains. It is interpreted that these clay rims assist in the preservation of primary porosity at these depths
- These are also recognised in the relatively recently discovered highly productive deep Permian sections of the Perth Basin
- Also unexpected were very high gas contents in the deep coals (similar to the Cooper Basin) – 34 cubic metres/tonne (dry ash free) – significant gas in cleats as well as fractures
- CO<sub>2</sub> in gas measured from coals a negligible 1%



Daydream-2 (Taroom Trough) and Senecio-3 (Perth Basin) Clay Rims Comparison

\* See ASX releases dated 6 and 21 February 2024

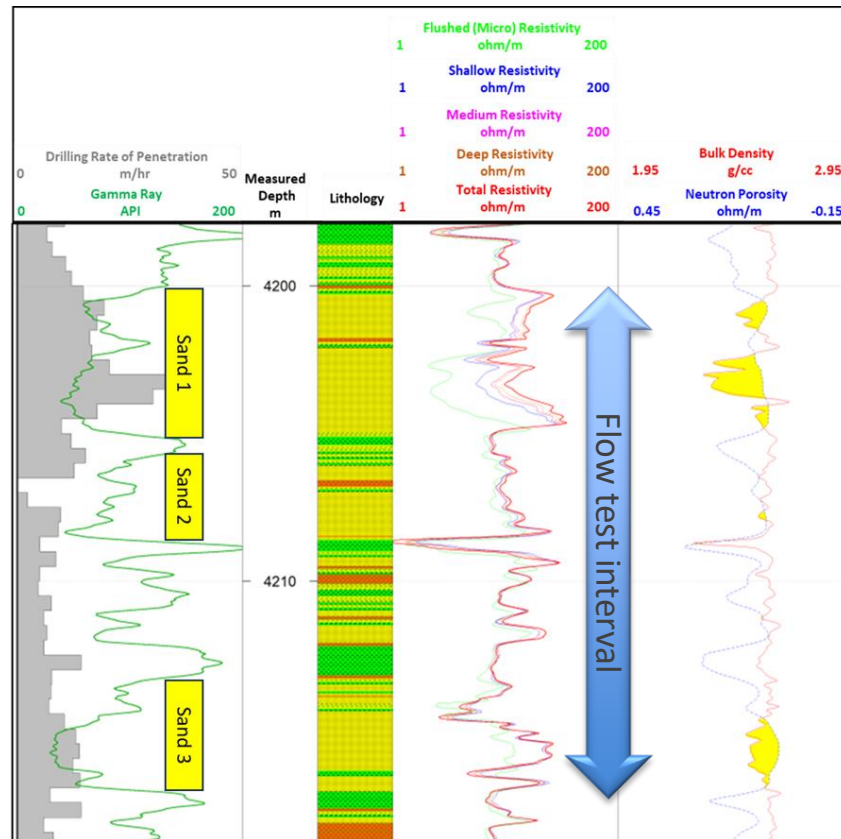
# Impressive Initial Flow Test Results

## Successful Lorelle Sandstone flow testing \*

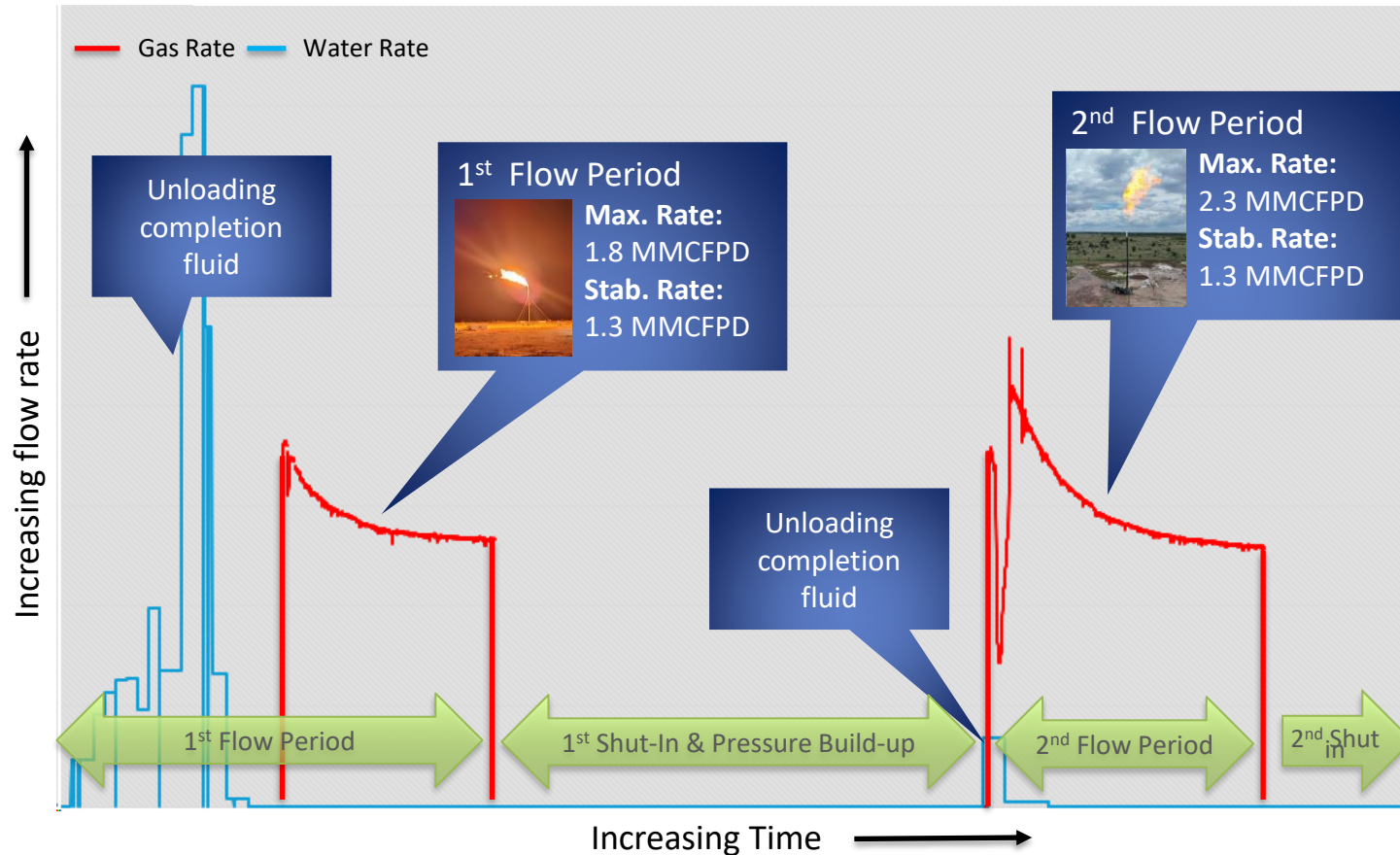
- Conducted after a successful suite of DFITs
- 2 stage flow test over permeable zone from 4,200 - 4,217 metres
- Maximum Rate 2.3 MMSCFPD
- Stabilized Rate 1.3 MMSCFPD
- Gas was dry without indications of condensate or water
- Low CO<sub>2</sub> content – lab to test for NGLs shortly
- Stimulation of 6 stages imminent



\* See ASX release dated 5 April 2024



# Daydream-2 Lorelle Sandstone Flow Testing\*



\* See ASX release dated 5 April 2024



# A New Play is Being Proven

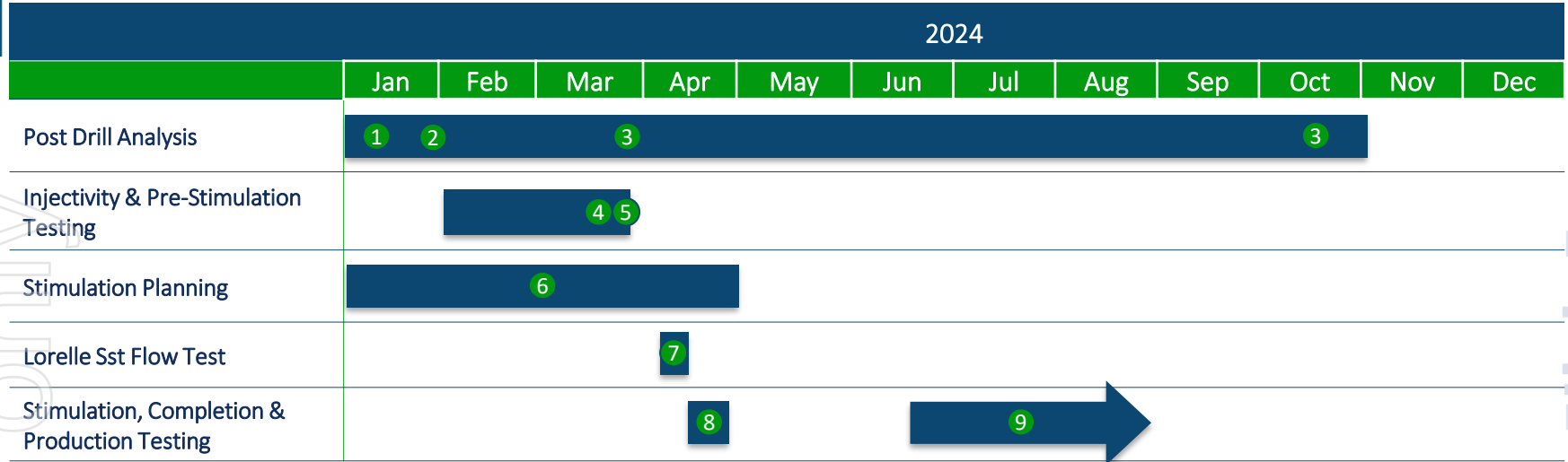
Economic flow-rate of 2.5mmscfd for vertical wells – the Lorelle Sandstone alone is modelled to meet this\*

*At 4,200 metres this is the deepest sustained natural flow of gas in Queensland and may herald the start of a whole new - and material - gas play in Australia*



\* See ASX release dated 29 April 2024

# Project Timeline – Delivering Upon Objectives



- 1 Compilation of post well analysis (final pay information and initial production testing plans) ✓
- 2 Additional Laboratory Analysis ✓
- 3 Review of Resource Certification ✓
- 4 Diagnostic Fracture Injectivity Testing (DFIT) to directly measure formation stress, pore pressure and permeability ✓
- 5 Pre-stimulation optimisation and testing activity (to guide formal stimulation plans) ✓
- 6 Working with Halliburton Global Technology Centre for optimal strategy on stimulation of Daydream 2 reservoirs ✓
- 7 Permeable Lorelle Sst flow test flows at Max Rate of 2.3 MMCFPD ✓
- 8 Stimulation of Lorelle Sst ✓
- 9 Execution of stimulation program for sandstone and coals followed immediately by production testing

# Summary



The World needs more gas for longer – now explicitly recognised by Govt policy



Growing need for energy security by Australia's LNG & domestic customers



The East Coast has strong pricing, a growing supply gap & LNG plant ullage



The Taroom Trough is currently hosting a multiple operator appraisal program



The Taroom Trough is exceptionally well located on multiple fronts



Early succes for Elixir with stablished flow rate – more to follow shortly



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