

The background of the lower half of the page is a wide-angle aerial photograph of a dry, arid landscape. The ground is a mix of light brown and tan, with numerous dark, winding lines representing dry riverbeds or erosion patterns. In the distance, a range of low, rugged mountains is visible under a bright blue sky filled with fluffy white clouds.

**Interim Report
for the half-year ended 31 December 2019**

Contents

Corporate Directory	2
Directors' Report	3
Independent Auditor's Declaration	6
Independent Auditor's Report	7
Directors' Declaration	9
Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows.....	13
Notes to the Consolidated Financial Statements	14

Corporate Directory

Directors

Mr Richard Cottee
Mr Neil Young
Mr Stephen Kelemen
Mr Bayanjargal Byambasaikhan

Non-Executive Chairman
Managing Director
Non-Executive Director
Non-Executive Director

Company Secretary

Ms Victoria Allinson

Registered Office

Level 10,
50 Pirie Street,
Adelaide SA 5000
South Australia

Auditors - Australia

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco 6008
Western Australia

Bankers

National Australia Bank Limited
Ground Floor,
100 St George Terrace
Perth 6000
Western Australia

Share Registry

Automic Registry Services
Level 5,
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New South Wales

Stock Exchange Listing

Australian Securities Exchange code: EXR

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Directors' Report

DIRECTORS

The names of the Directors of Elixir Energy Limited in office during the financial period and at the date of this report are:

Director	Position	Date appointed	Date resigned
Richard Cottee	Non-Executive Chairman	29 April 2019	-
Neil Young	Managing Director	14 December 2018	-
Stephen Kelemen	Non-Executive Director	6 May 2019	-
Bayanjargal Byambasaikhan	Non-Executive Director	1 October 2019	-

Other than as stated above, each Director held office from 1 July 2019 until the date of this report.

PRINCIPAL ACTIVITIES

Elixir Energy Limited and its subsidiaries ("Group") is an exploration Group now 100% focussed on coal bed methane ("CBM") exploration and development in Mongolia. Further details are provided in the Review of Operations.

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial period ended 31 December 2019 (2018: Nil).

REVIEW OF OPERATIONS

Operating Results

For the financial period ended 31 December 2019, the Group recorded a net loss from continuing operations after tax of \$1,211,060 (December 2018: \$978,642). The loss was higher than the prior period, primarily as a result of a \$215,045 loss on dissolution of a dormant subsidiary.

At 31 December 2019, the Group held cash totalling \$2,124,044 (June 2019: \$4,354,678).

Operations Review

During the period, the Group's primary focus was on exploration in its 100% owned Nomgon IX CBM Production Sharing Contract (PSC) in Mongolia.

Project

Mongolian project: Nomgon

The Group has a 100% interest in the Nomgon IX CBM PSC, located proximate to the Chinese border in Mongolia's South Gobi region. The PSC was entered into with the Mongolian Government in September 2018 and has a minimum ten year exploration period and a thirty year (extendable) production period.

The work program undertaken in the PSC is summarised in the exploration section below.

An exploration program for 2020 has recently been submitted to the petroleum regulator, the Mineral Resources and Petroleum Authority of Mongolia (MRPAM). This comprises a flexible work program of further 2D seismic and drilling. Final results derived from the current program and what is learned over the course of 2020 will feed into the program as it moves forward.

Post year end, a mandatory annual meeting with MRPAM was held on 24 January 2020 at which the results from 2019 and the plans for 2020 were presented and discussed.

The Group's 2020 exploration program (including the current well being drilled) is focused on a range of the Permian sub-basins located in the PSC, which will serve to demonstrate and refine Elixir's low cost gas exploration business model.

Exploration

During the period the Group shot 131km of 2D seismic which was thereafter processed and interpreted.

In October the Group's drilling sub-contractor, Erdenedrilling LLC, spudded the first wells in Elixir's initial Mongolian drilling campaign. One fully tested core-hole (Ugtaal-1) was drilled together with two stratigraphic chip-holes (BO-CH-1 and BO-CH-2).

The drilling of the second core-hole (Nomgon-1) in the initial drilling campaign commenced post the half year end. The Nomgon-1 well is in a separate sub-basin nearly 40 kilometres distant from Ugtaal-1.

USA project: Petra

The Group de-registered its subsidiary Elixir Petroleum (Colorado) Inc. during the period. This subsidiary previously held a small working interest in the Petra Project (25%), a number of non-core leases that have expired and in the prior year ended 30 June 2019 the Group had reduced its acreage position from approximately 4,686 net acres to 76 net acres.

Other projects

Post the end of the half year, the French authorities advised Elixir that its application to extend the Moselle Permit had been denied.

There have been no changes to other projects held by the Group during the period.

Changes in Capital Structure

On 30 September 2019, 5,666,667 ordinary shares were issued in lieu of fees for no cash consideration, approved by shareholder on 20 August 2019.

On 30 September 2019, 7,000,000 ordinary shares were issued on the exercise of 7,000,000 unlisted options at \$0.0329 per share.

On 19 August 2019, 1,000,000 ordinary shares were issued on the exercise of 1,000,000 unlisted options at \$0.0329 per share.

Other corporate changes

New board member

On 1 October 2019, Mr Bayanjargal Byambasaikhan was appointed as a Non-executive Director.

Mr Byambasaikhan chairs the Business Council of Mongolia (BCM), the country's leading business association and he is also a co-founder of NovaTerra, an investment advisory firm based in Ulaanbaatar. NovaTerra has successfully advised on corporate and infrastructure project transactions and financings since its establishment in 2013. In 2015-2016, Mr. Byambasaikhan was the chief executive of Mongolia's sovereign investment company, Erdenes Mongol, where he served as board director of Oyu Tolgoi LLC, and other subsidiaries.

He has managed and closed financing for high-profile energy transactions in Asia, including Mongolia's first independent power project (IPP) and wind farm in 2012. He was also the chief executive of Newcom, a Mongolian technology investor, and chaired the boards of its several telecom and energy joint-ventures with American, Japanese and European investors. Prior to that he was an energy banker at the Asian Development Bank, developing and financing power generation, transmission and distribution projects in emerging Central Asian markets.

He is also currently a Trustee of the National University of Mongolia, Zorig Foundation USA, Arts Council of Mongolia, Mongolian Archery Federation and is an Honorary Consul of South Africa in Mongolia.

Mr. Byambasaikhan is a graduate of the National University of Mongolia and the George Washington University. In 2014, he was recognised as a Young Global Leader by the World Economic Forum.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than those events noted above, there were no other significant changes in the state of affairs of the Group during the period that requires separate disclosure.

EVENTS SINCE THE END OF THE FINANCIAL PERIOD

The following event occurred subsequent to 31 December 2019 that will have a material effect on the Group.

The Nomgon-1 core-hole well was drilled and made a gas discovery.

There are no other events occurring after the end of the reporting period to disclose.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's independence declaration is included on page 6 of the financial report.

Signed in accordance with a resolution of the Directors made pursuant to s.298 (2) of the *Corporations Act 2001*.



Neil Young
Managing Director
Adelaide, South Australia

11 March 2020

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF ELIXIR ENERGY LIMITED

As lead auditor for the review of Elixir Energy Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Elixir Energy Limited and the entities it controlled during the period.



Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 11 March 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Elixir Energy Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Elixir Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the Corporations Act 2001 including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1(b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Dean Just', written over the printed name.

Dean Just

Director

Perth, 11 March 2020

Directors' Declaration

The Directors declare that:

- (a) The consolidated financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the financial position as at 31 December 2019 and the performance for the half-year ended on that date of the consolidated entity;
 - ii. Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that Elixir Energy Limited will be able to pay its debts as and when they become due and payable.
- (c) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in Note 10 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 10.

This declaration is signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors



Neil Young
Managing Director
Adelaide, South Australia
11 March 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2019

	Note	Consolidated	
		31 Dec 2019	31 Dec 2018
		\$	\$
Revenue from continuing operations			
Interest Income		8,670	20,464
Loss on dissolution of subsidiary	11	(215,045)	-
Expenses			
Depreciation expense		-	(481)
Lease operating costs		-	(3,971)
Foreign exchange gain/(loss)		(169)	-
Share based payments expense	2	(305,062)	(472,021)
New ventures and business development	2	(12,055)	(61,296)
Directors fees		(206,841)	(270,572)
Interest expense		(420)	-
Administration expenses	2	(480,138)	(190,765)
Total expenses		(1,004,685)	(999,106)
Loss before income tax		(1,211,060)	(978,642)
Income tax expense		-	-
Loss attributable to owners of the Company		(1,211,060)	(978,642)
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Foreign currency translation differences		205,343	14,216
Other comprehensive income/(loss) for the half-year, net of tax		205,343	14,216)
Total comprehensive loss for the half-year		(1,005,717)	(964,426)
Net loss attributable to:			
Members of the parent entity		(1,005,717)	(964,426)
		(1,005,717)	(964,426)
Total comprehensive loss attributable to the owners of Elixir Energy Limited		(1,005,717)	(964,426)
Loss per share for the half-year attributable to Shareholders		(1,005,717)	(964,426)
Basic and diluted (loss) per share (cents)		(0.2)	(0.4)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2019

	Note	Consolidated	
		31 Dec 2019 \$	30 Jun 2019 \$
Assets			
Current assets			
Cash and cash equivalents		2,124,044	4,354,678
Other receivables	3	11,311	69,783
Total current assets		2,135,355	4,424,461
Non-current assets			
Trade and other receivables	3	853,996	828,178
Property, plant and equipment		1,380	1,380
Deferred exploration and evaluation expenditure	4	5,877,618	3,444,364
Total non-current assets		6,732,994	4,273,922
Total assets		8,868,349	8,698,383
Liabilities			
Current liabilities			
Trade and other payables		711,959	352,064
Provisions	5	865,901	839,375
Total current liabilities		1,577,860	1,191,439
Total liabilities		1,577,860	1,191,439
Net Assets		7,290,489	7,506,944
Equity			
Issued capital	6	79,717,041	79,232,841
Reserves		3,137,190	2,626,785
Accumulated Losses		(75,563,742)	(74,352,682)
Total Equity		7,290,489	7,506,944

The above consolidated financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2019

	Share Capital		Reserves				
	Ordinary Share Capital	Accumulated Losses	Share Based Payment Reserve	Listed Options	Foreign Currency Translation Reserve		Total
	\$	\$	\$	\$	\$		\$
Balance at 1 Jul 2019	79,232,841	(74,352,682)	1,634,144	889,111	103,530		7,506,944
Comprehensive income (Loss) for the half-year	-	(1,211,060)	-	-	-		(1,211,060)
Exchange differences on translation of foreign operations	-	-	-	-	205,343		205,343
Total comprehensive income/(loss) for the period	-	(1,211,060)	-	-	205,343		(1,005,717)
Transactions with owners, in their capacity as owners, and other transfers							
Share based expenses	-	-	305,062	-	-		305,062
Shares issued	484,200	-	-	-	-		484,200
Share issue costs	-	-	-	-	-		-
Total transactions with owners and other transfers	484,200	-	305,062	-	-		789,262
Balance at 31 Dec 2019	79,717,041	(75,563,742)	1,939,206	889,111	308,873		7,290,489
Balance at 1 Jul 2018	73,658,419	(71,898,419)	470,291	-	101,068		2,331,359
Comprehensive income (Loss) for the half-year	-	(978,642)	-	-	-		(978,642)
Exchange differences on translation of foreign operations	-	-	-	-	14,216		14,216
Total comprehensive income/(loss) for the period	-	(978,642)	-	-	14,216		(964,426)
Transactions with owners, in their capacity as owners, and other transfers							
Share based expenses	-	-	472,021	-	-		472,021
Shares issued	4,415,000	-	-	-	-		4,415,000
Share issue costs	(124,000)	-	-	-	-		(124,000)
Total transactions with owners and other transfers	4,291,000	-	472,021	-	-		4,763,021
Balance at 31 Dec 2018	77,949,419	(72,877,061)	942,312	-	115,284		6,129,954

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2019

Note	Consolidated	
	31 Dec 2019 \$	31 Dec 2018 \$
Cash flows from operating activities		
Payments to suppliers and employees	(508,761)	(409,777)
Net cash (used in) operating activities	(508,761)	(409,777)
Cash flows from investing activities		
Payments for exploration and evaluation	(1,983,713)	(1,557,443)
Purchase of exploration bonds	-	(423,031)
Interest received	8,670	24,284
Interest paid	(420)	-
Purchase of property, plant and equipment	-	(969)
Net cash (used in) investing activities	(1,975,463)	(1,957,159)
Cash flows from financing activities		
Proceeds from issues of shares	263,200	1,650,000
Payments for share issue costs	-	(124,000)
Repayment of borrowing	-	(48,993)
Net cash provided by financing activities	263,200	1,477,007
Net increase/(decrease) in cash held	(2,221,024)	(889,929)
Cash and cash equivalents at beginning of financial period	4,354,678	2,484,234
Effect of exchange rates on cash holdings in foreign currencies	(9,610)	-
Cash and cash equivalents at end of financial period	2,124,044	1,594,305

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. Basis of Preparation

a) Statement of compliance

These financial statements are general purpose financial statements for the half-year reporting period ended 31 December 2019, which have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by Elixir Petroleum Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and the corresponding half-year reporting period other than the adoption of AASB 16 which came into effect on 1 July 2019 but which have had no impact on the Group for the period ended 31 December 2019.

New or amended accounting standards and interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The Company adopted AASB 16 Leases from 1 July 2019. The entity currently has no leases, there is no impact from the adoption of AASB 16.

Significant accounting estimates and judgments for share based payments values

The Group estimates the probability of award of performance rights issued to key management personnel and other consultants and advisors by reference to the likelihood that the performance measures will be met by the holders of those performance rights as at the date at which they are granted. The probability is considered binary (100% or 0%) for each class of performance rights and only where there is a high risk of failure to achieve the performance measures will 0% be used (e.g. stretch targets).

Impact of standards issued but not yet applied by the entity

There were no new standards issued since 1 July 2019 that have been applied by the Group. The 30 June 2019 annual report disclosed that the Group anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2019.

b) Going Concern

For the period ended 31 December 2019 the entity recorded a loss of \$1,211,060, cash and cash equivalents of \$2,124,044 and had net cash outflows from operating activities of \$508,761.

The ability of the entity to continue as a going concern is dependent on securing additional funding through future capital raising to fund the entity's ongoing commitments for its Mongolian operations, or meeting expenditure requirements through various means, including a farmout.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the entity's working capital requirements as at the date of this report. Subsequent to the half year end, the entity expects to receive additional funds via future capital raising before commencing further exploration.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

-) management has flexibility to modify its planned expenditure as required; and
-) management has confidence that it will be able to raise sufficient new capital to fund its short to medium term planned business activities.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

The ability of the entity to continue as a going concern and complete further exploration is dependent on securing additional funding through future capital raising to fund the entity's ongoing commitments for its Mongolian operations, or meeting expenditure requirements through various means, including a farmout.

This interim financial report was approved by the Board of Directors on 11 March 2020.

Note	Consolidated Group	
	31 Dec 2019	31 Dec 2018
	\$	\$

2. Expenses

Loss before income tax includes the following specific items:

Share Based Payments Expense

Options	73,192	-
Performance Rights	231,870	472,021
Total Share Based Payments Expense	305,062	472,041

8

Administration and office costs

Corporate compliance	161,152	123,764
Corporate management costs	69,496	-
Rent of office space	9,600	-
Travel costs	54,036	
General administration	185,854	67,001
Total administration and office costs	480,138	190,765

New ventures and business development

New ventures – Mongolia	12,055	61,296
Total new ventures and business development	12,055	61,296

	Consolidated Group	
	Note	
	31 Dec	30 Jun
	2019	2019
	\$	\$

3. Other Receivables

Current

GST Receivable	8,061	44,963
Other	849	12,266
Prepaid Insurances	2,401	12,554
	11,311	69,783

Non-Current

Performance Bond (US Operations)	853,996	828,178
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	Consolidated Group	
	Note	
	31 Dec	30 Jun
	2019	2019
	\$	\$

4. Deferred exploration & evaluation expenditure

Mongolian Project

Opening balance	3,444,364	-
Acquisition of Golden Horde Limited	-	2,957,843
Amount Capitalised during the period	2,436,862	534,561
Impairment	-	-
Foreign Exchange Movements	(3,608)	(48,040)
Closing balance	5,877,618	3,444,364

Alaskan Project

Opening balance	-	-
Acquisition costs – Alaska Leases	-	1,138,971
Capitalised expenditure	-	2,305,978
Environmental Bond (USD\$300,000)	-	424,957
Foreign exchange	-	29,590
Sale of asset	-	(3,899,496)
Closing balance	-	-

Significant accounting estimates and judgments for impairment amounts

The future recoverability of exploration and evaluation assets is dependent on a number of factors, including whether the Group decides to exploit the related concession itself or, if not, whether it can successfully recover the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of production, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

	Consolidated Group	
	Note	
	31 Dec	30 Jun
	2019	2019
	\$	\$

5. Provisions

Current

Rehabilitation Provisions

Opening balance at 1 July	828,179	783,735
Foreign currency movement	25,817	44,444
Closing balance	853,996	828,179

Short-term Employee Benefits

Opening balance at 1 July	11,196	74,973
Payroll liabilities	709	-
Leave entitlements accrued/(paid)	-	(63,777)
Closing balance	11,905	11,196

Total Current

865,901 839,375

	Consolidated Group	
	Note	
	31 Dec	30 Jun
	2019	2019
	\$	\$

6. Issued Capital

500,870,706 fully paid ordinary shares (June 2019:

487,204,039 fully paid ordinary shares)

79,717,041 **79,232,841**

	Number of shares			
	31 Dec	30 Jun		
	2019	2019		
Opening balance	487,204,039	221,446,872	79,232,841	73,658,419
Unlisted Options exercised	8,000,000	-	263,200	-
Shares issued in lieu of expenses	5,666,667		221,000	-
Placement on 20 September 2018	-	33,000,000	-	1,650,000
1:6 bonus issue on 9 November 2018	-	41,316,360	-	-
In specie distribution	-	-	-	(1,665,000)
Issue on the asset acquisition	-	79,000,000	-	2,765,000
Conversion of Performance Rights	-	15,000,000	-	-
Placement on 24 May 2019	-	97,440,807	-	3,507,869
Share issue costs	-	-	-	(683,447)
Closing balance	500,870,706	487,204,039	79,717,041	79,232,841

(i) Fully paid ordinary shares

Fully paid ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote on a show of hands or by proxy and upon a poll each share is entitled to one vote.

(ii) Options of ordinary shares

Refer to Note 7 for information relating to the details of Options over fully paid ordinary shares issued, exercised and lapsed during the financial period and the Options outstanding at period-end. Refer to Note 8 for information relating to Options over fully paid ordinary shares issued to Key Management Personnel during the financial period.

		Consolidated Group	
	Note	31 Dec 2019 No.	30 Jun 2019 No.
7. Options and Performance Rights			
As at period end the following Options and Rights over unissued ordinary shares are on issue.			
Listed Options:			
Opening Listed Options		93,462,537	-
Options granted		17,244,080	93,462,537
Options expired		-	-
Options exercised		-	-
Closing Listed Options		110,706,617	93,462,537
Unlisted Options:			
Opening Unlisted Options		8,000,000	8,000,000
Options granted		-	-
Options expired		-	-
Options exercised		(8,000,000)	-
Closing Unlisted Options		-	8,000,000
Incentive Options:			
Opening Incentive Options		-	3,000,000
Options granted		10,000,000	-
Options expired		-	(3,000,000)
Options exercised		-	-
Closing Incentive Options		10,000,000	-
Total Options		120,706,617	101,462,537
Weighted average exercise Price		\$0.071	\$0.065
Performance Rights:			
Opening Rights		17,500,000	5,000,000
Rights granted		15,000,000	27,500,000
Rights expired		-	-
Rights exercised		-	(15,000,000)
Closing Rights		32,500,000	17,500,000

Share options

At 31 December 2019 the following (30 June 2019: 93,462,537) Listed Options over unissued ordinary shares are on issue, the Listed Options were issued for \$0.01 per Listed Option.

Issue date	Number	Exercise price	Expiry	Vesting
29 January 2019	17,210,055	\$0.0679	31 December 2020	Vested
1 March 2019	76,252,482	\$0.0679	31 December 2020	Vested
30 September 2019	9,744,080	\$0.0679	31 December 2020	Vested
30 September 2019	7,500,000	\$0.0679	31 December 2020	Vested
Total	110,706,617			

The Listed option issued during the half-year has a fair value of \$327,638 which was deemed to be granted in the year ended 30 June 2019.

At 31 December 2019 there are Nil (30 June 2019: 8,000,000) Unlisted Options over unissued ordinary shares are on issue. During the half-year the following Unlisted Options were exercised at \$0.0329 per Option (30 June 2019: Nil):

Issue date	Number	Exercise price	Expiry	Exercised
26 August 2016	3,000,000	\$0.0329	30 September 2019	19 August 2019
12 October 2016	5,000,000	\$0.0329	30 September 2019	30 September 2019
Total exercised	8,000,000			

Incentive options

At 31 December 2019 the following (30 June 2019: Nil) Incentive Options over unissued ordinary shares are on issue, the Incentive Options were issued for no consideration.

Issue date	Number	Exercise price	Expiry	Vesting
30 September 2019	5,000,000	\$0.10	29 September 2023	Vested
25 November 2019	5,000,000	\$0.10	24 November 2023	Vested
Total	10,000,000			

The Incentive Options issued during the half-year have a fair value of \$285,047 of which:

-) \$679 was deemed to be share based payments in the year ended 30 June 2019
-) \$73,192 was deemed to be share based payments in the half -year ended 31 December 2019
-) \$126,589 are deemed to be share based payments in the period ended 30 June 2020; and
-) \$84,587 are deemed to be share based payments in the year ended 30 June 2021.

Refer to Note 8 for further details.

Performance Rights

At 31 December 2019 the following (2019: 5,000,000) Performance Rights are on issue. Shareholders approved the issue of the 17,500,000 Rights on 28 November 2018 and 15,000,000 on 20 August 2019.

Issue date	Number	Exercise price	Expiry	Vesting
Class C				
14 December 2018	7,500,000	\$nil	13 December 2023	(c)
30 September 2019	7,500,000	\$nil	29 September 2024	(c)
Class D				
14 December 2018	10,000,000	\$nil	13 June 2020	(d)
30 September 2019	7,500,000	\$nil	29 March 2021	(d)
Total	32,500,000			

During the period the following Performance Right were exercised:

	31 Dec 2019	30 Jun 2019
Performance Right	No.	No.
Class A	-	2,500,000
Class B	-	2,500,000
Class E	-	5,000,000
Class F	-	5,000,000
Total	-	15,000,000

Performance Rights Milestones and terms:

- a. Class A is completion of the proposed acquisition of Golden Horde Limited.
- b. Class B is the certification of a Petroleum Resource Management System (PRMS) certified prospective resource of coal bed methane of greater than one trillion cubic feet within the Nomgon IX PSC in Mongolia.
- c. Class C – Final investment decision approved by the Board and the Mongolian Government or a pilot production test within the PSC within 5 years of date of issue
- d. Class D – Drilling and testing of two Coal Bed Methane wells within 18 months of date of issue
- e. Class E – Acquisition of at least 40,000 additional acres of leases within the NPRA within 12 months of date of issue
- f. Class F – Board approval of a corporate transaction that introduces new capital or alternative funding to progress the exploration of the Alaskan Leases within 18 months of date of issue
- g. No voting or dividend rights

	Consolidated Group	
	Note	
	31 Dec	31 Dec
	2019	2018
	\$	\$
8. Share Based Payments		
Security:		
Class A Performance Rights issued: nil (2018: nil)	-	81,760
Class B Performance Rights issued: nil (2018: nil)	-	142,253
Class C Performance Rights issued: nil (2018: 7,500,000)	-	-
Class D Performance Rights issued: nil (2018: 10,000,000)	231,870	25,339
Class E Performance Rights issued: nil (2018: 5,000,000)	-	210,000
Class F Performance Rights issued: nil (2018: 5,000,000)	-	12,669
Incentive Options	73,192	-
Total Share-Based Payments	305,062	472,021
Share issue costs	-	-
Expensed	-	-
Total:	305,062	472,021
Recipient:		
<i>Key management personnel -Richard Cottee</i>		
Class C Performance Rights: 7,500,000 (2018: nil) ⁽¹⁾	-	-
Class D Performance Rights: 7,500,000 (2018: nil) ⁽¹⁾	94,605	-
Listed Options ⁽¹⁾	-	-
Total: Director -Richard Cottee	94,605	-
<i>Key management personnel -Stephen Kelemen</i>		
Incentive Options: 5,000,000 (2018: nil) ⁽¹⁾	59,951	-
Total: Director -Stephen Kelemen	59,951	-
<i>Key management personnel - Bayanjargal Byambasaikhan</i>		
Incentive Options: 5,000,000 (2018: nil)	13,241	-
Total: Director - Bayanjargal Byambasaikhan	13,241	-

	Consolidated Group	
	Note	
	31 Dec	31 Dec
	2019	2018
	\$	\$
<i>Key management personnel -Neil Young</i>		
Class C Performance Rights issued: nil (2018: 7,500,000)	-	-
Class D Performance Rights issued: nil (2018: 10,000,000)	137,265	25,339
Total: Director -Neil Young	137,265	25,339
<i>Key management personnel -Dougal Ferguson</i>		
Class A Performance Rights issued: nil (2018: nil)	-	65,408
Class B Performance Rights issued nil (2018: nil)	-	113,803
Class E Performance Rights issued: nil (2018: 2,500,000)	-	105,000
Class F Performance Rights issued: nil (2018: 2,500,000)	-	12,669
Options	-	-
Total: Director -Dougal Ferguson	-	296,880
Total Key Management Personnel	305,062	322,219
<i>Consultants</i>		
Class A Performance Rights issued; nil (2018: 500,000)	-	16,352
Class B Performance Rights issued: nil (2018: 500,000)	-	28,450
Class E Performance Rights issued: nil (2018: 2,500,000)	-	105,000
Total: Consultants	-	149,802
Total Share-Based Payments	305,062	472,021

⁽¹⁾On the 20 August 2019, Shareholders approved the issue of these securities, the securities were issued on 30 September 2019, however they were deemed to be granted in the year ended 30 June 2019 for accounting purposes.

Performance Rights A and B

On 30 November 2017 shareholders approved, amongst other matters, the issue of a total of 4,000,000 Performance Rights to the Managing Director of the Group and 1,000,000 to consultants. The Performance Rights were issued on 20 December 2017. The Performance Rights issued to Dougal Ferguson as part of his Managing Director's remuneration and consultants are charged to Share Based Payments in the Consolidated Statement of Profit and Loss and Other Comprehensive Income, based on the proportionate value of these Performance Rights applicable to the year as set out in the fair value summary below.

Performance Rights C, D, E and F

During the period, shareholders approved, amongst other matters, the issue of a total of 15,000,000 Performance Rights to Directors (30 June 2019: 22,500,000 Performance Rights to Directors of the Group and 5,000,000 to consultants). The Performance Rights were issued on 30 September 2019. The Performance Rights issued to Dougal Ferguson and Neil Young as part of their Executive Director's remuneration and consultants are charged to Share Based Payments in the Consolidated Statement of Profit and Loss and Other Comprehensive Income, based on the proportionate value of these Performance Rights applicable to the half-year period as set out in the fair value summary below.

On 20 August 2019, Shareholders approved the issue of 15,000,000 Performance Rights as part of Mr Cottee's' Non-executive Director's remuneration that vest once vesting conditions are achieved.

Fair Value Summary

The fair value of the Performance Rights is summarised below:

	Number	Probability of Award ⁽⁴⁾	Fair Value \$	Share Based Payment 6 months 31 Dec 2019 \$	Share Based Payment 6 months 31 Dec 2018 \$
<u>Neil Young⁽²⁾</u>					
Class C expires 13-Dec-23	7,500,000	0%	315,000	-	-
Class D expires 13-Jun-20	10,000,000	100%	420,000	137,265	25,339
Neil Young total				137,265	25,339
<u>Richard Cottee⁽³⁾</u>					
Class C expires 5 years after issue	7,500,000	0%	345,000	-	-
Class D expires 1.5 years after issue	7,500,000	100%	345,000	94,605	-
Richard Cottee total				94,605	-
<u>Dougal Ferguson⁽²⁾</u>					
Class A expired 20-Dec-18	2,000,000	100%	138,000	-	65,408
Class B expires 20-Dec-20	2,000,000	100%	138,000	-	113,803
Class E expired 16-Dec-19	2,500,000	100%	105,000	-	105,000
Class F expires 16-Jun-20	2,500,000	100%	105,000	-	12,669
Dougal Ferguson total				-	296,880
<u>Consultant⁽²⁾</u>					
Class A expired 20-Dec-18	500,000	100%	34,500	-	16,352
Class B expires 20-Dec-20	500,000	100%	34,500	-	28,450
Class E expired 16-Dec-19	2,500,000	100%	105,000	-	105,000
Class F expires 16-Jun-20	2,500,000	100%	105,000	-	-
Consultants total				-	149,803
Total Perf. Rights				231,870	472,021

(1) The terms and conditions ("Milestones") of the Performance Rights are set out in Note 7.

(2) The Performance Rights Class C, Class D, Class E and Class F have been valued at \$0.042 (2018: Class A and Class B valued at \$0.069) per Performance Right being the share price on the day the Performance Rights were approved for issue and the probability is management's view of whether the event relevant to the Milestones (refer to Note 7 for terms and conditions of each Milestone) are achieved.

(3) The Performance Rights Class C and Class D have been valued at \$0.046 being the share price on the day the Performance Rights were approved by Shareholders for issue, being 20 August 2019, and the probability is management's view of whether the events relevant to the Milestones (refer to Note 7 for terms and conditions of each Milestone) are achieved.

(4) If the Group deems it less than likely that the Milestone will be achieved a probability factor of 0% has been assigned. If the Group deems it more than likely that the Milestone will be achieved a probability factor of 100% has been assigned.

The fair value of the Options is summarised below:

	Number	Probability of	Fair Value	Share Based Payment	Share Based Payment
	Award		\$	6 months	6 months
				31 Dec 2019	31 Dec 2018
				\$	\$
Listed Options					
R Cottee ⁽¹⁾	7,500,000	n/a	142,500	-	-
Share issue cost ⁽¹⁾	9,744,080	n/a	185,138	-	-
Incentive Options					
S Kelemen ⁽¹⁾	5,000,000	n/a	150,427	59,951	-
B Byambasaikhan ⁽²⁾	5,000,000	n/a	134,620	13,241	-
Total Options				73,192	-

⁽¹⁾On 20 August 2019, Shareholders approved the issue of these securities, the securities were issued on 30 September 2019, however they were deemed to be granted on 29 April 2019.

⁽²⁾On 22 November 2019, Shareholders approved the issue of these securities, the securities were issued on 28 November 2019.

The Incentive Options are valued using Black Scholes, the key inputs being:

- J S Kelemen - current Share Price \$0.046, exercise price \$0.10, risk free rate 2.93% and volatility of 110%; and
- J B Byambasaikhan - current Share Price \$0.044, exercise price \$0.10, risk free rate 0.82% and volatility of 110%.

	Consolidated Group	
Note	31 Dec	30 Jun
	2019	2019
	\$	\$
Shares issued in lieu of share issue costs	221,000	185,138

On 20 August 2019, shareholders approved the issue of 5,666,667 Ordinary Shares for no consideration in payment of future share issue costs with a fair value of \$221,000. The Shares were issued on 30 September 2019.

On 20 August 2019, shareholders approved the issue of 9,744,080 Listed Options for no consideration in payment of share issue costs with a fair value of \$185,138. The Listed options were issued on 30 September 2019, but deemed to be granted in the financial year ended 30 June 2019.

Significant accounting estimates and judgments for share based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using an appropriate option pricing model or fair market value of share (options) at the date of grant, using the assumptions detailed above. If any of these assumptions were to change, there may be an impact on the amounts reported.

9. Joint Arrangements

At the reporting date, the Group had working interests in joint arrangements for the following projects:

Project	Blocks/ Leases	Activity	Location	Working Interest	
				31 Dec 2019	30 June 2019
Petra Project ⁽¹⁾	Various	Oil & Gas field, exploration project	USA	-	25%
Pompano Project ⁽²⁾	446-L SE/4	Oil & Gas field, production project	USA	25%	25%

⁽¹⁾ Elixir, through its wholly owned subsidiary, Elixir Petroleum (Petra) LLC, owns a nil (June 2019: 25%) working interest, in the prior year a number of leases expired reducing its acreage position from approximately 4,686 net acres to 76 net acres. In the current period the Group ceased to hold any interest and the parent entity Elixir Petroleum (Colorado) LLC was dissolved on 19 December 2019. Refer to Note 10 for further details.

⁽²⁾ Cottesloe Oil and Gas LLC ("Cottesloe"), a wholly owned subsidiary of the Group, was a party to a Joint Operating Agreement with respect to the Pompano project. It is the Group's view that it no longer has a connection to the Pompano Project, however it recognizes that the legal position is not absolutely clear. Refer Note 12.

10. Controlled Entities

Subsidiaries of Elixir Energy Limited:	Country of Incorporation	Percentage Owned	
		31 Dec 2019	30 June 2019
Golden Horde Limited ⁽¹⁾	Australia	100%	-
GOH LLC ⁽¹⁾	Mongolia	100%	-
Elixir Petroleum (Australia) Pty Ltd	Australia	100%	100%
Elixir Petroleum (Moselle) Ltd	United Kingdom	100%	100%
Elixir Petroleum (Colorado) LLC ⁽²⁾	USA	-	100%
Elixir Petroleum (Petra) LLC ⁽²⁾	USA	-	100%
Cottesloe Oil & Gas LLC ⁽³⁾	USA	100%	100%
Cottesloe Oil & Gas Inc ⁽³⁾	USA	100%	100%

(1) Golden Horde Limited is the intermediate parent of GOH LLC

(2) Elixir Petroleum (Colorado) LLC is the intermediate parent of Elixir Petroleum (Petra) LLC

(3) Cottesloe Oil & Gas LLC is the intermediate parent of Cottesloe Oil & Gas Inc

Elixir Energy Limited and Elixir Petroleum (Australia) Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debtors of the other. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and Directors' report under class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

During the period, Elixir Petroleum (Colorado) LLC (effective 19 December 2019) and its subsidiary undertaking were dissolved, refer to Note 11 for further details.

		Consolidated Group	
	Note	31 Dec 2019 \$	30 Jun 2019 \$
11. Dissolution of a subsidiary			
Elixir Petroleum (Colorado) LLC and subsidiary undertaking			
As at date of dissolution:			
Cash		-	-
Loan forgiven		3,032,706	-
Exploration asset		-	-
Equity		(215,045)	-
		<u>2,817,661</u>	<u>-</u>
Less:			
Intercompany loans impaired		(3,032,706)	-
Loss on dissolution of Elixir Petroleum (Colorado) LLC and subsidiary undertaking		(215,045)	-

At the date of dissolution the foreign exchange differences on translation of foreign operations amounted to \$215,045 and have been adjusted in the foreign currency translation reserve.

12. Contingent Liabilities

Cottesloe Oil and Gas LLC ("Cottesloe"), a wholly owned subsidiary of the Group, was a party to a Joint Operating Agreement ("JOA") with, amongst others, Buccaneer Resources LLC ("Buccaneer"), a wholly owned subsidiary of Buccaneer Energy Limited on the Pompano Project ("Pompano"). During 2011 the Operator proposed activities at Pompano which Cottesloe declined to participate in thus impacting its status and future rights and obligations under the JOA. The remaining JV partners ultimately elected to shut in the wells and relinquish the two associated leases during 2012, with abandonment obligations possibly remaining outstanding. The Group became aware that Buccaneer applied for and was granted Chapter 11 protection in the United States and Australia post the end of the 2014 financial period. As at the date of this report, the Group has not been made aware of any claims from Buccaneer or any of its creditors. There is no material change in the contingent liability since 30 June 2019 or 31 December 2019.

It is unclear whether Cottesloe is still a party to the JOA, but if this is the case, there is the possibility that in the event of a default by Buccaneer on its share of the abandonment cost of the platform, associated infrastructure and the wells, then Cottesloe will potentially be liable for its increased proportionate share of the cost. Buccaneer stated in its 2013 annual report that it had a 65% working interest in the Pompano project. Cottesloe's only significant asset is a cash backed bond of US\$580,208 in favour of the previous owner of the platform and associated infrastructure which can be called upon by that previous owner in the event it was required to make a contribution to the abandonment costs of this infrastructure. The cash backed bond provided by Cottesloe does not extend to any costs of abandoning the wells.

There is no parent company guarantee in place between the Company and any of the other co-venturers in the Pompano project and therefore there is only recourse to the Company or any other subsidiary of the Group, should a claim be made on Cottesloe for an amount in excess of its assets if the relevant Courts somehow decide to pierce the group corporate veil.

13. Operating Segments

General Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of Directors (chief operating decision makers) in assessing performance and in determining the allocation of resources.

Management has determined, based on the reports reviewed by the Board of Directors that are used to make strategic decision, that the Group had three reportable segments during 2019 (2018: two) being oil and gas exploration in France and oil and gas exploration in the United States of America (USA). The Group's management and administration office is located in Australia.

Segment Performance

	Oil & Gas Exploration			Other Corporate Activities	Total
	Mongolia	USA	France		
	\$	\$	\$	\$	\$
Half-year ended 31 Dec 2019					
Revenue from external sources	-	-	-	8,670	8,670
Loss on dissolution of subsidiary	-	(215,045)	-	-	(215,045)
Reportable segment (loss)	(267)	(14,556)	(6,254)	(974,939)	(996,015)
As at 31 Dec 2019					
Reportable segment assets	6,195,015	855,311	-	1,818,023	8,868,349
Reportable segment liabilities	(377,148)	(858,364)	(21,584)	(320,764)	(1,577,860)
Half-year ended 31 Dec 2018					
Revenue from external sources	-	-	-	20,464	20,464
Reportable segment (loss)	(38,663)	(103)	(4,063)	(935,813)	(978,642)
As at 30 Jun 2019					
Reportable segment assets	3,452,093	829,211	-	4,417,079	8,698,383
Reportable segment liabilities	(73,180)	(828,179)	(20,906)	(269,174)	(1,191,439)

No reconciliation is required of segment information as the information as presented is used by the Board to make strategic decisions.

14. Related Party Transactions

The Group's main related parties are as follows

(i) Entities exercising control over the Group:

The ultimate parent entity that exercises control over the Group is Elixir Energy Limited, which is incorporated in Australia.

(ii) Key Management Personnel Compensation:

The totals of remuneration paid to KMP of the company and the Group during the half-year are as follows:

	Consolidated Group	
	31 Dec 2019	31 Dec 2018
	\$	\$
Short-term employee benefits	190,951	270,572
Post-employment benefits	15,890	-
	206,841	270,572
Share-based payments (Note 8)	305,062	296,880
Total KMP compensation	511,903	567,452

(iii) Entities subject to significant influence by the Group:

An entity which has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

(iv) Transactions with other related parties:

There were no transactions with related parties (30 June 2019: nil).

(v) Outstanding balances arising from sales/purchases of goods and services:

There are no outstanding balances arising from sale/purchases of goods and services (30 June 2019: Nil).

(vi) Loan to / from related parties:

There were no loans to or from related parties during the year (30 June 2019: Nil).

15. Events Occurring After Reporting date

The following events occurred subsequent to 31 December 2019 that will have a material effect on the Group.

The Nomgon-1 core-hole well was drilled and made a gas discovery.

There are no other events occurring after the end of the reporting period to disclose.