

5 January 2017

MOSELLE PROCEEDINGS COMMENCED IN FRANCE

Elixir Petroleum Limited (ASX:EXR) advises that despite long running attempts to seek a non-litigious outcome with respect to the renewal of the Company's 100% interest in the Moselle Permit in France, the Company yesterday lodged two applications with the Administrative Court of Strasbourg for the suspension and annulment of the "implicit rejection" of the Moselle Permit renewal received by Elixir from the French authorities in January 2015.

The Moselle Permit was due for its first renewal in January 2014 after the initial five year term expired. Elixir met all the necessary work and expenditure commitments for the first five year term and a renewal application for a second five year term was submitted within the required timeframe. Pursuant to the Company's understanding of the relevant legislation, the first renewal should have been granted as a matter of course where the work and expenditure commitments had been met. That renewal application was processed by the relevant French authorities who recommended renewal and submitted it to the relevant Ministers for final signatures which have never been received.

Managing Director, Mr Dougal Ferguson commented:

"Elixir has tried in vain to seek renewal of the Moselle Permit over many years, but with recent proceedings through the courts in France by other parties yielding favourable decisions, the Board felt the time has come to pursue this matter more aggressively. Although permit renewals are not necessarily being granted by the Minister even after court directives to do so, financial penalties have been imposed by the courts which are to the best of our knowledge, being honoured by the French government.

We expect our applications to be heard and opined on by the Administrative Court within the next three to six months."

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For further information on Elixir Petroleum, please visit the Company's website at www.elixirpetroleum.com