

28 April 2017

**QUARTERLY ACTIVITIES REPORT FOR THE
PERIOD ENDED 31 MARCH 2017****HIGHLIGHTS**

- **Cash of approximately \$2.0M at 31 March 2017 with no debt and continued low cash burn during this quarter**
- **Preparations and discussions continuing for fully funded drilling of conventional oil prospect on the Petra Project in mid-2017**
- **New ventures program continued throughout the quarter with numerous discussions on potential opportunities ongoing**
- **Legal action underway against French Government for non-renewal of Moselle Permit**

EXECUTIVE SUMMARY

During the quarter ended 31 March 2017, Elixir Petroleum Limited (**ASX:EXR**) (Elixir or Company) continued with an active new ventures program. Opportunities that meet the Board's investment criteria remain difficult to identify and although several opportunities have progressed beyond scoping studies, they have failed to pass the detailed due diligence phase.

Elixir remains fully funded for its upcoming conventional oil exploration well in Colorado and planning is continuing towards an expected spud date of the Rodwell-1 well in mid-2017. Both macro world events and continued uncertainty over oil price remain factors being considered by the Board and a final decision on full participation in the well has not yet been made.

The Company continued with its legal action against the French Government during the quarter following the continued non-renewal of the Moselle Permit. Further detail is provided in the section on the Moselle Permit.

BUSINESS DEVELOPMENT ACTIVITIES

Management has continued its focus on identifying and reviewing new ventures projects that have the potential to create value for the Company's shareholders.

Projects being considered range from high impact, exploration targets through to development and appraisal opportunities, both in the United States and other predominantly OECD countries.

Projects outside of the oil and gas sector are being considered where compelling investment opportunities exist.

To date, the Board has determined that none of the investment opportunities presented to it thus far meets the necessary investment criteria.

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 progressing plans to drill the Rodwell-1 prospect in mid-2017. With funding in place, Elixir is in a position where it is able to complete the farm-in and earn its full 50% working interest in the approximate 30,000 net acres under lease.

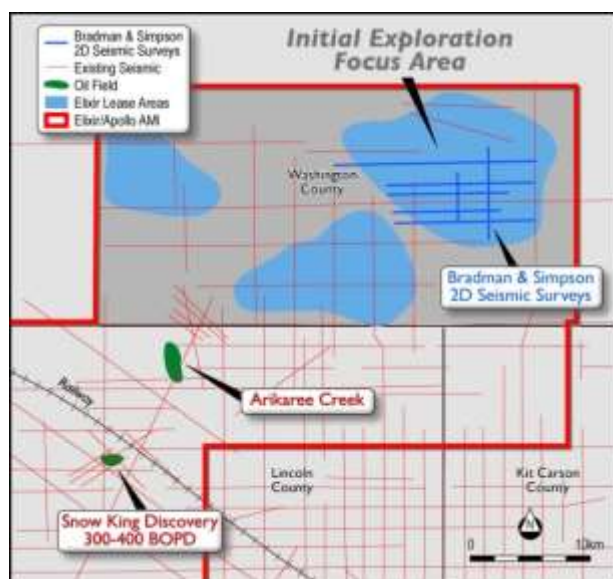
To complete the farm-in, Elixir is required to fund an initial exploration well on the Petra Project. The anticipated dry hole cost of the circa 8,000 foot Rodwell Prospect is expected to be less than US\$500,000. The prospect has been identified from interpretation of existing regional data acquired 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 2.5MMBLS 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 above US\$50/bbl and drilling costs remaining low, the Operator has continuing to progress planning for a

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well to be drilled in the northern hemisphere spring/summer of 2017. The Joint Venture has three drilling permits in place and no further 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.

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

Following on from the success of several third parties that have taken action against the French Government with respect to the non-renewal or failure to grant extensions of exploration permits in France, Elixir commenced a low cost legal action to uphold its legal right to extend the permit for a further five-year term.

On 5 January 2017, the Company commenced proceedings against the State (being the French Government) to seek the renewal of the Moselle Permit. The initial action was to seek suspension of the implied decision not to renew the Moselle Permit, which may have resulted in penalties being applied. This action needed to be considered by the Court to be an urgent matter and due to the extended passing of time since the implicit decision; the Court dismissed the action as not being urgent.

The Company is now able to pursue the more significant action against the State for the annulment of the implicit decision not to renew the Moselle Permit, which if successful, would result in damages being able to be claimed by the Company if the Moselle Permit is not renewed. The action for annulment is an action based on the application of the law, not the passing of time. The action for annulment is not expected to be heard by the Court for several months. Elixir is pursuing these actions through the Courts on a fixed legal cost basis with bonus payments payable only in the event the actions are successful.

CORPORATE AND FINANCIAL

Quarterly expenditure, cash position and capital structure

As at the end of the quarter, the Company had approximately \$2.0M in cash.

During the quarter, the Company expended funds on a number of small leases over the core Petra Project area as well as undertaking some minor exploration activities leading up to preparation of the potential upcoming drilling program,.

General and administration costs continue to be kept to an absolute minimum with the majority of cost saving initiatives now complete.

PETROLEUM TENEMENTS HELD AS AT 31 MARCH 2017

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

INTERESTS IN FARM-IN OR FARM-OUT AGREEMENTS AS AT 31 MARCH 2017

	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