
ELIXIR PETROLEUM LIMITED

ACN 108 230 995

NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at Level 2, 7 Ventnor Avenue, West Perth, Western Australia on Monday 1 September 2014 at 10.00 a.m. (WST).

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on (08) 9226 2111.

ELIXIR PETROLEUM LIMITED

ACN 108 230 995

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Elixir Petroleum Limited (**Company**) will be held at Level 2, 7 Ventnor Avenue, West Perth, Western Australia on Monday 1 September 2014 at 10 a.m. (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form forms part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 30 August 2014 at 10 a.m. (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 9.

AGENDA

1. Resolution 1 – Authority to issue Placement Securities

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 440,000,000 Shares (**Placement Shares**) each at an issue price of \$0.005 and 220,000,000 Placement Options (each exercisable at \$0.015 on or before 30 September, 2016 (**Placement**) on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the Placement and a person who might obtain a benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 – Authority for Mr Samuel Willis and the Related Party to participate in the Placement

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, subject to Resolution 1 being passed, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve and authorise Mr Samuel Willis and the Related Party (and/or their nominees) to participate in the Placement to the extent of up to 35,000,000 Shares each at an issue price of \$0.005 and 17,500,000 Placement Options each exercisable at \$0.015 on or before 30 September, 2016 on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Samuel Willis, the Related Party and their nominees and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 – Authority for Mr Mark O'Clery to participate in the Placement

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, subject to Resolution 1 being passed, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve and authorise Mr Mark O'Clery (and/or his nominees) to participate in the Placement to the extent of up to 5,000,000 Shares each at an issue price of \$0.005 and 2,500,000 Placement Options each exercisable at \$0.015 on or before 30 September, 2016 on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Mark O'Clery and his nominees and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 – Authority for Mr Michael Price to participate in the Placement

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, subject to Resolution 1 being passed, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve and authorise Mr Michael Price (and/or his nominees) to participate in the Placement to the extent of up to 5,000,000 Shares each at an issue price of \$0.005 and 2,500,000 Placement Options each exercisable at \$0.015 on or before 30 September, 2016 on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Michael Price and his nominees and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 5 - Authority to issue Securities pursuant to the Share Purchase Plan

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, subject to Resolution 1 being passed, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders authorise and approve the Directors to issue up to 160,000,000 Shares (SPP Shares) each at an issue price of \$0.005 and 80,000,000 Placement Options (SPP Placement Options) each exercisable at \$0.015 on or before 30 September, 2016 on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement has not been included as the Company has been granted a waiver of Listing Rule 7.3.8.

6. Resolution 6 – Authority to grant Adviser Placement Options to Hartleys

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, subject to Resolution 1 being passed, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders authorise and approve the Directors to grant up to 20,000,000 Placement Options each exercisable at \$0.015 on or before 30 September, 2016 to Hartleys (and/or its nominees) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Hartleys and its nominees and a person who might obtain a benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. Resolution 7 – Authority to grant Director Options to Mr Samuel Willis

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That, subject to Resolutions 1 and 5 being passed, for the purpose of Listing Rule 10.11, and for all other purposes, approval is given for the Directors to grant 4,000,000 Director Options each exercisable at \$0.015 on or before 15 October, 2016 to Non-Executive Chairman, Mr Samuel Willis (and/or his nominees) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this resolution by Mr Samuel Willis and his nominees and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. Resolution 8 – Authority to grant Director Options to Mr Mark O’Clery

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That, subject to Resolutions 1 and 5 being passed, for the purpose of Listing Rule 10.11, and for all other purposes, approval is given for the Directors to grant 4,000,000 Director Options each exercisable at \$0.015 on or before 15 October, 2016 to Non-Executive Director, Mr Mark O’Clery (and/or his nominees) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this resolution by Mr Mark O'Clery and his nominees and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. Resolution 9 – Authority to grant Director Options to Mr Michael Price

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That, subject to Resolutions 1 and 5 being passed, for the purpose of Listing Rule 10.11, and for all other purposes, approval is given for the Directors to grant 4,000,000 Director Options each exercisable at \$0.015 on or before 15 October, 2016 to Non-Executive Director, Mr Michael Price (and/or his nominees) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this resolution by Mr Michael Price and his nominees and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 31 July 2014

BY ORDER OF THE BOARD

Mr Nicholas Ong
Company Secretary

ELIXIR PETROLEUM LIMITED

ACN 108 230 995

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 2, 7 Ventnor Avenue, West Perth, Western Australia on Monday 1 September 2014 at 10 a.m. (WST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment on Resolutions 7 to 9 if:

- (a) the person is either:
 - (i) a member of the Key Management Personnel of the Company; or
 - (ii) a Closely Related Party of such a member, and
 - (b) the appointment does not specify the way the proxy is to vote on Resolutions 7 to 9.
- However, the prohibition does not apply if:
- (c) the proxy is the Chairman; and
 - (d) the appointment expressly authorises the Chairman to exercise the proxy even if Resolutions 7 to 9 are connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.
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3. Background

On 25 July, 2014 the Company announced that it had entered into an agreement with Apollo to acquire a 50% working interest in certain leases in Washington County, Colorado for cash consideration of US\$701,290 (**Acquisition**). The parties have also agreed an area of mutual interest (**AMI**) in which any further leases or upstream oil and gas opportunities will be acquired on a 50/50 basis. Following completion of the Acquisition, the Company has committed to spend the first US\$1,500,000 of an agreed exploration programme which is expected to be completed within the AMI area prior to 30 June 2016. After this expenditure commitment is fulfilled by the Company, the parties will each contribute 50% of any further expenditure. The parties will also each contribute 50% of an agreed future leasing budget, the costs of which will not be considered part of the exploration programme for the purposes of the US\$1,500,000 expenditure commitment. In addition, the Company has also acquired an exclusive option to acquire, alongside Apollo, a 50% working interest in leases in the greater Wattenberg Area in Weld County Colorado (**Wattenberg Option**). The initial target is to acquire up to 2,000 acres within the defined area with Apollo delivering a minimum net revenue interest of 40% to Elixir. In conjunction with Apollo, Elixir has a right (but not the obligation) to expand its lease position beyond 50% of 2,000 net acres should Apollo acquire a larger position and Elixir wants to participate.

Refer to the Company's ASX announcement dated 25 July 2014 for further information on the Acquisition and the Wattenberg Option.

The Company also announced that it would seek to raise up to \$3,000,000 to fund the Company's activities through:

- (a) the placement of Shares each at an issue price of \$0.005, with one free attaching Placement Option for every two Shares subscribed for to raise up to \$2,200,000 (before costs); and
 - (b) a share purchase plan through an offering to existing shareholders to apply for shares at \$0.005 plus one free attaching Placement Option for every two Shares subscribed for to raise up to a further \$800,000 (before costs),
- (together the **Capital Raising**).

Other than Resolutions 7 to 9, the Resolutions contained in this Notice relate to the Capital Raising as follows:

- (a) Resolution 1 seeks approval for the issue of Shares and Placement Options under the Placement;
- (b) Resolutions 2 to 4 seek approval for the Directors of the Company to participate in the Placement;
- (c) Resolution 5 seeks approval for the issue of Shares and Placement Options under the Share Purchase Plan; and
- (d) Resolution 6 seeks approval to grant Placement Options to Hartleys in part consideration for corporate advisory services provided by Hartleys pursuant to a corporate advisory mandate.

Details on each of these Resolutions are contained below.

The Company has agreed that, following successful completion of the Acquisition and approval of the Capital Raising, the current Chief Executive Officer of the Company, Mr Dougal Ferguson, will become the Managing Director of the Company. It has been agreed as part of Mr Ferguson's appointment as the Managing Director of the Company that Mr Ferguson:

- (a) will be issued 30,000,000 Performance Rights pursuant to the Elixir Petroleum Limited Incentive Plan (refer to the Company's ASX announcement dated 25 July 2014 for further information on the performance rights to be issued to Mr Ferguson); and
- (b) will be entitled to participate in the Capital Raising and has agreed to apply for 15,000,000 Shares each at an issue price of \$0.005 together with 7,500,000 free attaching Placement Options pursuant to the Placement.

4. Resolution 1 – Authority to issue Placement Shares

4.1 General

As announced to the ASX on 25 July 2014, the Company intends to undertake a placement of 440,000,000 Shares each at an issue price of \$0.005 together with 220,000,000 Placement Options granted as free attaching Options on the basis of one Placement Option for every two Shares subscribed for, to raise \$2,200,000 (before costs).

The funds raised from the Placement will be used to fund the Acquisition and the exploration programme in respect of the leases being acquired, in addition to providing working capital for existing assets, business and administration costs and to assess further new venture opportunities.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Given the Placement Shares and the Placement Options to be issued under the Placement (together the **Placement Securities**) to be issued under Resolution 1 will exceed the 15% threshold set out in Listing Rule 7.1 and none of the exceptions contained in Listing Rule 7.2 apply, Shareholder approval is required under Listing Rule 7.1.

Resolution 1 is an ordinary resolution.

4.2 Specific information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, information regarding the Placement is provided as follows:

- (a) The maximum number of Securities that the Company may issue under the Placement is 440,000,000 Shares and 220,000,000 Placement Options.
- (b) The Placement Securities may be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).
- (c) The Placement Shares will be issued at an issue price of \$0.005 per Share and the Placement Options will be granted as free attaching Options on the basis of one Option for every two Shares subscribed.
- (d) The Placement Securities will be issued to:
 - (i) clients of Hartleys, and other AFSL holders, and other third parties who are sophisticated and professional investors or who otherwise do not need disclosure to be issued the Placement Securities and who are not related parties of the Company;
 - (ii) Mr Dougal Ferguson (refer to Section 3 above); and
 - (iii) subject to approval of Resolutions 2 to 4, the Directors and the Related Party (refer to Section 5 below).
- (e) The Placement Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (f) The Placement Options will each be exercisable at \$0.015 on or before 30 September, 2016 and will otherwise have the terms and conditions set out in Schedule 1.
- (g) The funds raised from the issue of the Placement Securities will be used by the Company to fund the Acquisition and the exploration programme in respect of the leases being acquired, in addition to providing working capital for existing assets, business and administration costs and to assess further new venture opportunities.
- (h) The issue of the Placement Securities may occur progressively subject to Section 4.2(b).
- (i) A voting exclusion statement is included in the Notice.

5. Resolutions 2 to 4 – Authority for the Directors and the Related Party to participate in the Placement

5.1 General

It is proposed that each of the Directors and the Related Party and/or their nominees, participate in the Placement by subscribing for up to a total of 45,000,000 Shares at an issue price of \$0.005 each (**Director Placement Shares**) together with 22,500,000 Placement Options (**Director Placement Options**) granted as free attaching Options on the basis of one Placement

Option for every two Shares subscribed for. Further details of the Placement are set out in Section 4.

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders. Each of the Directors is a related party of the Company by virtue of being a Director and the Related Party is a related party by virtue of being a member of Mr Samuel Willis' extended family. Therefore approval is required under Listing Rule 10.11 for the issue of the Director Placement Shares and Director Placement Options (together the **Director Placement Securities**) to them.

Resolutions 2 to 4 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Director Placement Securities to the Directors and the Related Party. If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1.

Furthermore, Shareholder approval of the issue of the Director Placement Securities means that these issues will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

Resolutions 2 to 4 are ordinary resolutions and are subject to Resolution 1 being passed.

5.2 Specific information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, information regarding the issue of the Director Placement Securities is provided as follows:

- (a) The maximum number of Securities to be issued to the Directors and the Related Party (and/or their nominees) is:
 - (i) Mr Samuel Willis (and/or his nominees) – up to 15,000,000 Shares and 7,500,000 Placement Options;
 - (ii) the Related Party (and/or his nominees) – up to 20,000,000 Shares and 10,000,000 Placement Options;
 - (iii) Mr Mark O'Clery (and/or his nominees) – up to 5,000,000 Shares and 2,500,000 Placement Options; and
 - (iv) Mr Michael Price (and/or his nominees) – up to 5,000,000 Shares and 2,500,000 Placement Options.
- (b) The Securities will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that all of the Director Placement Securities will be issued on the same date.
- (c) Each of the Directors is a related party of the Company by virtue of being a Director. The Related Party is a related party of the Company by virtue of being a member of Mr Samuel Willis' extended family.
- (d) The Director Placement Shares will be issued at an issue price of \$0.005 each and the Director Placement Options will be granted as free attaching Options on the basis of one Placement Option for every two Shares subscribed for.
- (e) The Director Placement Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.

- (f) The Director Placement Options will each be exercisable at \$0.015 on or before 30 September, 2016 and will otherwise have the terms and conditions set out in Schedule 1.
- (g) The funds raised from the issue of the Director Placement Securities will be aggregated with and used for the same purpose as the funds raised from the Placement.
- (h) As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required.
- (i) A voting exclusion statement is included in the Notice.

6. Resolution 5 – Authority to issue Securities pursuant to the Share Purchase Plan

6.1 General

As announced to the ASX on 25 July, 2014, the Company intends to offer Shareholders the opportunity to participate in a share purchase plan pursuant to which each shareholder may apply for shares at \$0.005 plus one free attaching Option for every two Shares subscribed for (**Share Purchase Plan**), subject to Shareholders approving the Placement. The Share Purchase Plan provides all eligible Shareholders the opportunity to participate on the same terms and conditions as the Placement, and will raise up to \$800,000 (before costs).

The funds raised from the Share Purchase Plan will be used to fund the Acquisition and the exploration programme in respect of the leases being acquired, in addition to providing working capital for existing assets, business and administration costs and to assess further new venture opportunities.

Exception 15 of Listing Rule 7.2 provides an exception to Listing Rule 7.1 for the issue of securities pursuant to a share purchase plan. However, for this exception to apply, the number of securities to be issued pursuant to the Share Purchase Plan cannot be greater than 30% of the number of fully paid ordinary securities already on issue in the Company.

Given the SPP Shares and SPP Placement Options (together the **SPP Securities**) to be issued under Resolution 5 would result in the Company exceeding the 30% threshold set out in Exception 15 of Listing Rule 7.2, Shareholder approval is required under Listing Rule 7.1. A summary of Listing Rule 7.1 is provided in Section 4.1.

The Company has been granted a waiver of Listing Rule 10.11 to permit the Directors and their associates to participate in the Share Purchase Plan on the same terms as other Shareholders. Refer to Section 6.2(i) for further information on the waiver.

Resolution 5 is an ordinary resolution and is subject to Resolution 1 being passed.

6.2 Specific information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, information regarding the issue of the SPP Securities pursuant to the Share Purchase Plan is provided as follows:

- (a) The maximum number of securities that the Company may issue pursuant to Resolution 5 is 160,000,000 Shares and 80,000,000 SPP Placement Options.

- (b) The SPP Securities may be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).
- (c) The SPP Shares will be issued at an issue price of \$0.005 per Share and the SPP Placement Options will be granted as free attaching Options on the basis of one Option for every two Shares subscribed for.
- (d) The SPP Securities will be issued to eligible Shareholders of the Company (as defined in the prospectus for the Share Purchase Plan).
- (e) The SPP Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (f) The SPP Placement Options will each be exercisable at \$0.015 on or before 30 September 2016 and will otherwise have the terms and conditions set out in Schedule 1.
- (g) The funds raised from the issue of the SPP Securities will be used to fund the Acquisition and the exploration programme in respect of the leases being acquired, in addition to providing working capital for existing assets, business and administration costs and to assess further new venture opportunities.
- (h) The issue of the SPP Securities may occur progressively subject to Section 6.2(b).
- (i) The Company has been granted a waiver of Listing Rule 7.3.8 to permit Resolution 5 to not include a voting exclusion statement that excludes any person who may participate in the Share Purchase Plan. The Company has also been granted a waiver from Listing Rule 10.11 to permit the Directors and their associates to participate in the Share Purchase Plan on the same terms as other Shareholders.

7. Resolution 6 – Authority to grant Adviser Placement Options to Hartleys

7.1 General

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 20,000,000 Placement Options (**Adviser Placement Options**) to Hartleys (and/or its nominees). The Company has agreed (subject to Shareholder approval) to issue Hartleys (and/or its nominees) the Adviser Placement Options in part consideration for corporate advisory services provided by Hartleys pursuant to a corporate advisory mandate.

Resolution 6 is an ordinary Resolution and is subject to Resolution 1 being passed.

7.2 Specific information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, information regarding the grant of the Adviser Placement Options is provided as follows:

- (a) The maximum number of Placement Options the Company will grant to Hartleys (and/or its nominees) is 20,000,000.

- (b) The Company will grant the Adviser Placement Options no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).
- (c) The Adviser Placement Options will be granted as part of the fee payable to Hartleys for corporate advisory services provided by Hartleys pursuant to a corporate advisory mandate and accordingly no funds will be raised from the grant of the Adviser Placement Options.
- (d) The Adviser Placement Options will be issued to Hartleys and/or its nominees.
- (e) The Adviser Placement Options will each be exercisable at \$0.015 on or before 30 September, 2016 and will otherwise have the terms and conditions set out in Schedule 1.
- (f) The grant of the Adviser Placement Options may occur progressively subject to Section 7.2(b).
- (g) A voting exclusion statement is included in the Notice.

8. Resolutions 7 to 9 – Authority to grant Director Options to Directors

8.1 General

Resolutions 7 to 9 seek Shareholder approval pursuant to Listing Rule 10.11 for the grant of a total of 12,000,000 Director Options to the Directors (and/or their nominees) as follows:

- (a) Mr Samuel Willis - 4,000,000 Director Options;
- (b) Mr Mark O'Clery - 4,000,000 Director Options; and
- (c) Mr Michael Price - 4,000,000 Director Options.

The Company is a small listed company with limited funds, most of which are allocated to specific development activities. As a result, the Board has chosen to issue Director Options to the Directors as a key component of the incentive portion of their remuneration in order to retain the services of the Directors and to provide incentive linked to the performance of the Company.

The Board considers that the experience of the Directors will greatly assist the development of the Company. As such, the Board believes that the number of Director Options to be granted to the Directors is commensurate with their value to the Company and as a result is in line with reasonable remuneration for the Directors.

Given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the Directors and the performance and value of the Company are closely related. As such, the Director Options granted will generally only be of benefit if the Directors perform to the level where the value of the Company increases sufficiently to warrant the Directors exercising the Director Options.

Resolutions 7 to 9 are ordinary resolutions and are subject to Resolutions 1 and 5 being passed.

8.2 Specific information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, information regarding the grant of the Director Options is provided as follows:

- (a) The Director Options will be issued to the Directors, Mr Samuel Willis, Mr Mark O'Clery and Mr Michael Price (and/or their nominees).
- (b) The maximum number of Director Options the Company will issue to each of the Directors (and/or their nominees) under Resolutions 7 to 9 is as follows:
 - (i) Mr Samuel Willis (and/or his nominees) - 2,000,000 Class A Director Options and 2,000,000 Class B Director Options;
 - (ii) Mr Mark O'Clery (and/or his nominees) - 2,000,000 Class A Director Options and 2,000,000 Class B Director Options; and
 - (iii) Mr Michael Price (and/or his nominees) - 2,000,000 Class A Director Options and 2,000,000 Class B Director Options.
- (c) The Company will grant the Director Options no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (d) The Director Options will be granted for nil consideration. Accordingly no funds will be raised from the grant of the Director Options.
- (e) Each Director Option is exercisable at \$0.015 (or such greater price as determined by the Company at its discretion) on or before 15 October 2016.
- (f) The Director Options will be granted in two classes:

Class of Director Option	Vesting Date
Class A	31 August 2015
Class B	31 August 2016
- (g) Further terms and conditions of the Director Options are in Schedule 2.
- (h) As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required.
- (i) A voting exclusion statement is included in the Notice.

8.3 Additional relevant Information

To assist Shareholders with their consideration of Resolutions 7 to 9 the Company provides the following additional information:

- (a) If all of the Director Options granted are exercised it may result in a dilution of all other Shareholders' holdings in the Company by
 - (i) 2.71% based on the Shares currently on issue; and
 - (ii) 1.16% following issue of the Placement Shares and the maximum number of Shares under the Share Purchase Plan,

(each assuming no Options other than the Director Options are exercised) and by 0.88% following issue of the Placement Shares and the maximum number of Shares under the Share Purchase Plan and assuming all of the Director Options and Placement Options are exercised.

- (b) Shareholders have previously approved an aggregate amount of up to \$500,000 per annum may be paid as non-executive directors fees. It is currently resolved that each non-executive Director is entitled to receive fees of \$45,000 per annum (inclusive of superannuation). In addition Directors are paid an additional amount of \$5,000 for chairing various Company committees. Payments of Director's fees will be in addition to any payments to Directors in any employment or consultancy capacity.

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Amounts paid to the Directors in the period from 1 July 2013 to 30 June 2014 are as follows:

	Directors Fees	Consulting Fees & Other Benefits	Share based Payments Options	Total
Mr Samuel Willis	\$37,500 ⁽¹⁾	\$Nil	\$Nil	\$37,500
Mr Mark O'Clery	\$45,000	\$35,383 ⁽²⁾	\$Nil	\$80,383
Mr Michael Price	\$50,000	\$Nil	\$Nil	\$50,000

1. Mr Samuel Willis is paid \$45,000 per annum and was appointed a director on 1 September 2013.

2. Mr O'Clery provides geological and geophysical services as required by the Company under a Technical Services Agreement.

Other than as set out in this Notice, the Directors do not receive any other emoluments except as incurred in the normal operation of the business.

- (c) The current relevant interests of the Directors in security holdings in the Company are as follows:

	Shares	Options
Mr Samuel Willis	1,500,000	Nil
Mr Mark O'Clery	306,940	Nil
Mr Michael Price	999,999	Nil

Other than as disclosed in this Section 8.3, none of the Directors currently have any other security holding in the Company.

- (d) On the basis of the assumptions below, the Company has determined the technical value of one Director Option approximates \$0.0012. Based on this value, the value of the Director Options to be issued to each Director is as follows:

Name of Director	Value of Director Options
-------------------------	----------------------------------

Mr Samuel Willis	\$4,800
Mr Mark O'Clery	\$4,800
Mr Michael Price	\$4,800
Total	\$14,400

(e) The value may go up or down after that date as it will depend on the future price of a Share. Black & Scholes methodology has been used, together with the following assumptions:

- (i) interest rate set at the Commonwealth Government securities rate of 2.50%;
- (ii) the Share price used in the valuation is \$0.005 which is the price at which the Capital Raising will be undertaken;
- (iii) the standard deviation of returns of the Options is set at 90% which is based on the Company's historical data; and
- (iv) the Director Options will be exercisable upon issue.

(f) The market price of Shares would normally determine whether the Directors will exercise the Options or not. If the Options are exercised at a price that is lower than the price at which Shares are trading on ASX, there may be a perceived cost to the Company.

(g) Historical share price information for the 12 months prior to the date of this Notice is as follows:

	Price	Date
Highest	\$0.019	4 September 2013
Lowest	\$0.004	20 June 2014
Last	\$0.008	29 July 2014

(h) No Options have been granted to any of the Directors previously.

(i) In the Company's present circumstances, the Board considers that the incentive to the Directors that will be represented by the grant of the Director Options, are a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of the Directors and are consistent with the strategic goals and targets of the Company. It is also usual that junior exploration companies remunerate their directors by way of incentive options or other equity instruments in order to preserve cash.

9. Definitions

\$ means Australian Dollars.

Adviser Placement Options has the meaning in Section 7.1

Apollo means Apollo Operating LLC.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Chairman means the chairman of this Meeting.

Class A Director Option means a Director Option with the relevant vesting date in the table in Section 8.2(f).

Class B Director Option means a Director Option with the relevant vesting date in the table in Section 8.2(f).

Closely Related Party has the meaning in section 9 of the Corporations Act.

Company or **Elixir** means Elixir Petroleum Limited ACN 108 230 995.

Constitution means the current constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Director Option means an Option exercisable at \$0.015 (or such greater price as determined by the Company at its discretion) on or before 15 October, 2016 and otherwise with the terms and conditions in Schedule 2.

Director Placement Options has the meaning in Section 5.1.

Director Placement Securities has the meaning in Section 5.1.

Director Placement Shares has the meaning in Section 5.1.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Hartleys means Hartleys Limited ACN 104 195 057.

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Option means an option to acquire a Share.

Placement has the meaning in Resolution 1.

Placement Option means an Option exercisable at \$0.015 on or before 30 September, 2016 and otherwise with the terms and conditions in Schedule 1.

Placement Securities has the meaning in Section 4.1.

Placement Shares has the meaning in Resolution 1.

Proxy Form means the proxy form attached to this Notice.

Related Party means Richard Harris.

Resolution means a resolution contained in this Notice.

Section means a section contained in this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Share Purchase Plan has the meaning in Section 6.1.

Shareholder means a shareholder of the Company.

SPP Placement Options has the meaning in Resolution 5.

SPP Securities has the meaning in Section 6.1.

SPP Shares has the meaning in Resolution 5.

WST means Western Standard Time, being the time in Perth, Western Australia.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 1 - Terms and Conditions of Placement Options

The Placement Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Placement Option gives the Optionholder the right to subscribe for one Share upon exercise of the Placement Option.
- (b) The Placement Options will expire at 5.00pm (WST) on 30 September, 2016 (Expiry Date). Any Placement Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The exercise price of each Placement Option is \$0.015 (Exercise Price).
- (d) The Placement Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Placement Options by lodging with the Company, on or prior to the Expiry Date:
 - (i) a written notice of exercise of Placement Options specifying the number of Placement Options being exercised (Exercise Notice); and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Placement Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable".
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Placement Options specified in the Exercise Notice.
- (h) The Placement Options will be transferable.
- (i) All Shares issued upon the exercise of Placement Options will upon issue rank equally in all respects with the then issued Shares.
- (j) The Placement Options will be unlisted Options upon grant. However the Company reserves the right to apply for quotation of the Placement Options at such time as the Company in its absolute discretion determines. Should the Company make an application for official quotation of the Placement Options and the ASX accepts the application for quotation of the Placement Options then the Placement Options will be listed Options from the time that the ASX accepts such application.
- (k) The Company will apply for official quotation on ASX of all Shares issued upon exercise of Placement Options within 10 Business Days after the date of issue of those Shares.
- (l) If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.
- (m) There are no participation rights or entitlements inherent in the Placement Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Placement Options.
- (n) A Placement Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Placement Option can be exercised.

Schedule 2 - Terms and Conditions of Director Options

The Director Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Director Option gives the Optionholder the right to subscribe for one Share upon exercise of the Director Option.
- (b) The Exercise Price, Vesting Date and Expiry Date of each Director Option is set out in the table below.

Director Option Class	Exercise Price	Vesting Date	Expiry Date
Class A	\$0.015 or such greater price as determined by the Company at its discretion.	31 August 2015	5.00pm (WST) on 15 October 2016
Class B	\$0.015 or such greater price as determined by the Company at its discretion.	31 August 2016	5.00pm (WST) on 15 October 2016

- (c) The Director Options are exercisable at any time after the Vesting Date and on or prior to the Expiry Date. If an Optionholder, or if the Director Options are held by a nominee of a Director, the relevant Director, ceases to be a director, employee or officer of the Company, whether by termination or otherwise, prior to a Vesting Date, then the Board may declare a Director Option to be free of any conditions of vesting. Director Options which are so declared may be exercised at any time before the Expiry Date.
- (d) Any Director Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (e) If, in the opinion of the Board:
 - (i) the Company enters into a scheme of arrangement with its creditors or members or any class thereof pursuant to section 411 of the Corporations Act,
 - (ii) a Takeover Period commences; or
 - (iii) a person or a group of associated persons having a relevant interest in, subsequent to the grant of the Director Options, sufficient Shares to give it or them the ability in general meeting to replace all or a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons,

(or the Board forms the view that one of those events is likely to occur) then the Board may declare a Director Option to be free of any conditions of exercise and/or vesting. Director Options which are so declared may be exercised at any time before the Expiry Date.

Subject to item (j), an Optionholder may not assign or transfer Director Options except during a Takeover Period, in which case the Director Options may only be transferred by the Optionholder to the bidder or its nominees in accordance with the Corporations Act.

For the purposes of this item (e) a Takeover Period means in relation to a takeover bid in respect of Shares, the period referred to in section 624 of the Corporations Act, provided that where a takeover bid is publicly announced prior to the service of a bidder's statement on the Company in relation to that takeover bid, the takeover period shall be deemed to have commenced at the time of that announcement.

- (f) The Director Options held by each Optionholder may, once vested, be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (g) An Optionholder may exercise their Director Options by lodging with the Company, after the Vesting Date and on or prior to the Expiry Date:
 - (i) a written notice of exercise of Director Options specifying the number of Director Options being exercised (**Exercise Notice**); and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Director Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable".
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) Within 10 Business Days of receipt of the Exercise Notice accompanied by payment of the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Exercise Notice and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (j) The Director Options are not transferable except with the prior written approval of the Board of directors of the Company and subject to compliance with the Corporations Act.
- (k) All Shares issued upon the exercise of Director Options will upon issue rank equally in all respects with the then issued Shares.
- (l) The Company will not apply for quotation of the Director Options on ASX. However, the Company will apply for official quotation on ASX of all Shares issued upon exercise of Director Options within 10 Business Days after the date of issue of those Shares.
- (m) If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.
- (n) There are no participation rights or entitlements inherent in the Director Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options.
- (o) A Director Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Director Option can be exercised.

ELIXIR PETROLEUM LIMITED

ACN 108 230 995

PROXY FORM

The Company Secretary
Elixir Petroleum Limited

By post or delivery:
PO Box 1524
West Perth, WA, 6872
Australia

By facsimile:
(08) 9486 7670

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We ¹ _____

of _____

being a Shareholder/Shareholders of the Company and entitled to _____ votes in the Company, hereby appoint:

The Chairman of the Meeting (mark box) ☐ **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and address of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

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or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Meeting of the Company to be held at Level 2, 7 Ventnor Avenue, West Perth on Monday, 1 September 2014 at 10am (WST) and at any adjournment or postponement of the Meeting and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law as the proxy sees fit).

Important for Resolutions 7 to 9

If the Chairman of the Meeting is appointed as your proxy, or may be appointed as your proxy by default, and you have not directed him how to vote on Resolutions 7 to 9 below, please mark the box below. If you do not mark this box and you have not directed your proxy how to vote on Resolutions 7 to 9 in Step 2 below, the Chairman will not cast your votes on Resolutions 7 to 9 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions.

If you appoint the Chairman of the Meeting as your proxy, you can direct the Chairman how to vote on Resolutions 7 to 9 by either marking the relevant boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking the box below in this Step 1 (in which case the Chairman will vote in favour of Resolutions 7 to 9).

The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 7 to 9.

☐ I/We (except where I/we have indicated a different voting intention below):

- (a) direct the Chairman of the Meeting to vote in accordance with the voting intentions of the Chairman on Resolutions 7 to 9 to vote in favour of these Resolutions; and
- (b) authorise, in respect of Resolutions 7 to 9, the Chairman of the Meeting to vote as described even though Resolutions 7 to 9 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company and even if the Chairman of the Meeting has an interest in the outcome of Resolutions 7 to 9; and
- (c) acknowledge that votes cast by the Chairman of the Meeting for Resolutions 7 to 9 other than as proxy holder will be disregarded because of that interest.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒.

Step 2 - Instructions as to Voting on Resolutions

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Authority to issue Placement Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Authority for Mr Samuel Willis and the Related Party to participate in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Authority for Mr Mark O'Clery to participate in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Authority for Mr Michael Price to participate in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Authority to issue Securities pursuant to the Share Purchase Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Authority to grant Adviser Placement Options to Hartleys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Authority to grant Director Options to Mr Samuel Willis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Authority to grant Director Options to Mr Mark O'Clery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Authority to grant Director Option to Mr Michael Price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

The Chairman of the Meeting intends to vote all available proxies in favour of each Resolution.

Authorised signature/s

This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of Shareholder

² Insert name and address of proxy

*Omit if not applicable

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at the Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders should sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the Meeting (WST).

Postal or delivery address: PO Box 1524, West Perth, WA, 6872

Facsimile: (08) 9486 7670 if faxed from within Australia or +618 9486 7670 if faxed from outside Australia.