



4 September 2014

## **PETRA PROJECT ACQUISITION COMPLETED**

- **Acquisition of the Petra Project completed, resulting in over 10,000 net acres being acquired by Elixir in this emerging oil play in Colorado**
- **SPP closed fully subscribed**
- **\$3 million raised through the SPP and Placement**
- **Mr Dougal Ferguson appointed as Managing Director**

Elixir Petroleum Limited ("Elixir" or the "Company") (**ASX:EXR**) is pleased to announce it has completed the acquisition of the Petra Project, resulting in over 10,000 net acres being acquired by Elixir in an emerging new oil play in Washington County, Colorado. Elixir continues to pursue other leases within the core area together with its Denver based partner to achieve the initial target of 25,000 - 30,000 net acres under lease, of which Elixir will have a 50% Working Interest.

The Company received overwhelming shareholder support for both the acquisition and the associated capital raising with the Share Purchase Plan ("SPP") being fully subscribed. Elixir has now raised over \$3 million (pre costs) and is well positioned to pursue its business plan in Colorado.

Effective today, the Board has appointed Mr Dougal Ferguson as Managing Director. Mr Ferguson joined the Company on 1 May 2014 as Chief Executive Officer and introduced and negotiated the acquisition of the Petra Project and implemented the capital raising. Mr Ferguson has over 20 years' experience in the upstream oil and gas industry and has worked for a number of international and Australian listed companies. He has extensive transactional experience and has been on the management team of several successful listed oil and gas companies including ARC Energy, Adelphi Energy and Premier Oil.

Managing Director, Mr Dougal Ferguson commented:

*"I am pleased and excited to take up the position of Managing Director following the successful completion of both the capital raise and the acquisition. The Petra Project provides shareholders with near term activity and exposure to the successful exploration currently being undertaken by others in the region including AIM listed Nighthawk Energy. I would like to thank our shareholders, our partner in Denver and Hartleys who have been very supportive through this process and I look forward to the continued growth of the Company".*

For further enquiries, please contact:

**Dougal Ferguson**  
*Managing Director*  
**+61 (8) 9226 2111**

The Company's website is currently being updated. Please refer to [www.asx.com.au](http://www.asx.com.au) for recent announcements.

**ASX CODE: EXR**

**[www.elixirpetroleum.com](http://www.elixirpetroleum.com)**

**Elixir Petroleum Limited**

ABN 51 108 230 995

Level 2, 7 Ventnor Avenue

WEST PERTH WA 6005, AUSTRALIA

T: +61 8 9226 2111 F: +61 8 9226 2099 E: [info@elixirpetroleum.com](mailto:info@elixirpetroleum.com)

## **Petra Project**

Elixir's Petra Project in Colorado is an attractive new opportunity:

- in a proven, commercially successful onshore oil play;
- in a low cost, low risk operating environment where discoveries can be quickly monetised;
- aligned with a successful and experienced local Operator;
- offering an early mover lease position with a 10,000 acre (net to Elixir) footprint with the ability to expand on this land holding;
- affording a low cost entry with the majority of money to be invested in exploration; and
- nearby to recently discovered, commercially significant oil fields.

The Petra Project has been aggressively pursued by Elixir due to the following favourable characteristics:

- ✓ Potential for repeatable, conventional oil discoveries, nearby to recent large discoveries;
- ✓ Low cost vertical wells - exploration wells ~\$1M (uncompleted);
- ✓ Multiple stacked objectives;
- ✓ High productivity wells delivering 2-3 month payback on success;
- ✓ Low decline rates from successful discoveries; and
- ✓ Structures shown to be identifiable from 2D data.

The leases acquired by Elixir in the Petra Project, which currently total in excess of 10,000 net acres to Elixir, follow a new trend in the Denver Julesburg Basin ("**DJ Basin**") which is targeting Mississippian and Pennsylvanian conventional structures (depth of ~2,500 metres) that have been successfully identified and drilled on 2D and 3D seismic in recent years. These discoveries have yielded some of the largest conventional oil discoveries onshore in the US in recent years and created substantial wealth.

The previous focus of exploration in the area has been shallower Cretaceous aged "D" and "J" Sandstone units that have been prolific producers in the DJ Basin and remain a legitimate target for Elixir, but the Company believes the real value is in the deeper conventional play which has not been greatly explored in the past. New exploration thinking has opened up this play and costs are low with dry hole drilling costs at around US\$1M per well. Elixir has secured a material foothold in this emerging play on attractive terms which provides shareholders with significant leverage to exploration success, within an AMI area of over 500,000 acres

