

13 August 2015

**INDEPENDENT PROSPECTIVE RESOURCE ASSESSMENT**

- Independent Prospective Resource assessment for initial Petra Project prospect completed with potential for up to five stacked reservoirs identified
- Two primary zones volumetrically assessed to contain Mean Prospective Resources of 2.5MMBO recoverable net to Elixir
- Prospective Resource calculations confirm overall prospect size is similar to analogous nearby oil fields, Arikaree Creek and Great Plains
- Rodwell Prospect within core area of approximately 30% of total lease holding

**Elixir Petroleum Limited (ASX:EXR)** is pleased to announce that an initial independent Prospective Resource Assessment has been completed over a prominent geological feature (called the Rodwell Prospect) within the Petra Project. The Prospective Resource for the Rodwell Prospect, being estimated net recoverable oil to Elixir after taking into account reductions due to net lease positions and leaseholder royalties in accordance with ASX Listing Rule 5.25.5, are outlined in the table below.

Reservoir Interval	Low (MBO)	Best (MBO)	High (MBO)	Mean (MBO)	Probability of Geological Success
Mississippian <sup>1</sup>	275	1,196	5,216	2,076	24%
Cherokee A <sup>2</sup>	110	320	950	434	19%
Aggregate <sup>3</sup>				2,511	

1. Probabilistic outcome for entire structure
2. Probabilistic outcome for mapped Cherokee closures
3. Arithmetic summation of probabilistic estimates produces invalid results except for the mean estimate

Based on the above numbers and using the Mean Prospective Resource shown above, the independent assessment has estimated an un-risked net present value of **US\$41.8MM** net to Elixir (A\$55MM at USD/AUD: 0.75 exchange rate) for the Mississippian and the Cherokee A formations. These valuations are based on West Texas Intermediate (WTI) oil price of **US\$50/bbl** (less a US\$9/bbl deduct for transport and marketing fees) and production curves generated from publicly available analogue field data from surrounding fields. The valuations demonstrate the economic robustness of the conventional prospects being targeted by Elixir, even in the current low price environment. The detailed analysis has showed that at US\$70/bbl WTI, the valuation more than doubles and at US\$80/bbl WTI, the valuation almost triples making any success in this play highly leveraged to oil prices.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and development is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Mr Andy Lydyard, the author of the Prospective Resources report commented:

***“The Rodwell Prospect is assessed to be a valid prospect with demonstrable fault independent closure developed at the primary and secondary target levels. Of particular note is the presence of two basement involved faults on the eastern and western sides of the prospect. These faults are considered important as they provide strong evidence that the structure is real and not a product of velocity variations in the shallow section (which this area is notorious for) and secondly they may provide migration paths for mineralizing fluids that enhance the reservoir quality of the target carbonate reservoirs.”***

The Rodwell Prospect is the first geological feature matured within Elixir's 50% Working Interest in an approximate 30,000 net acres covering the Petra Project. Elixir is pursuing the same conventional oil plays as Nighthawk Energy plc, which is scheduled to commence a multi well drilling program in September 2015 with five wells targeting the same Mississippian objective being pursued by Elixir.

Nighthawk announced on 31 July 2015 in the lead up to its drilling program that it expects each well, drilled and completed with facilities, to cost around US\$1.5M and each well is expected to deliver an internal rate of return in excess of 100% at US\$50/bbl WTI. This provides added confidence to the independent consultant's numbers which have been prepared using the same capital cost and oil price assumptions.

Managing Director, Mr Dougal Ferguson commented:

***“This is the culmination of the extensive work undertaken over the last 12 months, which has included purchasing regional data, acquiring two new proprietary 2D seismic surveys as well as detailed interpretation of the full data set, all of which has occurred on time and within budget. We now have a drill ready prospect with the potential to deliver significant shareholder value. Despite all these positives, we are of course very mindful of the current weak oil price environment and preserving as much shareholder value as possible is an absolute priority which will be at the forefront of our minds in any operational decisions going forward.”***

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

*The Prospective Resources report was compiled by Mr Andy Lydyard of AJL Energy LLC who is an independent consultant and holds a BSc. in Applied Geology from South Australian Institute of Technology. Mr Lydyard has over 34 years of domestic and international (mainly North America) oil and gas experience and has worked extensively in the DJ Basin in Colorado. He is a member of the Society of Petroleum Engineers (SPE), American Association of Professional Geologists (AAPG) and the Rocky Mountain Association of Geologists. The report is based on mapping of 2D seismic purchased and acquired by Elixir in addition to detailed field analogue studies of the Great Plains and Arikaree Creek oil fields used to provide ranges for critical parameters in the analysis, such as porosity, hydrocarbon saturation, reservoir thickness and recovery factors.*

*Mr Lydyard has consented in writing to the inclusion of the information disclosed in this ASX release. The independent report has been reviewed by Mr Mark O'Clery, B. Sc (Hons), a non-executive director of Elixir who has had more than 25 years' experience in the practice of petroleum geology. Mr O'Clery has consented to the form and context in which this statement appears.*

*The estimates of prospective resources included in this announcement have been prepared in accordance with the definitions and guidelines set forth in the SPE-PRMS.*

*This announcement contains some references to forward looking assumptions, estimates and outcomes. These are uncertain by nature and no assurance can be given by Elixir that its expectations, estimates and forecast outcomes will be achieved.*