



4 August 2014

<Name>  
<Address>

Dear Shareholder,

## **OPPORTUNITY TO PARTICIPATE IN SHARE PURCHASE PLAN AND GROWTH OF ELIXIR**

As Chairman of Elixir Petroleum Limited (**Elixir** or **Company**) I am writing to all shareholders to inform you of recent developments in your company and to advise you how you are able to participate in the growth and potential transformation of Elixir as we embark on a new chapter with the acquisition of the Petra Project in Colorado, USA.

As advised in the Company's ASX announcement dated 25 July 2014, Elixir has entered into an agreement to acquire some highly prospective acreage in Colorado, USA, where nearby operators have had exceptionally positive exploration results in recent years, leading to the discovery of several new oil fields, and increasing interest in this emerging oil play. In the Board's view this transaction has the potential to transform Elixir in a relatively short period of time from a micro-cap exploration company to an active oil and gas explorer with near term drilling activity and a genuine chance of finding commercial oil and gas accumulations.

In addition to this new Colorado opportunity, the Company is continuing to progress its Moselle Permit in France which has been the focus of the business in recent years. Unfortunately, current French energy policy means it is unclear when the huge untapped potential of the Moselle Permit can be properly assessed and therefore, the Board determined that a strategy was required that has the potential to add significant shareholder value whilst at the same time, retaining the value in our Moselle project.

The Company, in conjunction with Hartleys Limited (Broker to the Offer), recently undertook a heavily oversubscribed capital raising to fund the new project by way of a \$2.2 million placement in which the Directors and management have also participated (subject to shareholder approval). The Board has also resolved to offer all shareholders the opportunity to purchase additional shares in your company on the same terms as those offered in the placement via a Share Purchase Plan (**SPP Offer**) providing an opportunity for shareholders to invest up to a maximum of \$15,000 each as part of an overall SPP Offer raising of up to \$800,000. Both the Placement and SPP Offer will be subject to shareholder approval to be sought at a shareholder meeting to be held on 1 September 2014.

The SPP Offer is proposed to be conducted according to the following timetable:

Record Date	24 July 2014
Lodgement of Prospectus with ASIC and ASX	4 August 2014
Prospectus and Application Form sent to Eligible Shareholders and Proposed Placement Participants	6 August 2014

Opening Date	6 August 2014
Closing Date*	29 August 2014
Shareholder meeting Date	1 September 2014
Anticipated date for the issue of the Securities pursuant to the Offer and announcement of take up and any scale back under the SPP Offer *	5 September 2014
Anticipated date on which holding statements are sent to Shareholders*	9 August 2013

\*The above dates are indicative and may be subject to change.

What this means is that for a \$15,000 investment, any existing, eligible Elixir shareholder can acquire up to 3,000,000 shares along with 1,500,000 free attaching options exercisable at \$0.015 per share on or before 30 September 2016. We have also structured the SPP Offer to allow shareholders to subscribe for smaller parcels of \$10,000, \$5,000 or \$2,000.

The SPP Offer is being made pursuant to a prospectus. If you wish to participate in the SPP Offer, you should complete the Application Form accompanying the enclosed prospectus and make the applicable payment prior to the closing date of the SPP Offer which is 5.00PM WST Friday 29 August 2014. This letter is to inform you of the SPP Offer and therefore if you do not wish to participate, you are not required to do anything in respect to this letter or enclosed prospectus

On behalf of the Board, I encourage you to read the enclosed prospectus together with the various ASX releases and corporate presentation which more fully describe the transaction. We look forward to your on-going support and if you have any queries regarding of the SPP Offer then I encourage you to contact your financial advisor before taking any action.

Please feel free to contact the Company on (08) 9226 2111 if you have any queries.

Yours faithfully,



Sam Willis  
**Chairman**  
**Elixir Petroleum Limited**