

Diona-1 Update

- The Diona-1 well has reached a depth of 2,479m (measured depth) and encountered a significant Permian to Basement overpressured gas column.
- Drilling operations to complete followed by additional logging.

Elixir Energy Limited (ASX: EXR, the Company) provides an update on the drilling operations at the Diona-1 exploration well within ATP2077 (Diona sub-block) in the Surat-Bowen Basin in Queensland.

Diona-1 has reached 2,479m measured depth, drilling through the primary and secondary targets.

The primary Triassic target in the Showgrounds Sandstone was found to be well developed, but non-hydrocarbon bearing, however upon entering the Permian formations, the Diona-1 well encountered a 181m hydrocarbon prone Permian-to-Basement sequence. This included a significant overpressured gas column and a kick that required increases to drilling mud weights and circulation of gas out of the hole.

Preliminary Logging While Drilling data indicates that several Permian-aged hydrocarbon bearing reservoirs are present within the Diona-1 well which warrant additional logging and testing. These preliminary observations bode well for the future potential of the well on acquisition of additional data. Drilling operations will complete followed by a wireline



Circulating gas out of the Diona-1 well

logging campaign to acquire the additional data before the release of the final interpreted results.

Elixir Energy Limited’s Managing Director & Chief Executive Officer Stuart Nicholls said:

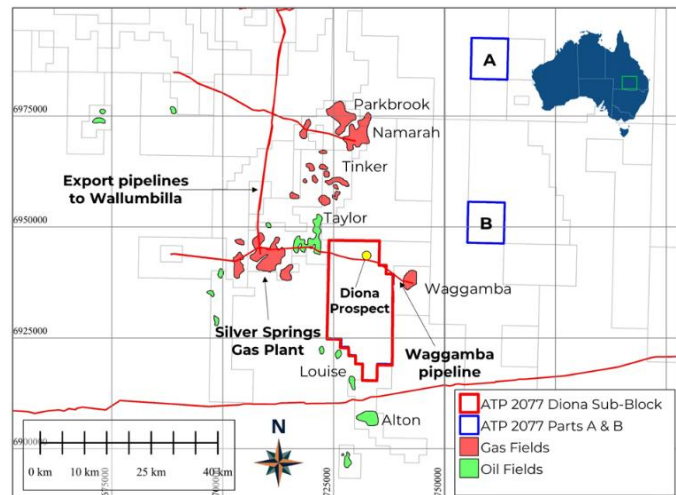
“The presence of overpressured gas throughout the Permian sequence including through the secondary targets is positive for the Diona-1 well. The acquisition of additional information from Diona-1 is critical for the declaration of a discovery which could have material regional impacts across the known plays in the area. We are excited to complete the program and commence interpretation of the significance of these results”

About the Diona-1 Drilling Campaign

Elixir Energy is fully carried for the drilling of the Diona-1 exploration well by Xstate Resources Limited (XST) who is executing the drilling program as part of the transaction agreed earlier this year.

Located at (27° 37' 14.268" S, 149° 21' 28.476" E) between the Silver Springs Gas Plant and the Waggamba gas field in the Surat-Bowen Basin of Queensland, the Diona prospect is a shallow gas/oil target that is ideally placed adjacent to the Waggamba to Silver Springs gas pipeline.

Should the well be successful, there is potential for a rapid path to market given the Waggamba pipeline is less than 100m from the well pad (with a tie-in point approximately 1 km away).



ATP2077-Diona Sub Block (only) Equity Interest

EXR: 49%

XST: 51%

By authority of the Board

Stuart Nicholls

Managing Director & Chief Executive Officer

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

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