

Cliff Head Acquisition - Perth Basin



Cash flow, Production and Oil Price Leverage *October 2015*



ASX:EXR

Transformational Acquisition* – Cliff Head

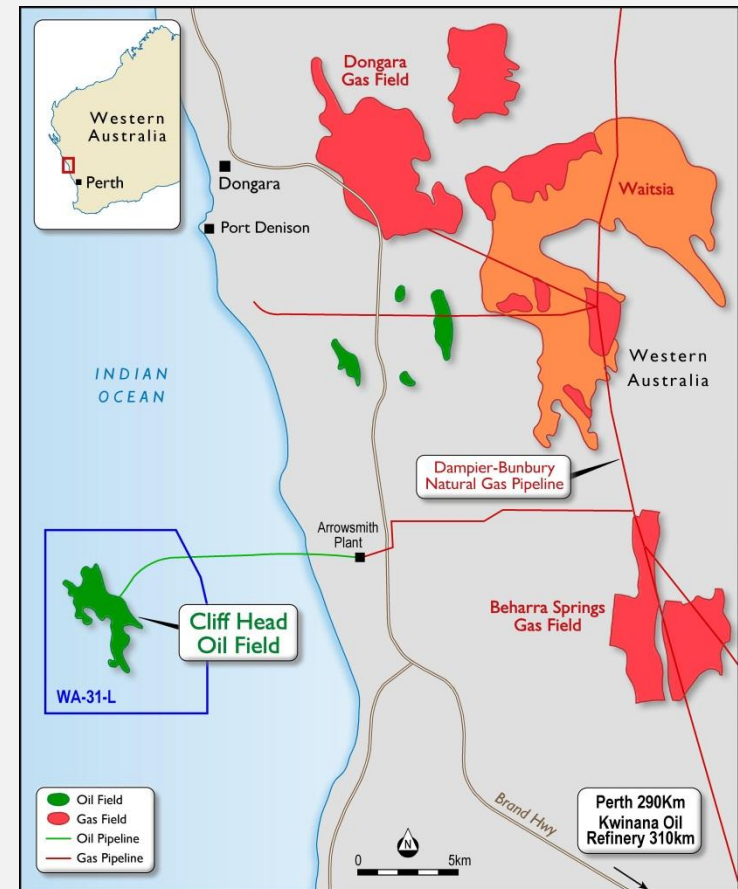
- 57.5% Working Interest in **1,500 bopd** cash flow positive producing oil field
- **10 year production life** at current oil prices with opportunities to extend life through infield production enhancement and development activities
- Remaining **2P reserves** estimated by Operator to be approximately **3.7 million barrels**
- Experienced and competent Operator (ROC Oil) currently undertaking **significant cost reduction** program
- Minimal up front acquisition cost of only **\$1M** with further payments of 25% of net cash flows in excess of \$3M, payable for the next five years but capped in aggregate at \$9M
- Management and Board has **extensive knowledge of Cliff Head** and the **Perth Basin** through previous joint venture participation (Voyager Energy and ARC Energy)
- Exploration upside with **Mentelle-1** (previous oil discovery) **within production license** area
- Acquisition provides Elixir with a solid platform to grow a **Perth Basin production and exploration** business
- **Exceptional leverage to oil price** off very low market capitalisation and enterprise value
- Placement and SPP to raise approximately \$0.6M to assist with initial funding requirements

*Subject to completion of due diligence and closing of transaction expected to be on or before 15 February 2015

Cliff Head Project Summary

Production, Cash Flow and Oil Price Leverage

- 57.5% Working Interest in 1,500 bopd **near shore producing oil field** with onshore processing plant
- Commenced production in 2006 and has **produced approximately 14.5MMBLS** to date
- Remaining **2P reserves** estimated to be around **3.7MMBLS** not taking into account field life extension projects identified by Operator (ROC Oil)
- Reservoir and **well performance** has been **highly predictable** with 5 producing wells and 3 water injection wells
- Major **cost reduction project** currently being implemented by ROC and 10 year Life Extension Project (2016-2026) underway
- Pre-abandonment (2026) field life extension project studies completed by ROC identifying opportunities including **infield drilling**, Enhanced Oil Recovery (**EOR**) projects, nearby **exploration potential** (Mentelle) and general **production optimisation** projects



Cliff Head Oil Field in relation to other Perth Basin oil and gas infrastructure and road access to BP Kwinana refinery

Why Cliff Head and the Perth Basin?

Prior experience and expertise of Management and Board

- The Management and Board of Elixir have **extensive experience with the Cliff Head Project**, having worked independently for two of the previous Joint Venture partners
- Mr Dougal Ferguson was previously **CFO/Commercial Manager for ARC Energy Limited**, which was part of the Joint Venture when the initial discovery well was drilled and again later in its field life following ARC's takeover of Voyager Energy Limited
- Mr Raymond Barnes was **Technical Director of Voyager Energy Limited** and represented Voyager at various technical and commercial meetings during the period leading up to and during the initial development of the field
- Together, both Ray and Dougal have worked extensively in the Perth Basin and bring a wealth of **commercial and technical understanding** of both Cliff Head and the Perth Basin in general



Elixir Managing Director, Dougal Ferguson



Elixir Chairman, Mr Raymond Barnes



Deal Rationale

High leverage to oil price, good Operator, existing cash flow



- Cliff Head well run by ROC and **will be core** to Elixir's business going forward
- Low acquisition cost in current weak oil price environment provides **exceptional leverage to Elixir shareholders** with even a modest improvement in oil prices
- Deal structure provides AWE with a **25% share of upside** where net cash flow of over \$3M per annum is achieved in any of the next 5 years (with total payments capped at \$9M in aggregate) should oil prices rebound, production increase or costs be significantly reduced
- Elixir intends to work with ROC to **drive forward projects** to extend the field life and further improve economics of the field
- This acquisition is **highly material** and catapults Elixir up the rankings with respect to revenues and production
- Asset is on Elixir's doorstep and provides a **stepping stone into the Perth Basin**, an area in which the Board and Management have experience and extensive knowledge
- Proves Elixir's ability to **negotiate and execute** significant energy transactions and provides the Company with a **point of difference** from the pack

Deal Metrics

Low up front cost acquisition with cash flow milestones

- Payment of **\$100,000 deposit** on 30 November 2015
- Payment of balance of **\$900,000 on Completion** (estimated to be on or before 15 February 2016)
- Effective Date of acquisition **1 October 2015**
- For each of the **next five financial years** ending 30 June, if free cash flows generated from the asset exceed \$3 million, then 25% of the excess over and above \$3 million will be paid to AWE up to a cap of \$9 million

Cliff Head Operators Forecast Production (100%)



Cliff Head A platform (above) with onshore processing facility (below) at Arrowsmith 300km north of Perth



Cliff Head Project History

Significant investment in infrastructure and wells over 15 years

Dec 2001 – Cliff Head-1 discovery well

March 2005 – FID based on ~12mmbbls recoverable reserves

October 2005 – 81 km² Production License granted over Cliff Head field and surrounding prospects (WA-31-L)

May 2006 – First oil produced from Cliff Head and deliveries to BP Kwinana south of Perth commence

June 2006 – Final development costs estimated at A\$327 million (onshore plant, platform and wells)

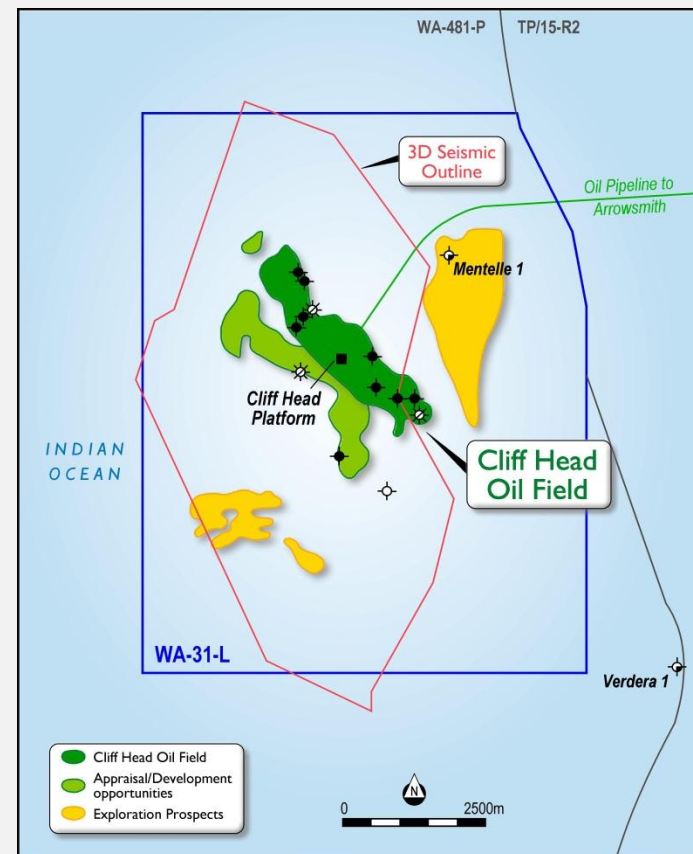
September 2007 – peak production level recorded at 11,200 bopd

August 2008 – AWE and ARC Energy merge increasing AWE interest to 57.5%

July 2014 – 2P reserves determined by operator to be 18.7mmbbls, an increase of over 50% from FID

September 2015 – ROC initiate cost reduction program and field life extension project

October 2015 – AWE agree to sell 57.5% interest to Elixir

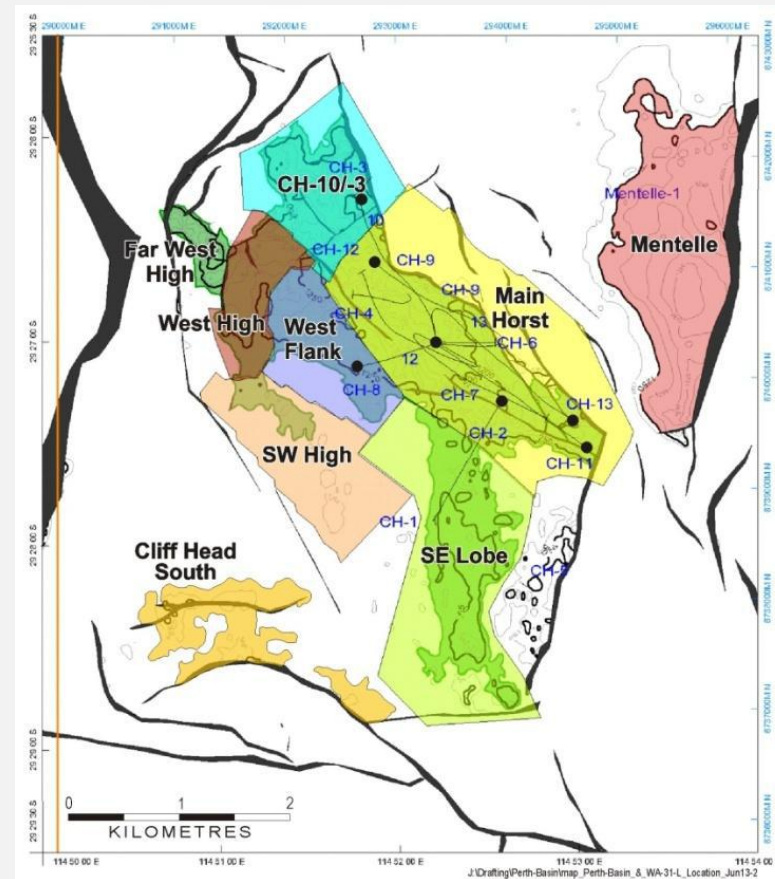


WA-31-L showing pipeline to onshore facilities and various upside opportunities within the Production License Area

Field Life Extension Projects

Minimum field life of 10 years with opportunities to extend

- 2014 study undertaken by ROC identified several **field life extension** opportunities
- Projects identified ranged from **high impact exploration** (Mentelle updip), **low risk appraisal** drilling, **EOR projects** and several other opportunities
- Projects required bringing in a jack-up rig which at the time was expensive (pre oil price fall) and required a significant financial commitment
- Elixir will **seek to progress** these projects with ROC and determine if they can be re-invigorated and if appropriate, a partner introduced to undertake some or all of them.
- **High Working Interest** (57.5%) provides Elixir with flexibility to introduce additional partners to fund or co-fund any significant capital projects



Source: Roc Oil Presentation

The opportunities identified on this map are of varying maturity, risk profiles and economic returns, all of which Elixir intends to further review at the appropriate time.

Elixir Petroleum Limited (ASX:EXR)

Corporate Overview and Capital Structure



Capital Structure	Current (million)	Pro-Forma* (million)
Ordinary Shares (ASX:EXR)	1,031	1,736
Listed Options (ex 1.5 cents)	320	320
Unlisted Options (ex 1.0 -1.5 cents)	19	94
Performance Rights	15	15
Market Capitalisation (at 0.2c)	\$2.0	\$3.4
Cash at Bank	\$0.3	\$0.9
<i>*Pro-forma following completion of \$0.3M Placement and \$0.3M share purchase plan (SPP), assuming the SPP is fully subscribed. Directors will seek shareholder approval to participate in up to \$50,000 of the Placement. Shareholder approval is also sought for the issue of approx. 85MM shares to Directors in lieu of a six month 50% cut in salary and fees effective 1 October 2015 which was announced on 8 September 2015 and which are included in the pro-forma, along with 75MM Incentive Options.</i>		

Board and Management	
Ray Barnes	Non Executive Chairman
Dougal Ferguson	Managing Director
Sam Willis	Non-Executive Director
Michelle Afflick	CFO (Part Time)
Stuart Weston	Petroleum Engineering Advisor
TBA	G&G Advisor

Capital Raise Details

- Placement of approximately 308 million shares to raise \$308,000 including \$50,000 from Directors
- SPP announced on 28 October for a further 310 million shares to allow existing shareholders to participate
- SPP will be “first in best dressed” and will close as soon as the maximum (30%) applications have been received

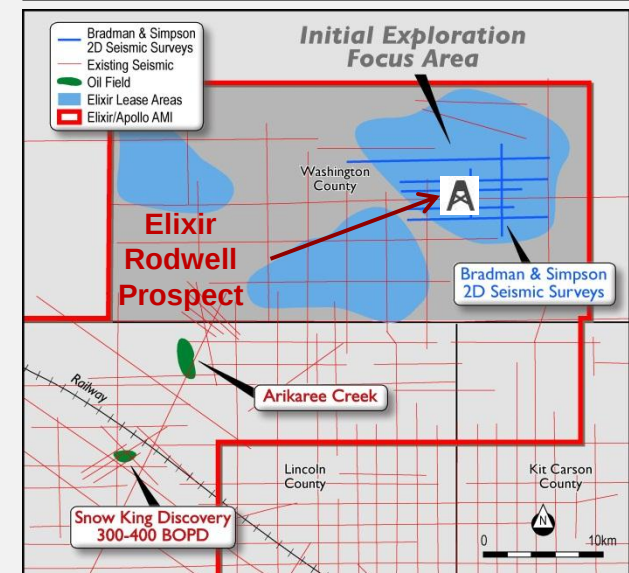
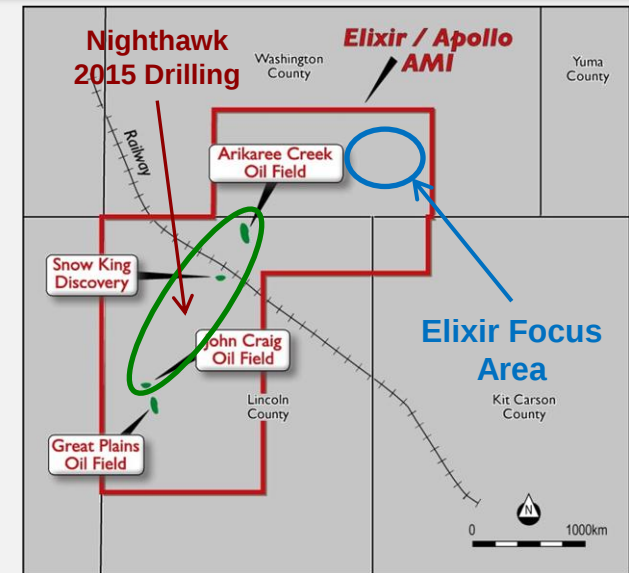
Management and Board

- “Lean and mean” contract based team to maintain current low overhead cost structure
- Key technical advisory positions to be filled on completion of the acquisition
- Board composition to be strengthened to cover all key disciplines

Petra Project - Colorado

Focussed Exploration Program Delivering Results

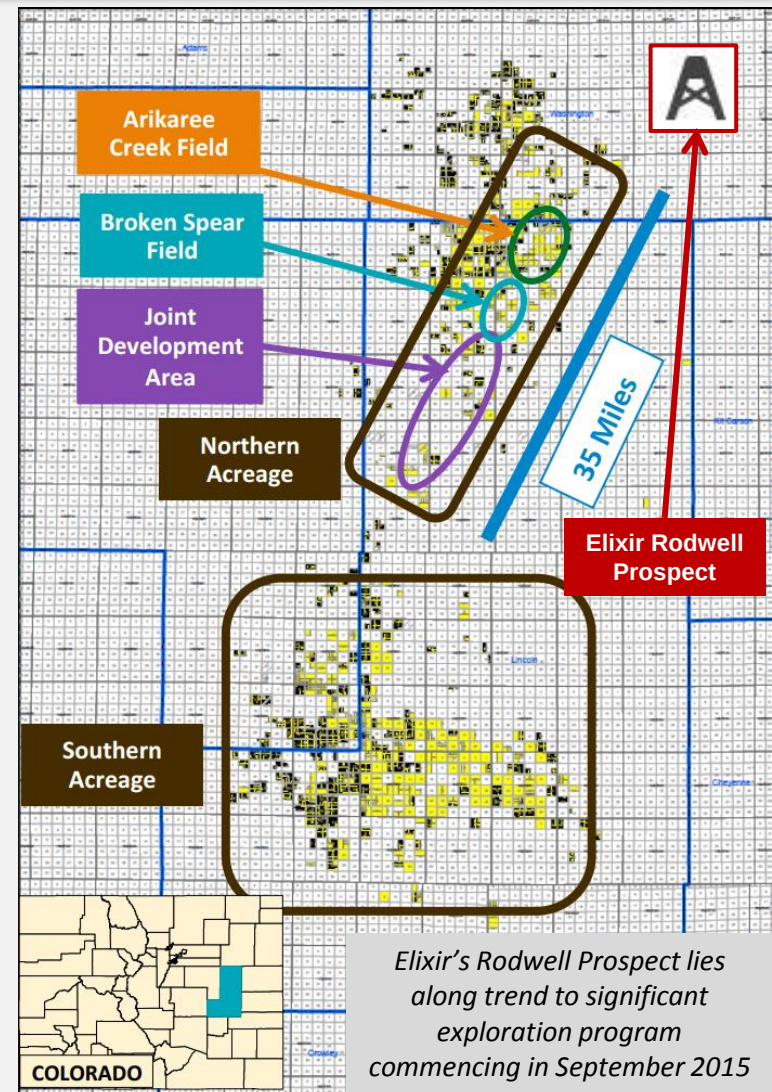
- 50% Working Interest in **30,000 net acres** covering relatively new Mississippian and Pennsylvanian trend in Washington County, Colorado
- Long term leases with very low holding costs:
 - Generally expire **2018 and beyond** with extensions for 3-5 years
 - No seismic or drilling commitments
- Acquired over **250km** of regional seismic data
- Acquired two separate 2D seismic surveys totaling over **60kms of proprietary data**
- Processed and interpreted full data set identifying significant **“look alike” prospect** to Arikaree Creek
- Completed Independent Prospective Resources report (**Mean 2.5MMbbls Prospective Resource net to Elixir**) identifying a large number of **follow up locations** upon any initial success at the Rodwell Prospect



Petra Project – Regional Activity

Rodwell Prospect on trend with 2015 Nighthawk Drilling Program

- Nighthawk entered Joint Development Area with Cascade in January 2015 by committing to drill **6 exploration wells prior to 30 June 2016**
- 4 exploration wells to be drilled pre 31 December 2015, with two more wells pre 30 June 2016
- 3D seismic program completed in early 2015 with multiple drilling prospects identified
- Transaction valued this non-producing acreage at **US\$1,000 per acre** based on farm-in metrics
- Elixir acreage trends to the north east ending just beyond the Rodwell Prospect
- Other operators in the area also permitting wells and **further drilling activity** in the region may occur
- Elixir has **no firm drilling commitments** in any of its leases and if necessary, can hold its strategic position for several years at minimal cost



Base Map Source: Nighthawk Energy plc, Corporate Presentation, August 2015

Investment Highlights

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