

16 August 2024

DAYDREAM-2 OPERATIONS UPDATE

HIGHLIGHTS

- Lorelle Sandstone flows gas at stabilized flow rates of 2.1 and 2.5 MMSCFPD
- Flow rate of Lorelle zone alone approaching the modelled economic hurdle
- Five stage stimulation program now underway

Elixir Energy Limited ("Elixir" or the "Company") is pleased to provide an update on the Daydream-2 program in its 100%-owned Grandis Project in Queensland's Taroom Trough.

The flow test of the Lorelle Sandstone post stimulation was completed yesterday. On-site operations have now moved to the stimulation of the 5 upper zones.



Gas flare of approximately 3 MMSCFPD from Daydream-2

The Lorelle Sandstone was flow tested from 4,200 meters to 4,217 metres directly through the 4 1/2" casing without a completion. The well was tested at multiple rates and multiple choke sizes. The well flowed gas at a maximum rate of 3.5 Million Standard Cubic Feet Per Day (MMSCFPD) and on multiple occasions stabilized rates were observed between 2.1 and 2.5 MMSCFPD throughout the flow period (see Appendix 1 for full disclosures required under Listing Rule 5.30).

As the test progressed, it has become clear that stimulation fluid in the wellbore was accumulating and suppressing the stabilized rate. Running a completion string in the hole in any future production test would resolve this issue and significantly improve the gas production rate. Engineering calculations suggest that with the appropriate completion string in the hole, the well would flow at a stable rate of 3.0 MMSCFPD. Towards the end of the testing, minor amounts of condensate were recovered.



Daydream-2 wellsite during Lorelle Testing operation

The unstimulated rate achieved in April 2024 from the same zone was 1.3 MMSCFPD. The results of the test show that the stimulation was successful and caused a material increase in gas flow.



As announced on 29 April 2024, Elixir's modelling indicates an initial flow rate of 2.5 MMSCFPD is considered economic in the market price and cost scenarios relevant for the Grandis Project.

The stimulation operation of this phase of the Daydream-2 program is now underway. Elixir's plan is to plug, perforate and stimulate 5 stages consecutively, and upon completion of this, in just over 1 week's time, commence further flow testing. Elixir plans to report to the market next when the stimulation operation is complete.

Elixir's Managing Director, Mr Neil Young, said: *"Achieving a potentially commercial flow-rate from only a single zone in Daydream-2 is a massive out-performance of all our expectations at the start of the well. There is a lot more news to come in the next few weeks and our vision that the Taroom Trough may be a major new supplier of gas to the desperately short Australian gas market – as well as the under-utilised LNG plants in Queensland – is coming close to fruition."*

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 Flow Duration: 26 hours
h. Hydrocarbon phases recovered:	Dry Gas with trace condensate and stimulation fluid (water)
i. Any other recovery:	275 bbls of stimulation fluid (water)
j. Chokes sizes used, flow rates and volumes	Max Rate: 3.5 MMSCFPD (20/64" and 24/64" choke) First Flow: Stabilised Rate 2.5 MMSCFPD (20/64" choke) Second Flow: 2. Stabilised Rate 2.1 MMSCFPD (24/64" and 20/64" choke) Total Gas Recovered: 2.0 MMSCF
k. Number of stimulation stages:	One
l. Material volumes of non-hydrocarbon gases	To be determined by laboratory studies
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.