

30 July 2015

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2015

HIGHLIGHTS

- **Simpson 2D seismic survey completed in June 2015 on budget**
- **Newly acquired Simpson and Bradman 2D seismic surveys have been integrated with existing data set confirming conventional oil prospects within initial area of focus over Petra Project**
- **Two initial locations staked with drilling permits lodged with the Colorado Oil and Gas Conservation Council (COGCC) subsequent to the end of the quarter**
- **Prospective Resource assessment currently underway and expected to be completed by mid-August**
- **Sundance Energy Limited (ASX:SEA) became Elixir's largest shareholder, acquiring an 11.8% shareholding in Elixir**

EXECUTIVE SUMMARY

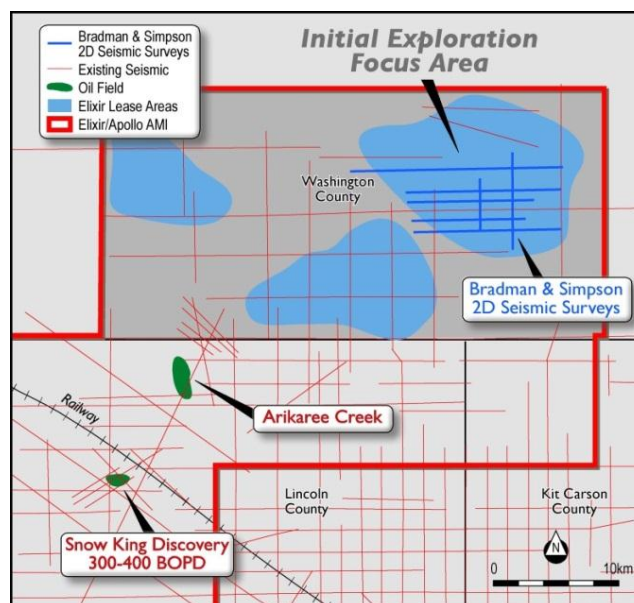
Elixir Petroleum Limited (**ASX:EXR**) ("Elixir" or "Company") continues to focus on its principal asset, being a 50% Working Interest in approximately 30,000 net acres in Washington County, Colorado (the "**Petra Project**"). In less than 12 months, the Company has built a significant lease position and has acquired a substantial amount of both existing and new 2D seismic data to confirm the play and define prospects which are now matured for drilling.

During the quarter the Company also welcomed Sundance Energy Limited ("**Sundance**") as its new major shareholder after it acquired an 11.8% stake in Elixir. Sundance is an ASX listed company with an enterprise value of over \$400 million with its head office and senior management based in Denver. Sundance has had extensive experience in Colorado having previously owned assets in the DJ Basin before selling them in July 2014 for approximately US\$115 million generating an internal rate of return of approximately 104%. Sundance management has indicated that it is willing to support the growth of the Elixir business.

Elixir also continues to pursue the renewal of the Moselle exploration licence onshore France. Renewal of the Moselle permit remains a priority for the Company given the significant oil and gas resource potential that has been identified by Elixir and independently verified by RPS Energy Services Pty Ltd ("RPS"). However until such time as the renewal is granted, expenditure in France

is being kept to a minimum. During the quarter, the Company continued to lobby the relevant ministers who are responsible for signing the renewal application.

Cost control continues to be a focus for the Company with corporate overheads being reduced as much as possible. The Company had cash on hand at 30 June 2015 of just over \$0.55 million with no debt.



EXPLORATION ACTIVITIES

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

During the quarter, Elixir completed the initial years' work programme with the acquisition and processing of the Simpson 2D seismic survey and the integration and interpretation of all the data which has matured the drillable prospects.

Subsequent to the end of the quarter, the operator of the joint venture (Apollo Operating LLC) has submitted two drilling permits with the COGCC which are expected to be approved within 30 to 45 days (approximately the end of August). A third drilling permit is currently being submitted for a third location.

The current agreed work programme for the year ended 30 June 2016 includes the drilling of at least two exploration wells. Elixir will continue to contribute 100% of the costs of the agreed work programme until the agreed cap of US\$1.5 million is reached, after which both Apollo and Elixir will contribute 50% of the costs in accordance with their respective Working Interests. As of 30 June 2015, Elixir has incurred approximately US\$650,000 on approved exploration activities.

Elixir's leases follow a new trend in the Denver Julesberg Basin ("**DJ Basin**") which is targeting Mississippian and Pennsylvanian conventional structures (at a depth of ~2,500 metres) that have been successfully developed in recent years and are now in production.

As a result of the work programme undertaken to date, Elixir and Apollo have identified a structural complex within its leases and is now in the process of quantifying the prospective resources attributable to this feature. The results of the prospective resource report are expected to be available by mid-August 2015.

Elixir and Apollo continually review the forward work programme, always taking into consideration the current economic conditions and oil price, and have an understanding that any work programme may be amended or deferred if necessary. Elixir and Apollo work together closely towards achieving a common goal and continue to have a strong relationship working in partnership on various new venture projects.

Geological and Geophysical Activities (100% carried by Elixir)

During the quarter, the Company essentially completed its geological and geophysical program and subject to completion of the prospective resources report commissioned by Elixir, the future activities will be focussed on preparation and planning for the exploration drilling programme.

Drilling Activities (100% carried by Elixir up to agreed cap)

With the drilling permits now submitted for approval with the COGCC, the joint venture is focussed on preparation of a drilling program and budget. It is expected the initial exploration well, on a dry hole basis, will cost in the region of US\$700,000. Full economic analysis is underway as part of the prospective resource assessment project including detailed well and production facility cost analysis.

Leasing Activities (50% cost to Elixir)

During the quarter the Joint Venture did not undertake any significant leasing activities as it has achieved its initial target and has a material foothold over a 50% Working Interest in approximately 30,000 acres. Elixir's current focussed exploration efforts only cover approximately 30% of its current leased lands.

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

A renewal application for the Moselle Permit was lodged in September 2013 with the relevant French authorities. Elixir continues to await notification that the extension into the second exploration period has been granted. The Company does not intend to incur any significant expenditure on Moselle until the renewal is granted.

In June 2013, Elixir commissioned an Independent Resources Report from RPS for three conventional prospects identified in the Moselle Permit. The report confirmed Elixir's technical work, and verified the potential for significant conventional prospective resources in each of the three prospects analysed.

The report from RPS estimated mean unrisksed prospective recoverable resources¹ of 861 Bcf for the three prospects (if entirely gas filled), or alternatively 805 Bcf of gas and 76 mmbbls of oil (if the Lower Triassic 'Paris Basin' reservoirs are oil filled).

The results of the RPS Independent Resources Report confirm the significant conventional resource potential in Moselle (incorporating both shallow oil and deeper gas potential), and the attractive risk profile of each of the prospects assessed.

(1) Statistical aggregation assuming that all sequences are successful. The probability of this occurring is the product of all risks and is likely to be extremely small.

BUSINESS DEVELOPMENT ACTIVITIES

Project Name: New Business
Location: USA
Ownership: Not applicable

Elixir continues to review numerous high quality opportunities which have become available as a result of companies repositioning their asset portfolios with the recent weakness in the oil price. None of these opportunities have yet reached a stage where the Company has agreed terms, but work continues on a number of projects that meet our initial screening criteria for the potential acquisition of low risk production/appraisal assets.

CORPORATE AND FINANCIAL

Quarterly expenditure and cash position

During the quarter, the Company's cash expenditure was in line with the previous quarter's forecast and is expected to be significantly less this quarter with the completion of the 2015 work programme and budget.

Corporate overhead costs continue to be monitored very closely with every cost saving being implemented where practicable.

At the end of the reporting period the Company held cash on hand of just over \$0.55 million and no debt.

PETROLEUM TENEMENTS HELD AS AT 30 JUNE 2015

	% 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 2015

	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