

18 December 2015

OPERATIONS UPDATE

Elixir Petroleum Limited (ASX:EXR) is pleased to provide the following 2015 year end update on its oil and gas asset portfolio.

Petra Project – DJ Basin, Colorado, USA

Exploration and drilling activity continues to occur in and around Elixir's Area of Mutual Interest (**AMI**) and the Petra Project by a number of private and public oil and gas companies. Elixir and its partner, Apollo Operating LLC, have recently provided consent to allow True Oil LLC to conduct a 3D seismic survey over several Elixir/Apollo leases. True Oil has recently entered the basin and drilled an exploration well just north of the AMI in conjunction with Duncan Oil Inc. Wiepking Fullerton is also currently drilling within the AMI, close by to the Nighthawk operated Arikaree Creek oil field. Elixir and Apollo continue to actively monitor all regional activity and leverage the net 30,000 acre jointly held lease position appropriately.

Moselle Permit – Saar Lorraine Basin, France

Elixir lodged a renewal application for the Moselle Permit in September 2013, which to date has not been either renewed or formally rejected by the French administration.

Elixir notes that an administrative court in France recently heard the arguments of Schuepbach, a US exploration company, which is claiming damages of €117 million as partial compensation for the abrogation of two permits in Southern France in the wake of the anti-fracking law passed in 2011. The court reserved judgment to late December and Elixir continues to monitor the situation.

Cliff Head Acquisition – Perth Basin, Australia

Elixir and AWE Limited continue to work together on an exclusive basis on a number of key commercial and legal matters that are currently being addressed in respect of the Company's proposed acquisition of a 57.5% Working Interest in the producing Cliff Head oil field located in the Perth Basin, Western Australia. The agreement remains on foot and the parties are working towards resolving all outstanding matters the first quarter of 2016.

Managing Director, Mr Dougal Ferguson commented:

"In what has been an extremely challenging year, Elixir ends 2015 in a position where its existing exploration assets, which have no material expenditure commitments, remain secure. At the same time, we have recently provided our shareholders with exposure to an oil producing asset through our agreement with AWE to acquire its interest in the Cliff Head oil field. We continue to work cooperatively with AWE to conclude the acquisition in the first quarter of 2016 in a manner satisfactory to all parties and look forward to updating shareholders on the progress of the Acquisition in the New Year."

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

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