

16 January 2018

MOSELLE PERMIT UPDATE

- **100% owned Moselle Permit renewed for second exploration period to 20 January 2019, being five years from the expiry date of the first exploration period**
- **Elixir to submit an application for a three year extension to the second exploration period due to extensive four year delay in obtaining the renewal of the Moselle Permit**
- **Moselle Permit license allows for application of a third exploration period of a further five years (after 25% relinquishment of current area)**
- **Elixir to immediately recommence exploration activities and reactivate previously well advanced farm-out campaign**

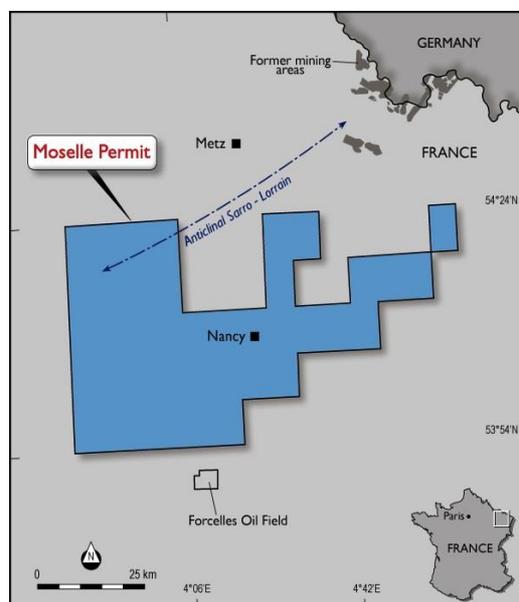
Elixir Petroleum Limited (ASX:EXR) is pleased to provide an update with respect to its 100% owned Moselle Permit in the Saar-Lorraine Basin.

The renewal application for the Moselle Permit was lodged with the relevant French authorities in September 2013 where Elixir committed to a second five year exploration period which included a financial commitment of €1.65 million. With all expenditure obligations relating to the first exploration period having been met, the Company has been awaiting the extension into the second exploration period since that date.

The Moselle Permit was acquired by Elixir in April 2010 and is located in north-eastern France in the Saar-Lorraine Basin. The Moselle Permit covers approximately 2,653 km² in area, or over 500,000 acres and is one of the largest exploration permits in Western Europe.

In January 2017, Elixir commenced proceedings against the French State seeking the renewal of the Moselle Permit. On 23 December 2017, the French parliament passed laws that prohibit the award of any new exploration licenses and will ban all future oil and gas activities from 2040. Following the passing of the legislation, the Moselle Permit (along with other permits with renewals pending) was formally renewed and the Company understands that all current proceedings against the French State will be dismissed by the courts following the renewal.

Elixir now intends to proceed with an application for a three year extension of the second exploration period, which if granted will extend the expiry of the second exploration period to 20 January 2022.



Location of Moselle Permit – North East France

In addition, Elixir has the right to apply for a third exploration period on expiry of the second exploration period, which will extend the term of the Moselle Permit for a further five years, subject to Elixir continuing to meet its license obligations within the second exploration period and a relinquishment of a further 25% of the total license area.

If Elixir is granted a three year extension of the second exploration period and is granted a third five year exploration period, then Elixir could potentially retain the most prospective area of the Moselle Permit until January 2027.

Elixir will immediately recommence exploration activities and reactivate its previous farm-out efforts for the Moselle Permit, which is considered highly prospective for natural gas. Elixir has previously mapped a number of conventional prospects and in 2013 was actively marketing these prospects for farm-out prior to this process being suspended following the extended delay in the renewal process.

Elixir Managing Director, Mr Dougal Ferguson commented:

"It is pleasing to finally obtain the renewal of the Moselle Permit, which has been a process that has been ongoing since prior to my involvement with the Company. There still remain legal remedies available to the Company for loss of time and loss of opportunity as a result of the significant delays endured by Elixir and its shareholders, but the main focus now is to secure a three year extension to the current term and to recommence exploration efforts on what remains a highly prospective block in the heart of an industrial area of France."

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