

22 July 2015

## **PERMITS LODGED FOR DRILLING AT PETRA PROJECT**

- **Two locations staked and drilling permits lodged with Colorado Oil and Gas Conservation Commission for initial Petra Project exploration wells, with third well follow up location to be staked shortly**
- **Initial Prospective Resource calculations nearing completion, with final report expected by mid-August 2015**
- **Drilling of first conventional oil well on track for late Q3 2015**

**Elixir Petroleum Limited (ASX:EXR)** is pleased to announce that operational progress continues to be made towards drilling of Elixir's first exploration well at its Petra Project in the Colorado's DJ Basin, with two initial well locations staked and permits lodged with the Colorado Oil and Gas Conservation Commission.

The drilling permits are expected to take 30 to 45 days to be approved. The surface owners of the relevant lease have not objected to the drilling applications and are eager to see activity on their land, where they are also the principal mineral rights owners who will benefit from any successful production operations.

The Prospective Resource calculation for the Petra Project is expected to be completed within the next three weeks. The number of potential locations and the overall size of the exploration play will be determined based on the outcomes of the Prospective Resource assessment currently being undertaken.

The most recent presentation from Nighthawk Energy plc dated 25 June 2015 indicate that similar wells, even at current oil prices, are delivering internal rates of return of over 100% and net present values of around US\$3M per well. The low up front capital and low operating costs of these wells allow companies of Elixir's size to fund ongoing development from early cash flows in the event of any exploration success.

Elixir has a 50% Working Interest in approximately 30,000 net acres over the Petra Project and is pursuing the same conventional oil plays as Nighthawk, Cascade and Weipking Fullerton which are producing from discoveries made in the region in recent years. Nighthawk produces around 1,700bopd from the same play Elixir is pursuing and is scheduled to commence a multi well drilling program in the second half of 2015.

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For further information on Elixir Petroleum, please visit the Company's website at [www.elixirpetroleum.com](http://www.elixirpetroleum.com)