

18 February 2019

**10 NEW ALASKAN LEASES ACCEPTED**

- **Elixir Petroleum, in consultation with Entek Energy (Entek), accepts all 10 leases won in the National Petroleum Reserve-Alaska (NPR-A) 2018 lease sale**
- **Shareholders to maintain exposure to the highly prospective Nanushuk oil trend with in-specie distribution of Entek shares to Elixir shareholders in early April**
- **Elixir will pay US\$1.25M due on acceptance of the leases, to be repaid in cash by Entek at completion of the proposed acquisition (net of loan described below)**
- **Entek to provide bridging loan of US\$0.5M, with shareholder approvals for the proposed acquisition to be sought by late March 2019**

**Elixir Petroleum Limited (ASX:EXR)** is pleased to announce that it has today dispatched executed documents to the Bureau of Land Management (BLM) for acceptance of all 10 leases offered pursuant to the 2018 National Petroleum Reserve-Alaska (NPR-A) oil and gas lease sale, consisting of 114,167 acres in the highly prospective Nanushuk oil trend in Alaska. Elixir must pay for and deliver to the BLM the leases on or before 26 February 2019.

The amount payable by Elixir of approximately US\$1.25M on acceptance of these leases will be repaid by Entek in cash on completion of the acquisition. A bridging loan amount of US\$500,000 will be offset against the US\$1.25M upon completion of the transaction with Entek, which is subject to both Elixir and Entek shareholder approval, expected to be sought in late March 2019. Material terms of the bridging loan and the main amendments to the Option Agreement to facilitate the loan are set out in the Schedule attached to this announcement.

The Notice of Meetings for both Elixir and Entek are due to be finalised shortly and will be dispatched following ASX review.

Elixir's Managing Director, Mr. Dougal Ferguson commented:

*"Accepting all 10 of the new leases provides Elixir shareholders with continued exposure to the highly prospective Nanushuk oil play in Alaska. That exposure comes in the form of shares in Entek which will be distributed in specie to Elixir shareholders following shareholder approval of the transaction."*

*Entek has shown its commitment to the proposed transaction by providing the bridging loan. The loan will ensure Elixir can continue to progress its Mongolian exploration activities, specifically the upcoming 2D seismic program, in a timely fashion. Elixir's Board is 100% committed to this transaction as demonstrated by the Board's voting intention statements given to Entek detailed in the Schedule."*

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

**ASX CODE: EXR****[www.elixirpetroleum.com](http://www.elixirpetroleum.com)****Elixir Petroleum Limited**

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## Schedule

The material terms of the **Bridging Loan Facility** include:

Facility Amount:	US\$500,000
Purpose:	The purpose of the loan is to supplement the cash consideration payable to the BLM for the balance due (US\$1.25M) of the bonus bid payments and the 1 <sup>st</sup> year advance rentals on the new leases acquired in the 2018 NPR-A oil and gas lease sale.
Term:	If Elixir shareholders do not vote in favour of the transaction, the loan is repayable by Elixir within 30 days of the shareholder meeting. If Entek shareholders do not vote in favour of the transaction, the loan is repayable by Elixir within 60 days of the shareholder meeting.
Security	General security deed over all of Elixir's assets and undertakings.
Interest Rate:	12% per annum, only payable if the transaction does not complete.
Default:	If Elixir defaults on repayment, Entek may elect to convert the loan into a 17.5% Working Interest in Elixir's entire Alaskan lease portfolio, being approximately 150,000 acres, in lieu of exercising its rights under the security.

The loan is subject to standard terms and conditions associated with a loan of this nature, including events of default, warranties and covenants.

The material changes to the **Option Agreement** include:

Loan Facility:	General amendments to facilitate the new Bridging Loan Facility, notably that the amount repayable in cash to Elixir at completion is reduced by the loan amount.
Minimum Cash:	Reducing the minimum cash Entek must have on hand at completion by the Bridging Loan Facility amount.
Notice of Meeting:	Allowing Entek an additional 10 business days to call a shareholder meeting.

The directors of Elixir have provided Entek with voting intention statements that confirm that they will vote in favour of the transaction subject to various conditions including Entek not being in material breach of the Option Agreement. Elixir directors will also use best endeavours to ensure Elixir shareholder approvals for the transaction are passed including meeting with key shareholders and taking all steps reasonably necessary to solicit proxy votes in favour of such resolutions.