

31 January 2025

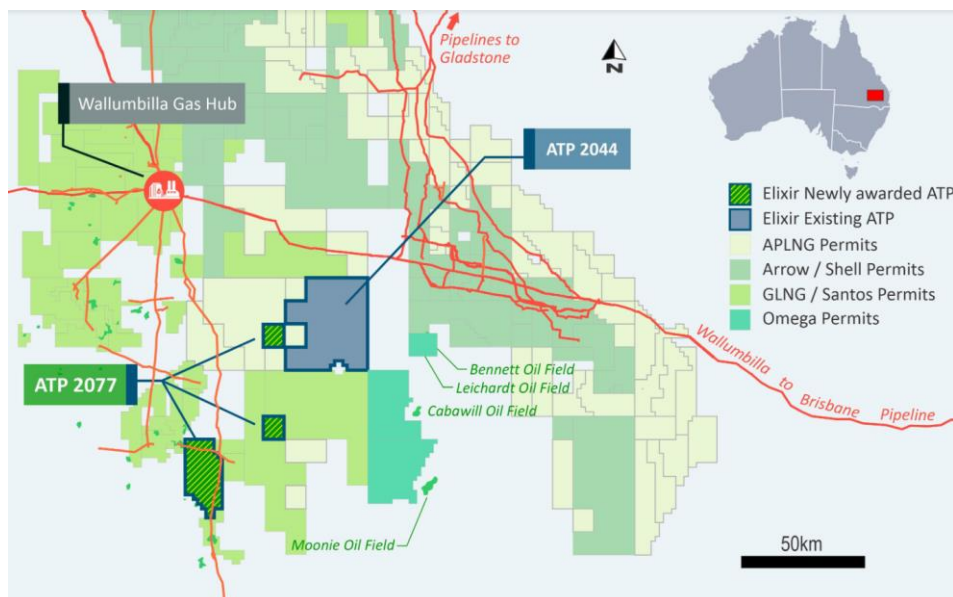
QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2024

HIGHLIGHTS

- Daydream-2 well operations concluded in the quarter
- Commitments met for ATP 2044 and retention licence application in motion
- Planning for the next appraisal well in the Grandis Project well underway
- Farmout negotiations for the Company's Australian and Mongolian projects in progress

MANGAGING DIRECTOR'S REPORT TO SHAREHOLDERS FOR THE QUARTER

The Daydream-2 appraisal well program was concluded at the start of the December quarter and since then Elixir has been primarily focused on the next stages of the Grandis Project. These include analysing the considerable data gathered from the program; booking additional contingent resources (post quarter end); planning the next appraisal well; developing offtake options – and progressing farmout discussions with various potential partners (for both the Taroom Trough and Diona assets).



ASX ANNOUNCEMENT

Meanwhile, it is Elixir's view that the macro environment for the Grandis Gas Project is turning very favourable on multiple fronts, including the undernoted domestic and international factors.

East Coast gas prices are now in the region of A\$14/GJ – and are expected to remain at or above such levels. It is the view of many commentators, a view shared by Elixir, that various ill-fated State and Federal level interventions into gas markets over recent years have in fact served to reduce supplies and raise prices.

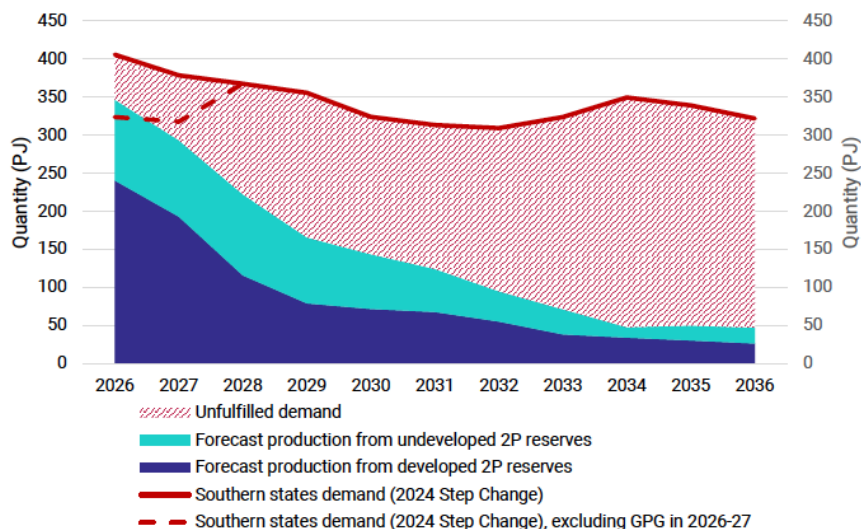
International gas imports into the East Coast gas market will commence in 2026 – through Squadron Energy's Floating Storage Regasification Unit (FSRU) import facility at Port Kembla in New South Wales. Further FSRU facilities thereafter will possibly be developed in Victoria and South Australia. LNG import prices are expected to be in the region of A\$20/GJ and could thus set a whole new marginal pricing paradigm for the gas market.

However, the Squadron Energy plant will not be able to supply gas in 2025 – and thus the risk therefore arises in this year of peak gas demand (e.g. induced by a cold snap in Victoria and New South Wales) exceeding all available local supplies, particularly if the snap coincided with a gas plant outage. Given current gas transportation limitations, gas supplies in Queensland would not be able to meet such a contingency.

The ACCC's most recent gas market report recognizes the problems, in what for a Government regulator were really quite pointed words:

- *“Consumers will depend.....on gas transported from Queensland”*
- *“southern states will likely have to depend on imported Liquefied Natural Gas (LNG)”*
- *“Domestic gas prices will therefore become increasingly driven by international oil and gas prices”*
- *“Demand for gas-powered generation is forecast to grow...This will require additional supply and infrastructure from the gas markets”*

Chart 5.2: Southern states supply and demand outlook, 2026–2036



Source: ACCC analysis of data obtained from gas producers as at January 2024 and domestic demand from AEMO's 2024 GS00.

Note: This chart includes forecast production from developed and undeveloped 2P reserves in the Gippsland, Bass, Otway, Sydney, Gunnedah, and Cooper basins. Southern states demand for gas under AEMO's Step Change scenario has not been adjusted to account for the potential impact of a delayed retirement of Eraring Power Station, which is likely to lower overall GPG consumption. The dashed line represents southern states demand for gas excluding the total amount of GPG projected to be consumed in 2026 and 2027, which is presently estimated at 142 PJ over 2 years.



ASX ANNOUNCEMENT

The above chart from the recent ACCC report shows the imminent and massive gas supply challenges for the East Coast gas market (and it in fact includes some assumptions such as the development of the Narrabri field in New South Wales that many commentators would consider optimistic).

Outside the FSRU options, there are very few large sources of new gas available to meet this large shortfall (as well as potentially supply international markets through growing spare capacity at the Gladstone LNG plants). The Taroom Trough is arguably the best placed and most active such source – with its location adjacent to the Wallumbilla gas hub and the current multi-party appraisal programs.

It has been Elixir's recent experience that the new Queensland Government is already recognizing the problems in gas supply markets and is developing various policy options to assist the bringing in of new supplies. The Federal Government – of whatever political flavour after the upcoming election – will in our view have to manage the unacceptable risks of gas supply shortfalls through similar policy mechanisms.

On the international front, recent political changes in the USA (and more broadly) are serving to send signals to the likes of capital markets, banks, insurers, etc, that fossil fuels such as gas should be encouraged rather than opposed, given the massive challenges implicit in changing global energy systems.

All up, Elixir considers that 2025 is a year that promises one of growing and long term tail winds for its Grandis Gas Project.

ASX ANNOUNCEMENT

AUSTRALIAN GAS – GRANDIS GAS PROJECT (ATPs 2044 and 2077)

Elixir has a 100% interest in petroleum exploration licences ATP 2044 and ATP 2077 located in Queensland (the Grandis Gas Project). These tenements are located proximate to the Wallumbilla gas hub and can access domestic and international gas markets.

During the quarter:

- Operations at the Daydream-2 appraisal well were concluded.
- The Lorelle Sandstone flowed at a post stimulated stabilized rates of between 2.1 and 2.5 MMSCFD.
- A MOU was executed with Australian Gas Infrastructure Group (AGIG) over new gas infrastructure requirements for the Taroom Trough.
- An increase in prospective resources of 712 Bcf was booked for ATP 2077 (per ASX announcement of 4 November 2024).
- Elixir pursued (but has not yet closed) farmout negotiations with a number of parties with respect to the Grandis Project (the Taroom Trough) and the Diona sub-block of ATP 2077 (a shallow conventional play zone).

All work was undertaken safely, in accordance with local community expectations and without environmental or other negative incidents.

MONGOLIAN GAS – NOMGON CBM PSC PROJECT

Elixir Energy Limited (“Elixir”) has a 100% interest in the Nomgon IX Coal Bed Methane (CBM) Profit Sharing Contract (PSC), located in proximity to the Chinese border in Mongolia’s South Gobi region.

During the quarter the main operational focus area remained the ongoing production testing at the Nomgon Pilot Project. De-watering of the coals is ongoing, but has not yet reached critical desorption pressure.

On the strategic level, Elixir is undertaking negotiations with respect to the potential farm-out/down of the Nomgon PSC. These are reasonably well advanced but are not closed at the date of this announcement.

All work was undertaken safely, in accordance with local community expectations and without environmental or other negative incidents.

MONGOLIAN RENEWABLES

The renewable asset base built up by Elixir to previously support the *Gobi H2* green hydrogen project in Southern Mongolia is now being reviewed for its potential contribution to growing local mining and grid customers for cleaner energy and the Company is engaging with a number of potential partners to facilitate that.

ENVIRONMENT, SOCIAL & GOVERNANCE (ESG)

Elixir considers stakeholder engagement – particularly with local people in the areas of operations, to be critical for all of its projects.

In Queensland, the Company’s recent operations provided the local economic boost that comes from oil and gas operations – including utilizing multiple local accommodation venues, etc.

In Mongolia Elixir continues to support local communities in a number of ways such as its multi-year program of tree-planting in the key local district in which it operates.

ASX ANNOUNCEMENT

CORPORATE AND FINANCIAL

Capital raising

No capital raisings were undertaken in the quarter.

A R&D refund of \$7.9M was received in connection with qualifying expenditure in the year ended 30 June 2024. This was first applied to fully pay back the debt facility secured against this receivable.

Changes in Issued Capital

During the quarter 2,000,000 Performance Rights were issued, following approval by Shareholders at the 2024 Annual General Meeting.

Security type	Number
Ordinary shares	1,196,810,799
Listed options	110,799,979
Unlisted performance rights	12,650,000
Unlisted employee options	10,000,000

Financial

Elixir's cash reserves as at 31 December 2024 were \$2.7 million.

As at the end of the quarter, a receivable of \$3.7 million in connection the Research & Development tax credit due to be paid in connection with qualifying expenditure on Daydream-2 has been recorded (unaudited). Elixir has in place arrangements whereby it can borrow secured solely against this security, but had not done so at year end.

As such, the net cash position as at the end of the quarter can be characterized as \$6.4 million.

During the quarter, the Company spent \$3.8 million on exploration activities, primarily on the Daydream-2 well.

Board and Management

No changes to Board and Management occurred in the quarter.

Annual and other General Meetings

No General Meetings were held during the quarter.

Appendix 5B Disclosures

The attached Appendix 5B includes an amount of \$176,000 in item 6.1, which constitutes compensation for the Managing Director and non-executive director fees paid during the quarter. In addition, \$37,000 was paid to Key Management Personnel for services provided. There were no other related party transactions.

SUMMARY OF PETROLEUM TENEMENTS HELD AS AT 31 DECEMBER 2024

	% Interest	Tenement	Location
Held at end of quarter	100%	Nomgon IX CBM PSC	Southern Mongolia
	100%	ATP 2044	Queensland
	100%	ATP 2077	Queensland
Acquired during quarter	-	-	-
Disposed during quarter	-	-	-



ASX ANNOUNCEMENT

By authority of the Board:

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

For further information, please visit the Company's website at www.elixirenergy.com.au

For personal use only

Appendix 5B

Mining exploration entity or oil and gas exploration entity
quarterly cash flow report

Name of entity		
Elixir Energy Limited		
ABN		Quarter ended ("current quarter")
51 108 230 995		31 December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(176)	(472)
	Staff costs capitalised in 2.1 (d)	-	-
	(e) administration and corporate costs	(562)	(983)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	64	138
1.5	Interest and other costs of finance paid	(477)	(477)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,151)	(1,794)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) exploration asset	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(52)	(86)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(d) exploration & evaluation Capitalised R&D incentive	(3,829) 7,918	(10,705) 7,918
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation		
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	4,037	(2,873)
3. Cash flows from financing activities			
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,250
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	40
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(6,245)	(6,245)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) Share Issue costs	-	(419)
3.10	Net cash from / (used in) financing activities	(6,245)	(374)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,948	7,665
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,151)	(1,794)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	4,037	(2,873)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(6,245)	(374)
4.5	Effect of movement in exchange rates on cash held	95	60
4.6	Cash and cash equivalents at end of period	2,684	2,684

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,631	5,536
5.2	Call deposits	30	30
5.3	Bank overdrafts	-	-
5.4	Restricted cash	24	382
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,685	5,948

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	213
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Total payments of \$213k to related parties for the quarter consisted of:

- non-executive directors' fees and executive director salaries in item 6.1 \$176K
- Key Management fees and reimbursement of expenses in item 6.1 \$37k

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(674)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	4,089
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	3,415
8.4	Cash and cash equivalents at quarter end (Item 4.6)	2,684
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	2,684
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	(0.8)
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
		Answer: n/a negative item 8.7 due to R&D incentive cash inflow.
	8.8.2	Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
		Answer: n/a
	8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
		Answer: n/a
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 January 2025

Date:

By the Board

Authorised by:

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.