

5 January 2015

CORPORATE OVERHEAD COST REDUCTIONS

- **Non-executive Director fees cut by 20%**
- **Further reductions in other corporate overheads implemented**
- **Resignation of Mr Michael Price as non-executive Director**
- **Cost savings will preserve cash for the Petra Project, which is targeting multi million barrel conventional oil prospects in Colorado**

The Board of **Elixir Petroleum Limited (ASX:EXR)** advises that it has implemented additional reductions in its corporate overheads to preserve maximum cash for exploration of its core oil and gas projects. As part of these cost saving initiatives, the Board of Elixir has resolved to reduce their fees by 20% for non-executives Directors and 25% for the Chairman.

In keeping with the overall philosophy of maintaining overheads at the bare minimum, additional permanent and temporary cost savings are also being introduced to reflect the current market conditions, and to ensure that Elixir's cash is focused towards progressing its oil and gas projects.

As previously advised, Mr Michael Price announced his intention to step down from the Board, and this became effective 31 December 2014. The Board now consists of the Managing Director, an independent non-executive Chair and two non-executive Directors. The skills mix of two highly experienced geoscientists and two commercial directors is an appropriate mix for the Company which is focused on exploration and business development opportunities.

Managing Director, Mr Dougal Ferguson commented:

"It is always important to keep corporate overheads as low as possible, but under current market conditions, it is necessary to further reduce the cost base, including Director fees, to align with shareholders expectations. The current Board is operating under a highly competitive cost base, however it has maintained the skills mix necessary to achieve our objectives and the Company is continuing with its previously stated work program on the Petra Project, albeit in a cautious and cost conscious manner."

I would like to again thank Michael for his input and support during my short tenure with the Company and wish him well in his current and future endeavours."

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

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