

01 February 2019

ENTEK EXERCISES OPTION TO ACQUIRE ELIXIR'S ALASKAN ASSETS

Elixir Petroleum Limited (ASX:EXR) advises that it has received formal notice from Entek Energy Limited (ASX:ETE) that it wishes to exercise its option to acquire Elixir's wholly owned subsidiary Emerald House LLC (Emerald), pursuant to an Option Agreement entered into between the two companies on 29 November 2018.

Emerald currently owns a 100% Working Interest in 35,423 acres on the North Slope of Alaska and was recently announced as the successful highest bidder on a further 114,310 acres within the North Slope's National Petroleum Reserve of Alaska (NPRA) following the December 2018 lease sale. The new leases are immediately adjacent to the 35,423 acres acquired by Emerald in November 2018.

On completion of the acquisition, Entek will issue Elixir up to 200 million shares, the final number of which will be determined under a formula in the Option Agreement. Based on present calculations, Elixir calculates the consideration to be paid by Entek at completion to be approximately 185 million Entek shares.

Elixir intends to distribute the Entek shares to its shareholders on a pro-rata basis subject to the approval by Elixir shareholders of an equal capital reduction and estimates that Elixir shareholders will receive approximately one (1) Entek share for each two (2) Elixir shares held as at the Record Date, expected to be in late March 2019.

The transaction remains subject to satisfaction of certain conditions including both companies' shareholder approval. The shareholder meetings are expected to occur in March and subject to all other conditions being met, completion and distribution of the Entek shares to Elixir shareholders will occur shortly thereafter.

Elixir Managing Director, Mr Dougal Ferguson commented:

"This is a great result for Elixir and its shareholders and it provides certainty to both companies' shareholders as to the future direction of both Elixir and Entek. Both the Mongolian CBM PSC and the North Slope lease package are high impact exploration plays and both have the potential to be large scale mega projects. Subject to completion of the acquisition occurring, each company will be well positioned to progress their individual objectives, with Elixir shareholders having a significant exposure to both projects through this transaction."

For further enquiries, please contact:

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

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