



**Interim Financial Report for the half-year ended**

**31 December 2015**

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## Corporate Directory

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### Directors

Mr Ray Barnes – Non Executive Chairman

Mr Dougal Ferguson – Managing Director

Mr Sam Willis – Non-Executive Director

### Company Secretary

Mr Dougal Ferguson

### Registered and Principal Administration

#### Office

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West Perth WA 6005

Telephone: (+61) 8 9226 2111

#### Email

[info@elixirpetroleum.com](mailto:info@elixirpetroleum.com)

### Bankers

National Australia Bank Limited

Ground Floor, 100 St Georges Terrace

Perth WA 6000

### Auditors - Australia

BDO Audit (WA) Pty Ltd

38 Station Street

Subiaco WA 6008

### Auditors - UK

KSI (WA)

Level 2, 35 Outram Street

West Perth WA 6005

### Share Registry

Security Transfer Registrars Pty Ltd

PO Box 535

Applecross WA 6953

Australia

Telephone (+61) 8 931 2333

### Stock Exchange Listing

Australian Securities Exchange

Home Exchange: Perth, Western Australia

Ticker Code: EXR

### Website

[www.elixirpetroleum.com](http://www.elixirpetroleum.com)



## Directors' Report

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The Directors of Elixir Petroleum Limited present their report on the Consolidated Entity, consisting of Elixir Petroleum Limited ("the Company" or "Elixir") and the entities it controlled during the half-year ended 31 December 2015 ("Consolidated Entity" or "Group").

### DIRECTORS

The names of the Directors of Elixir in office during the half-year and until the date of this report are:

Mr Ray Barnes (Non-Executive Chairman)  
Mr Dougal Ferguson (Managing Director)  
Mr Sam Willis (Non-Executive Director)  
Mr Mark O'Clery (Non-Executive Director) – *resigned 30 September 2015*

Unless otherwise stated, all Directors were in office from the beginning of the half-year until the date of this report.

### REVIEW AND RESULTS OF OPERATIONS

#### Operating and Financial Results

For the half-year ended 31 December 2015, the Group recorded an after tax loss of \$379,482 (31 December 2014: loss of \$489,808). During the half-year, the Group's primary focus has been on implementation of cost reductions, the preservation of the current exploration assets in good standing and more recently, the acquisition of producing assets which has resulted in the signing of an agreement with AWE Limited (ASX:AWE) to acquire its 57.5% interest in the Cliff Head Oil Field.

The Company continued to focus efforts on cost reduction across the business with all non-essential expenditure now eliminated from the business. Directors also agreed to reduce their cash fees by 50% during the six month period from 1 October 2015 through to 31 March 2016 to help preserve cash. During the half-year, the Group incurred only the minimum expenditure necessary to secure the good standing of the Petra Project.

With the precipitous fall in the oil price over the last 12 months, the Board embarked on a strategy to identify and acquire long term cash flow generating assets that were considered non-core to larger companies. These assets have significantly reduced in value with the drop in the oil price and were previously out of reach for companies of Elixir's size. Acquiring producing assets at or near the bottom of a cycle will provide shareholders with exposure to oil price upside.

To assist in the funding of the Cliff Head acquisition and to provide additional working capital, the Company undertook a small placement and a fully subscribed Share Purchase Plan (SPP) which raised approximately \$568,000 (pre costs). The capital raising was well supported by both existing shareholders and new investors and provided the Group the necessary funding to pursue the acquisition in addition to providing further working capital.

During the half year, Mr Mark O'Clery resigned from his position as non-executive director and Mr Nicholas Ong also resigned as Company Secretary effective 30 September 2015.

At 31 December 2015, Elixir held cash on hand of \$635,494 (30 June 2015: \$568,500). The Group remains debt free and has minimal exploration or expenditure commitments.

## Directors' Report

### STRATEGY

Elixir is an oil and gas exploration company with current operations in the United States and France.

Elixir's previously stated strategy is to pursue opportunities in predominantly OECD countries which meet a number of the following criteria:

- Onshore, early stage, low cost exploration opportunities with moderate geological risk;
- Conventional and unconventional oil and gas reservoirs with near term cash flow possibilities;
- Expose shareholders to multiple well drilling programs;
- Execute farm-in and farm-out agreements to grow the portfolio or manage risk;
- Entering strategic partnerships for development projects to leverage opportunities.

Elixir has recently entered into an agreement with AWE to acquire its interest in the Cliff Head Oil Field which the Board considers an appropriate addition to the portfolio. Details of the recently announced acquisition are provided in the Operations Review. The Company will continue to target additional projects that meet the above criteria whilst being opportunistic with other transactions that may present themselves.

### OPERATIONS REVIEW

#### Cliff Head Oil Field Acquisition Perth Basin, Western Australia

On 26 October 2015, the Group announced it had entered into an agreement with AWE to acquire its 57.5% Working Interest in the near shore Cliff Head Oil Field in the Perth Basin.

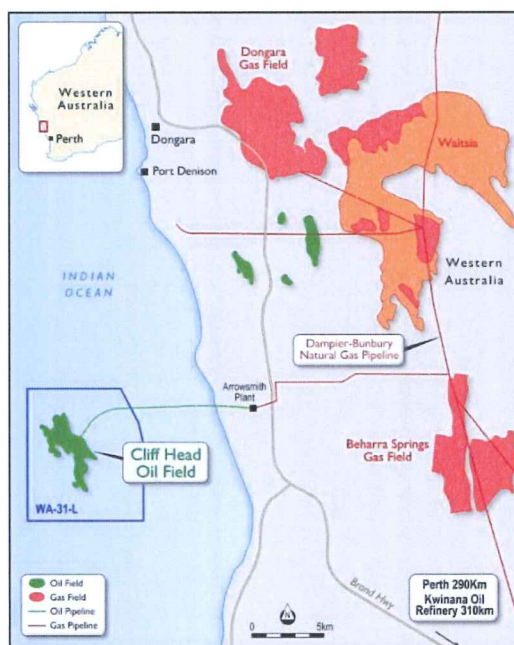
The acquisition will provide shareholders with significant leverage to oil prices in addition to infield drilling, enhanced oil recovery potential and near field exploration and appraisal opportunities.

The recent volatility in world oil prices has delayed progress on finalisation of the acquisition agreement and AWE and Elixir have agreed to extend the exclusive option period in which to finalise the acquisition agreement and for Elixir to confirm its financing arrangements to 15 March 2016. Under the current arrangements, Elixir will pay an upfront consideration of \$1M with up to \$9m in further payments based on minimum cash flow hurdles being achieved over the next five years.

The acquisition is subject to a number of conditions precedents that are currently being addressed by the Parties.

The Cliff Head Oil Field is located about 300km north of Perth and was the first commercial oil discovery in the offshore Perth Basin discovered in 2001 by a ROC Oil led Joint Venture, with first production commencing in May 2006. To date the field has produced over 14.5 million barrels and continues to produce at above originally forecast rates. The oil is produced through an offshore platform (CHA) with the fluids piped 14km to an onshore processing facility (Arrowsmith). Oil is then trucked to the BP Kwinana oil refinery south of Perth. The Cliff Head Oil Field is operated by ROC Oil (a subsidiary of Fosun International Limited) who has been the Operator of the project since prior to the initial discovery well being drilled. The Operators estimated remaining reserves are around 3.7 MMBBLS (gross) with an expected remaining economic field life of 10 years.

AWE granted Elixir an exclusivity period in which to conclude its due diligence on the project. Upon expiry of the initial exclusivity period which was extended to 18 December 2015, Elixir confirmed to AWE that it wished to proceed into the second exclusive option period. AWE waived the requirement for Elixir to pay a 10% non-refundable deposit at this time and the second exclusive option period has recently been extended further.





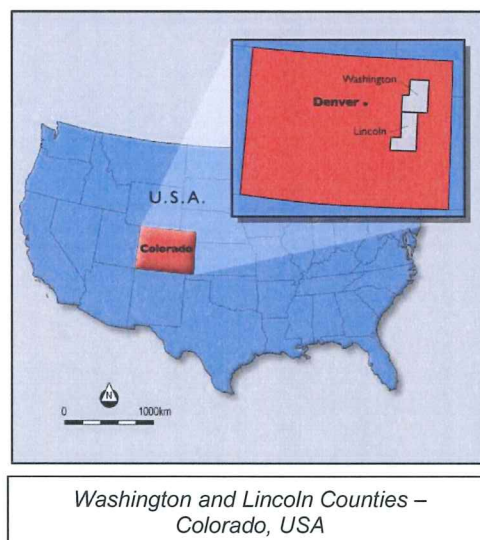
## Directors' Report

Elixir has finalised its technical and commercial due diligence on the project and is working with AWE to satisfactorily conclude the agreement and close the transaction in the first half of 2016.

### Colorado, USA

Colorado's crude oil production rose steadily between the years of 2007 and 2014 principally due to increased exploitation of vast unconventional oil resources which are estimated to be as high as 2 billion barrels. The advent of horizontal drilling and hydraulic fracturing technology is unlocking the prolific resources of the Niobrara shale formation in the Denver Julesburg Basin in north eastern Colorado. In more recent times, production has been declining due to the significant reduction in activity in the unconventional Niobrara resource play due to the fall in the oil price. The rig count in the Niobrara region has dropped significantly since late 2014 where it peaked at over 100 drilling rigs.

Colorado also produces hydrocarbons from conventional reservoirs in a number of areas, including south east of Denver in Lincoln and Washington counties. Several private companies, together with AIM listed Nighthawk Energy plc have had success in recent years chasing the conventional Mississippian and Pennsylvanian reservoirs. These are the same conventional reservoirs that Elixir is pursuing at its Petra Project.



### Petra Project (Elixir 50% Working Interest)

On 4 September 2014, Elixir acquired a 50% Working Interest in over 14,400 net acres in Washington County, Colorado, for an initial payment of approximately US\$700,000. Pursuant to the original agreement entered into when oil prices were in excess of US\$100 per barrel, Elixir agreed to pay the first US\$1.5M of exploration costs on behalf of the joint venture. The agreed work program included the acquisition of new and existing seismic data and the drilling of at least two exploration wells. The date for completion of the exploration program has recently been extended six months to 31 December 2016. Following completion of the required expenditure, Elixir will retain a 50% interest in the leases which have no drilling or seismic commitments and long lease tenure.

Since completing the acquisition, Elixir has spent approximately US\$680,000 of the initial US\$1.5M acquiring a significant amount of 2D regional seismic data, followed by the acquisition of two proprietary seismic surveys being named the Bradman 2D and Simpson 2D. The seismic surveys confirmed a large geological feature which was mapped and matured into a drill ready prospect named the Rodwell Prospect. This prospect covers around 30% of the total acreage position within Elixir's leased acreage, which now stands at 50% of approximately 30,000 net acres.

Elixir completed an independent Prospective Resources report for the Rodwell Prospect which was announced to ASX on 13 August 2015, the results of which are presented on the following page in Table 1.

Table 1: Independent Prospective Resources net to Elixir – Rodwell Prospect

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	

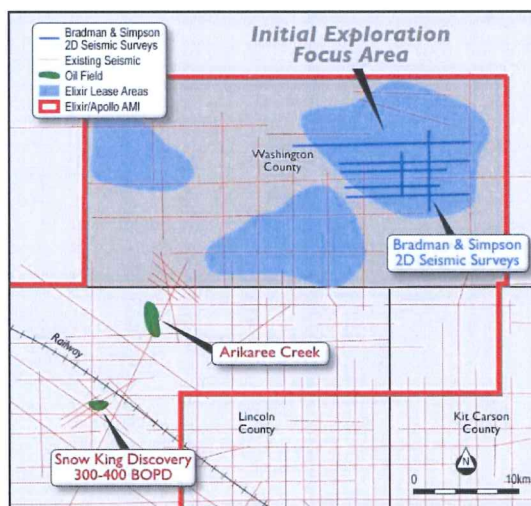
1. Probabilistic outcome for entire structure
2. Probabilistic outcome for mapped Cherokee closures
3. Arithmetic summation of probabilistic estimates produces invalid results except for the mean estimate

## Directors' Report

Based on the above numbers and using the Mean Prospective Resource shown above, the independent assessment 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 and that the Petra Project remains worthwhile pursuing, albeit not in the current volatile oil price environment.

### *Geological and Geophysical Activities (100% carried by Elixir)*

Since acquiring the Petra Project, Elixir has purchased approximately 250kms of 2D seismic data and acquired approximately 60kms of proprietary seismic data, being the Bradman 2D and Simpson 2D seismic surveys. The purchased data was reprocessed and fully interpreted together with the newly acquired 2D seismic data resulting in the maturation of the Rodwell Prospect into a drill ready target. Elixir and its joint venture partner have subsequently permitted two wells over the main Rodwell Prospect and have entered into the planning stage for the first well on the strong geological feature that has been identified.



### *Leasing Activities (50% cost to Elixir)*

The Group maintained its net acreage position of a 50% Working Interest in approximately 30,000 net acres. Much of the leased land has no annual rentals and remaining tenure of between two and four years. The holding costs to Elixir are minimal and drilling permits have been already been lodged by the operator with the Colorado Oil and Gas Commission allowing drilling of the Rodwell Prospect to commence at very short notice should Elixir and its partner decide to proceed.

*General location of 50% Working Interest in approximately 30,000 net acres*

## France

### **Moselle Permit (EXR 100%, Operator)**

The renewal application for the Moselle Permit was lodged in September 2013 with the relevant French authorities. Elixir has committed to a second five year exploration period and with all obligations relating to the first exploration period previously being met, the Company awaits notification that the extension into a second exploration period has been granted. The Company does not intend to incur any significant expenditure on Moselle until the renewal is granted.

The Moselle Permit, acquired by Elixir in April 2010, is located in north-eastern France in the Saar-Lorraine Basin. In mid-July 2011, legislation was enacted by the French Parliament prohibiting the use of hydraulic fracture stimulation, resulting in the unconventional prospectivity originally identified in the Moselle Permit not being able to be pursued at this time.

Unfortunately numerous applications and requests for renewals are held up at the federal political level. At this stage, the Company is unable to predict when the renewal of the Moselle permit or the award of various other exploration permit applications will be granted.

A number of exploration companies active in France, including French major TOTAL, have recently instigated court proceedings over non-renewal of hydrocarbon exploration licences. Elixir is actively following the outcome of these proceedings and how they may affect the renewal of the Moselle Permit.

Elixir's Moselle renewal application does not contemplate shale gas exploration as part of the renewal program, with the focus being on conventional gas and conventional exploration techniques.



## Directors' Report

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### CORPORATE

#### Board and Management Changes

During the half year, Mr Mark O'Clery resigned from his position as non-executive director and Mr Nicholas Ong resigned as Company Secretary, both resignations effective 30 September 2015. Mr Ong was not replaced and Mr Dougal Ferguson, the Managing Director, currently performs the duties of the Company Secretary.

The Board considers that the current three person Board is appropriate given the size and nature of Elixir's business and the current difficult economic environment for small oil and gas companies. The Board also agreed to reduce the cash component of its fees by 50% for the six month period from 1 October 2015 through to 31 March 2016.

#### Changes in Capital Structure

The Company undertook a placement and a fully subscribed Share Purchase Plan (SPP) which raised \$568,302 (pre costs) through the issue of 568,303,096 shares. The capital raising was well supported by both existing shareholders and new investors and provided the Group the necessary funding to provide additional working capital to pursue the Cliff Head oil field acquisition in addition to ongoing working capital.

At the Company's Annual General Meeting which was held on 30 November 2015 shareholders approved the issue of 85,250,000 shares to directors in lieu of the directors reducing their salary and fees by 50% as detailed above. This reduction in salary and fees will save the Company \$85,250 over the six month period.

Shareholders also approved the issue of 75,000,000 Options to the Managing Director exercisable at \$0.018 per share. The Options will vest over two years. None of the above securities have vested as at the date of this report.

On 30 September 2015, the Company cancelled 4,000,000 non-executive Director Options following the resignation of Mr O'Clery. On 31 July 2015, 15,000,000 Performance Rights issued to the Managing Director lapsed and were cancelled. There were no other changes to the capital structure during the half-year.

#### New Ventures

The Board continues to actively review new venture opportunities and will continue to actively pursue transactions that have the potential to add value to shareholders.

### EVENTS OCCURRING AFTER REPORTING DATE

Other than as disclosed elsewhere in this half-year financial report, no event has arisen since 31 December 2015 that would be likely to materially affect the operations of the Consolidated Entity, the results of the Consolidated Entity or the state of affairs of the Consolidated Entity.

### AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's independence declaration is included on page 7 of the half-year financial report. Signed in accordance with a resolution of the Directors made pursuant to s.306 (3) of the *Corporations Act 2001*.

On behalf of the Directors



**DOUGAL FERGUSON**  
Managing Director

Perth, Western Australia  
25 February 2016

*Information contained in this report with respect to the Petra Project was compiled by Elixir or from material provided by the project operators and reviewed by Mr. Ray Barnes, the Chairman of Elixir, who has a B.Sc.(Hons) degree in Geology and has had more than 40 years' experience in the practice of petroleum geology, including more than 10 years' experience in the estimation of petroleum reserves and resources. Mr. Barnes consents to the inclusion in this report of the information in the form and context in which it appears.*





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**DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF ELIXIR PETROLEUM LIMITED**

As lead auditor for the review of Elixir Petroleum Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Elixir Petroleum Limited and the entities it controlled during the period.

**Jarrad Prue**  
Director

**BDO Audit (WA) Pty Ltd**  
Perth, 25 February 2016



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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Elixir Petroleum Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Elixir Petroleum Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Elixir Petroleum Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Elixir Petroleum Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Elixir Petroleum Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

### Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon future asset transactions, capital raising or other corporate activity. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

**BDO Audit (WA) Pty Ltd**

A handwritten signature in blue ink, appearing to read 'J Prue', is written over a faint, larger 'BDO' logo.

**Jarrad Prue**

**Director**

Perth, 25 February 2016





## Directors' Declaration

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The Directors declare that:

- (a) The consolidated financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
  - i. Giving a true and fair view of the financial position as at 31 December 2015 and the performance for the half-year ended on that date of the consolidated entity;
  - ii. Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that Elixir Petroleum Limited will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in blue ink, appearing to read "Dougal Ferguson".

**DOUGAL FERGUSON**  
Managing Director

Perth, Western Australia  
25 February 2016



## Consolidated statement of profit or loss and other comprehensive income

### For the half year ended 31 December 2015

	Note	Consolidated	
		31-Dec-2015	31-Dec-2014
		\$	\$
Other income from continuing operations		2,201	18,577
<b>Total Income</b>		<b>2,201</b>	<b>18,577</b>
General and administrative costs	(2)	(306,112)	(442,504)
Depreciation, depletion and amortisation expense	(2)	(477)	(238)
Business development costs		(42,068)	-
Lease operating costs		(7,848)	(23,581)
Share based payment		(25,178)	(42,062)
<b>Loss from continuing operations before income tax expense</b>		<b>(379,482)</b>	<b>(489,808)</b>
Income tax expense / benefit		-	-
<b>Net loss after tax for the period</b>	<b>(3)</b>	<b>(379,482)</b>	<b>(489,808)</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange difference on translating foreign operations		115,439	246,094
		<b>115,439</b>	<b>246,094</b>
<b>Other comprehensive income (loss) for the half-year</b>		<b>115,439</b>	<b>246,094</b>
<b>Total comprehensive income (loss) for the half-year</b>		<b>(264,043)</b>	<b>(243,714)</b>
<b>Total comprehensive income (loss) attributable to Owners of the parent – Elixir Petroleum Ltd</b>		<b>(264,043)</b>	<b>(243,714)</b>
<b>(Loss) per share for the half year attributed to the owners of Elixir Petroleum Ltd</b>			
Basic and diluted loss per share (cents per share)		<b>(0.03)</b>	<b>(0.06)</b>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated statement of financial position

### As at 31 December 2015

	Note	Consolidated	
		31-Dec-2015	30-Jun-2015
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		635,494	568,500
Trade and other receivables		-	910
Other assets		64,504	19,710
<b>Total current assets</b>		<b>699,998</b>	<b>589,120</b>
<b>Non-current assets</b>			
Trade and other receivables	(4)	787,887	750,893
Plant and equipment		3,336	3,813
Deferred exploration and evaluation expenditure	(6)	2,637,675	2,484,762
<b>Total non-current assets</b>		<b>3,428,898</b>	<b>3,239,468</b>
<b>Total assets</b>		<b>4,128,896</b>	<b>3,828,588</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		76,734	215,149
Provisions	(5)	820,889	774,649
<b>Total current liabilities</b>		<b>897,623</b>	<b>989,798</b>
<b>Total liabilities</b>		<b>897,623</b>	<b>989,798</b>
<b>Net assets</b>		<b>3,231,273</b>	<b>2,838,790</b>
<b>Equity</b>			
Contributed equity	(9)	70,144,915	69,510,232
Reserves		311,880	174,598
Accumulated losses		(67,225,522)	(66,846,040)
<b>Total equity</b>		<b>3,231,273</b>	<b>2,838,790</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.



## Consolidated statement of changes in equity

For the half-year ended 31 December 2015

Consolidated	Contributed Equity \$	Option Premium Reserve \$	Share Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
<b>Balance at 1 July 2015</b>	69,510,232	-	114,240	60,358	(66,846,040)	2,838,790
(Loss) for the half-year	-	-	-	-	(379,482)	(379,482)
<i>Other comprehensive income</i>						
Exchange difference on translation of foreign operations	-	-	-	115,439	-	115,439
<b>Total comprehensive income (loss) for the half-year</b>	-	-	-	<b>115,439</b>	<b>(379,482)</b>	<b>(264,043)</b>
<b>Transactions with owners, in their capacity as owners</b>						
Issue of options	-	-	11,076	-	-	11,076
Forfeit of options	-	-	(2,476)	-	-	(2,476)
Shares issued during the half-year	653,552	-	-	-	-	653,552
Share issue costs	(18,869)	-	-	-	-	(18,869)
Performance rights issued	-	-	13,243	-	-	13,243
<b>Total Transactions with owners</b>	<b>634,683</b>	<b>-</b>	<b>21,843</b>	<b>-</b>	<b>-</b>	<b>656,526</b>
<b>Balance at 31 December 2015</b>	<b>70,144,915</b>	<b>-</b>	<b>136,083</b>	<b>175,797</b>	<b>(67,225,522)</b>	<b>3,231,273</b>
<b>Balance at 1 July 2014</b>	66,721,736	-	8,178	(306,486)	(64,722,339)	1,701,089
(Loss) for the half-year	-	-	-	-	(489,808)	(489,808)
<i>Other comprehensive income</i>						
Exchange difference on translation of foreign operations	-	-	-	246,094	-	246,094
<b>Total comprehensive income (loss) for the half-year</b>	-	-	-	<b>246,094</b>	<b>(489,808)</b>	<b>(243,714)</b>
<b>Transactions with owners, in their capacity as owners</b>						
Issue of options	-	20,000	22,089	-	-	42,089
Shares issued during the half-year	3,010,000	-	-	-	-	3,010,000
Share issue costs	(221,508)	-	-	-	-	(221,508)
Performance rights issued	-	-	19,973	-	-	19,973
<b>Total Transactions with owners</b>	<b>2,788,492</b>	<b>20,000</b>	<b>42,062</b>	<b>-</b>	<b>-</b>	<b>2,850,554</b>
<b>Balance at 31 December 2014</b>	<b>69,510,228</b>	<b>20,000</b>	<b>50,240</b>	<b>(60,392)</b>	<b>(65,212,147)</b>	<b>4,307,929</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



## Consolidated statement of cash flows

For the half-year ended 31 December 2015

	Note	Consolidated	
		31-Dec-2015	31-Dec-2014
		\$	\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(363,681)	(481,166)
<b>Net cash (outflow) from operating activities</b>		<b>(363,681)</b>	<b>(481,166)</b>
<b>Cash flows from investing activities</b>			
Payments for acquisition of petroleum leases		-	(1,285,946)
Payments for capitalised exploration and evaluation		(120,958)	(599,797)
Interest and other receivables		2,201	22,987
<b>Net cash (outflow) from investing activities</b>		<b>(118,757)</b>	<b>(1,862,756)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of shares		568,302	3,010,000
Share issue costs		(18,869)	(221,505)
<b>Net cash inflow from financing activities</b>		<b>549,433</b>	<b>2,788,495</b>
<b>Net increase in cash and cash equivalents</b>		<b>66,995</b>	<b>444,573</b>
Cash and cash equivalents at the beginning of the period		568,500	783,889
Effect of exchange rate changes on foreign currency denominated cash balances		(1)	3,096
<b>Cash and cash equivalents at the end of the period</b>		<b>635,494</b>	<b>1,231,558</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



## Notes to the consolidated financial statements

### For the half-year ended 31 December 2015

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#### 1. Basis of Preparation

##### (a) Statement of compliance

These financial statements are general purpose financial statements for the half-year reporting period ended 31 December 2015, which have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by Elixir Petroleum Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and the corresponding half-year reporting period.

##### ***New and amended standards adopted by the entity***

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There may be some changes to the disclosures in the 30 June 2016 annual report as a consequence of these amendments.

##### ***Impact of standards issued but not yet applied by the entity***

There were no new standards issued since 30 June 2015 that have been applied by the Group. The 30 June 2015 annual report disclosed that the Group anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2015.

##### (b) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the consolidated entity to continue as a going concern is dependent upon future asset transactions, capital raising or other corporate activity. Elixir has been able to successfully execute such transactions and raise capital in the past and may be required to do so again in the future to supplement working capital requirements.

The Directors of the consolidated entity continually review funding requirements of the Group and have the ability to supplement existing working capital if required. However, current market conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

This interim financial report was approved by the Board of Directors on 25 February 2016.



## Notes to the consolidated financial statements

### For the half-year ended 31 December 2015

#### 2. Loss for the half-year

Loss for the half-year includes the following items which are significant because of their nature, size or incidence:

	Consolidated	
	31-Dec-2015	31-Dec-2014
	\$	\$
<b>Depreciation of plant and equipment</b>	<b>477</b>	<b>238</b>
<b>General and administrative costs</b>		
Corporate compliance costs	67,762	55,675
Corporate management	214,869	243,257
Administration & office	23,481	143,572
	<b>306,112</b>	<b>442,504</b>

#### 3. Segment information

Management has determined, based on the reports reviewed by the Board of Directors that are used to make strategic decisions, that the Group has two reportable segments being oil and gas exploration in France and oil and gas exploration in the United States of America (USA). The Group's management and administration office is located in Australia.

	Consolidated	
	31-Dec-2015	31-Dec-2014
	\$	\$
<i>Reportable segment revenue</i>		
Revenue, including interest income, is disclosed below based on the reportable segment:		
Revenue from other corporate activities	2,201	18,577
	<b>2,201</b>	<b>18,577</b>
<i>Reportable segment loss</i>		
Loss is disclosed below based on the reportable segment:		
(Loss) from oil and gas exploration– France	(65)	(15,966)
(Loss) from oil and gas exploration - USA	(36,016)	(47,231)
(Loss) from other corporate activities	(343,401)	(426,611)
	<b>(379,482)</b>	<b>(489,808)</b>
<i>Reportable segment assets</i>		
Assets are disclosed below based on the reportable segment:		
Asset from oil and gas exploration– France	26,066	26,346
Asset from oil and gas production – USA	3,428,546	3,247,034
Assets from other corporate activities	674,284	555,208
	<b>4,128,896</b>	<b>3,828,588</b>
<i>Reportable segment liabilities</i>		
Liabilities are disclosed below based on the reportable segment:		
Liabilities from oil and gas exploration– France	25,496	25,736
Liabilities from oil and gas production – USA	794,975	836,820
Liabilities from other corporate activities	77,152	127,242
	<b>897,623</b>	<b>989,798</b>

## Notes to the consolidated financial statements

For the half-year ended 31 December 2015

### 4. Trade and other receivables

	Consolidated	
	31-Dec-2015	30-Jun-2015
	\$	\$
<b>Non-current receivables</b>		
Cash Deposit – Cottesloe Oil and Gas LLC security bond <sup>(i)</sup>	<b>787,887</b>	750,893

<sup>(i)</sup> The non-current receivable represents a cash backed security bond of US\$575,000 in favour of the previous owner of the Pompano platform and associated infrastructure which can be called upon in the event Cottesloe defaults on its share of the abandonment costs of this infrastructure. The movement in the value of the bond represents the foreign exchange movement associated with the cash deposit. Refer to Note 10 for more details.

### 5. Provisions

	Consolidated	
	31-Dec-2015	30-Jun-2015
	\$	\$
<b>Current provisions</b>		
Balance at the beginning of the period	<b>774,649</b>	484,816
Additional provisions	<b>9,245</b>	164,692
Amounts used	-	-
Foreign currency movement	<b>36,995</b>	125,141
Net carrying amount	<b>820,889</b>	774,649

### 6. Deferred exploration and evaluation

	Consolidated	
	31-Dec-2015	30-Jun-2015
	\$	\$
Opening balance	<b>2,484,762</b>	1,000,000
Capitalised expenditure <sup>(i)</sup>	<b>30,495</b>	2,490,972
Impairment <sup>(ii)</sup>	-	(1,051,494)
Foreign currency movement	<b>122,418</b>	45,284
	<b>2,637,675</b>	2,484,762

<sup>(i)</sup> Capitalised expenditure incurred during both periods relates to ongoing exploration activities for the Petra Project in Colorado.

<sup>(ii)</sup> The carrying value of the exploration and evaluation expenditure capitalised to the Moselle permit at period end is \$nil. The Group recognised impairment in the year ending 30 June 2015 of \$1 million following the expiry of the Moselle permit on 19 January 2014. A renewal application for the permit was lodged in September 2013. The Group awaits notification that the extension into a second exploration period has been granted. The Group has not capitalised any expenditure to the Moselle permit since expiry in January 2014. The ultimate recoupment of exploration expenditure carried forward is dependent on successful development and exploitation, or alternatively sale, of the respective areas of interest.



## Notes to the consolidated financial statements

For the half-year ended 31 December 2015

### 7. Share Based Payments

The Company has an established Executive Incentive Plan ("Plan") that allows executives and consultants to participate in either Performance Rights or Share Option allocations as determined by the Board from time to time. Details of the Executive Incentive Plan are disclosed in the Remuneration Report for the year ended 30 June 2015. On 30 November 2015 shareholders approved the issue of Share Options to the Managing Director pursuant to the Plan. The Share Options were issued on 2 December 2015 on the terms and conditions as per below:

Grant Date	Number	Vesting Conditions	Exercise Price	Expiry Date
<b>Share Options</b>				
<i>Key Management Personnel</i>				
30 November 2015	37,500,000 <sup>(a)</sup>	30-Nov-16	\$0.0018	30-Nov-18
30 November 2015	37,500,000 <sup>(b)</sup>	30-Nov-17	\$0.0018	30-Nov-18

The fair value of the Options is deemed to represent the value of the services received over the vesting period.

	Key Management Personnel <sup>(a)</sup>	Key Management Personnel <sup>(b)</sup>
Fair Value of Security at measurement date	\$0.0006	\$0.0006
Share Price at Grant	\$0.001	\$0.001
Exercise Price	\$0.0018	\$0.0018
Expected Volatility	110%	110%
Option Life	3 years	3 years
Expected Dividends	Nil	Nil
Risk Free interest	2.93%	2.93%

### 8. Dividends

No dividend has been paid or is proposed in respect of the half-year ended 31 December 2015 (2014: Nil).

### 9. Issued Capital

During the half-year the Company undertook a placement and a fully subscribed Share Purchase Plan which raised \$568,302 (pre costs) through the issue of 568,303,096 shares. At the Company's Annual General Meeting which was held on 30 November 2015 shareholders approved the issue of 85,250,000 shares to directors in lieu of the directors reducing their salary and fees by 50% resulting in an additional \$85,250 worth of shares being issued during the half-year.

### 10. Commitments and Contingencies

The Consolidated Entity has no firm contractual commitments for expenditure not reflected in the financial statements.

Cottesloe Oil and Gas LLC ("Cottesloe"), a wholly owned subsidiary of the Group, was a party to a Joint Operating Agreement ("JOA") with amongst others, Buccaneer Resources LLC ("Buccaneer"), a wholly owned subsidiary of Buccaneer Energy Limited on the Pompano Project ("Pompano"). During 2011 the Operator proposed activities at Pompano which Cottesloe declined to participate in thus impacting its status and future rights and obligations under the JOA. The remaining JV partners ultimately elected to shut in the wells and relinquish the two associated leases





## Notes to the consolidated financial statements

### For the half-year ended 31 December 2015

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during 2012 with abandonment obligations remaining outstanding. Buccaneer applied for and was granted Chapter 11 protection in the United States and Australia post the end of the 2014 financial year. It has been reported that a settlement has been reached with Buccaneer's creditors and that the bankruptcy court in the United States has approved the sale of Buccaneer's assets to AIX Energy LLC, a subsidiary of Meridian Capital International Fund. It is unclear whether Cottesloe is still a party to the JOA, but if this is the case, there is the possibility that in the event of a default by the operator on its share of the abandonment cost of the platform, associated infrastructure and the wells, then Cottesloe will potentially be liable for its increased proportionate share of the cost. Cottesloe's only asset is a cash backed bond of US\$575,000 in favour of the previous owner of the platform and associated infrastructure which can be called upon in the event Cottesloe defaults on its share of the abandonment costs of this infrastructure. The cash backed bond provided by Cottesloe does not extend to any costs of abandoning the wells. There is no parent company guarantee in place between the Company and any of the other co-venturers in the Pompano project and therefore there is limited recourse to the Company or any other subsidiary of the Group should a claim be made on Cottesloe for an amount in excess of its assets.

#### 11. Fair Values of Financial Instruments

##### *Recurring fair value measurements*

The Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

##### *Fair values of financial instruments not measured at fair value*

Due to their short-term nature, the carrying amounts of current receivables and current trade and other payables is assumed to equal their fair value.

#### 12. Events Occurring After Reporting Date

Other than as disclosed elsewhere in this half-year financial report, no event has arisen since 31 December 2015 that would be likely to materially affect the operations of the Consolidated Entity, the results of the Consolidated Entity or the state of affairs of the Consolidated Entity.

The Consolidated Entity is in the process of potentially acquiring a 57.5% Working Interest in the Cliff Head Oil Field in the Perth Basin from AWE Limited. Should this transaction complete, it may materially affect the operations of the Consolidated Entity, the results of the Consolidated Entity or the state of affairs of the Consolidated Entity. Details of the acquisition are provided in the Operations Review of the half-year report.

#### 13. Related Party Transaction

There have been no changes to related parties from those disclosed in the 30 June 2015 financial statements other than the resignation of Mr Mark O'Clery as non-executive Director.

During the half-year, related party transactions included the issue of options to the Managing Director as approved by shareholders and disclosed in the Share Based Payments Note 7.

Additionally, all directors agreed and shareholders approved to equity settle six months of their fees through the issue of shares in the Company. The fees forgone from the period of 1 October 2015 through to 31 March 2016 totaled \$85,250 and resulted in 85,250,000 shares being issued to directors on 7 December 2015, which was considered the fair value of the services provided based on the current volume weighted average share price immediately prior to the shares being issued. As at 31 December 2015, three months of these fees \$42,625 remain prepaid and will be expensed over the next three months. Should any director resign prior to 31 March 2016, the director will be liable to pay for any unearned fees already granted in shares.