

25 October 2016

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

### HIGHLIGHTS

- **Restructure completed with shares on issue of 178,946,872 post capital raisings**
- **Cash of approximately \$2.4M as at 30 September 2016 with no debt**
- **Rights Issue well supported and 100% of Shortfall Shares placed**
- **Extension of farm-in Agreement for Petra Project with drilling scheduled to commence May 2017**
- **New venture program ongoing with numerous new projects currently being reviewed**
- **Scott Patrizi accepted position as Non-Executive Director**

### EXECUTIVE SUMMARY

During the quarter Elixir Petroleum Limited (**ASX:EXR**) (Elixir or Company) completed a number of initiatives to recapitalise and restructure the Company. A significant part of this process was the successful completion of a \$2.2m capital raising and the consolidation of the Company's issued capital resulting in there being approximately 179 million shares on issue at the completion of the restructure.

The Company is now in a much stronger financial position to pursue new venture opportunities and progress activity on its existing asset base.

Operationally, Elixir recently announced that it has negotiated a further six-month extension to the Petra farm-in agreement to 30 June 2017. Drilling of the first exploration well on the exciting oil prospect at the Petra Project is scheduled to commence in May 2017.

### BUSINESS DEVELOPMENT ACTIVITIES

With the injection of new capital and the ongoing support of new and existing shareholders, Elixir is well positioned to continue with what has been active new ventures program.

With the restructure complete, management will re-focus its efforts on identifying additional new ventures projects that have the potential to create value for the Company's shareholders. Elixir's current cash position, together with the ongoing support of a new group of investors who have the ability to provide additional funding for the right opportunities, will ensure that the Company is well placed to leverage off the continuing industry downturn where quality projects remain available for acquisition.

### EXPLORATION ACTIVITIES

**Project Name:** Petra Project  
**Location:** Colorado, USA  
**Ownership:** 50% Working Interest

The Petra Project remains in good standing with Elixir and its partner recently agreeing to further extend the term of the farm-in agreement to 30 June 2017. With new funding in place, Elixir is in a position to be able to complete the farm-in and earn its full 50% working interest in the 30,000 net acres under lease.

To complete the farm-in, Elixir is required to fund an initial exploration well on the Petra Project. Drilling costs in Colorado have continued to fall and the expected dry hole cost of the circa 8,000 foot Rodwell Prospect is expected to be less than US\$500,000. The prospect has been defined from interpretation of existing regional data acquired by Elixir in late 2014 and two proprietary seismic surveys undertaken by Elixir in early 2015.

On 13 August 2015, the Company announced an initial Prospective Resource for the Rodwell Prospect of 2.5MMBBLs recoverable net to Elixir, which at WTI US\$50/bbl resulted in an un-risked net present value of US\$41.8M net to Elixir. Please refer to the announcement of 13 August 2015 for full details of the Independent Prospective Resource Report.

With oil prices having some level of stability around US\$50/bbl and drilling costs low, now is time to begin planning for a well to be drilled in the northern hemisphere spring of 2017. The Joint Venture has three drilling permits in place and no

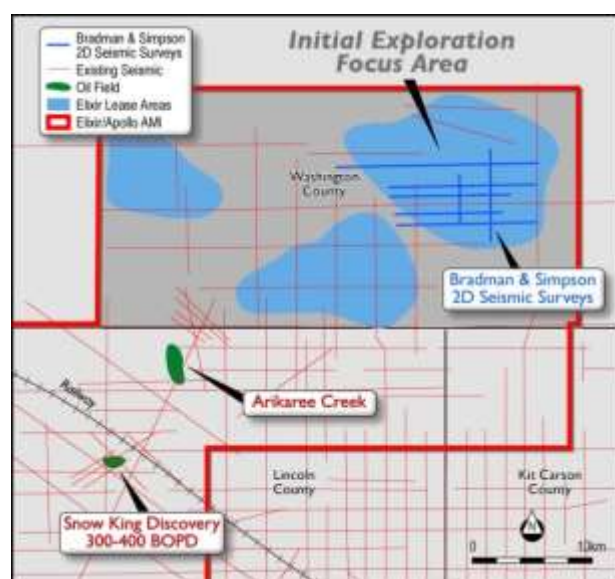
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**[www.elixirpetroleum.com](http://www.elixirpetroleum.com)**

**Elixir Petroleum Limited**

ABN 51 108 230 995  
338 Hay Street  
SUBIACO WA 6008, AUSTRALIA  
T: +61 8 9226 2111 E: [info@elixirpetroleum.com](mailto:info@elixirpetroleum.com)

further significant regulatory approvals are required to commence drilling operations.



Elixir continues to monitor activity in the region and more recently has become aware of a number of private companies both permitting and drilling wells in the immediate vicinity of the Company's leases.

Elixir and its Joint Venture partner continue to engage in discussions with other parties to join the group to help fund an expanded exploration programme, but given the low cost of the well and the significant investment made to date by Elixir on the acreage, any proposal needs to be compelling for the Company and its shareholders.

**Project Name:** Moselle Permit  
**Location:** North-eastern France  
**Ownership:** 100% Working Interest

Elixir has become aware of several parties that have been successful in taking action against the

French administration with respect to the non-renewal or failure to grant extensions of exploration permits in France. The Company is currently investigating whether similar action can or should be pursued by the Company in a cost effective manner. The Company expects to be able to provide an update on its findings prior to the next quarterly report.

## CORPORATE AND FINANCIAL

### *Quarterly expenditure, cash position and capital structure*

As at the end of the quarter, the Company had approximately \$2.4M in cash and no debt. Corporate overheads increased slightly during this quarter as a result of the number of corporate actions undertaken plus annual ASX and audit fees being paid in the quarter. Overheads continue to be kept to a minimum with strong cost control across the business.

During the quarter the Company raised a total of approximately \$2.23M (pre costs) in new equity. The Company also undertook a share consolidation on the basis that every twenty five shares were consolidated into one share. Total shares on issue as at the end of the quarter was 178,946,872 with 11,600,000 options exercisable at between \$0.04 and \$0.25 per option.

### *Board composition*

Subsequent to the end of the quarter, the Company appointed Mr Scott Patrizi as an additional non-executive director. Scott comes from a broking and corporate finance background and will provide valuable assistance to the Board in new venture identification and funding options.

## PETROLEUM TENEMENTS HELD AS AT 30 SEPTEMBER 2016

	% Interest	Tenement	Location
Held at end of quarter	100%	Moselle Permit	North-eastern France
	50%	Petra Project	Colorado, USA
Acquired during quarter	-	-	-
Disposed during quarter	-	-	-

## INTERESTS IN FARM-IN OR FARM-OUT AGREEMENTS AS AT 30 JUNE 2016

	Farm-in / Farm-out	% Change in Interest	Project
Held at end of quarter	50%	-	Petra Project
Acquired during quarter	-	-	-
Disposed during quarter	-	-	-

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