



31 October 2013

**QUARTERLY ACTIVITIES REPORT FOR THE
PERIOD ENDED 30 SEPTEMBER 2013**

HIGHLIGHTS

- Renewal application for Moselle Permit has been submitted
- Amended farmout terms agreed for Elixir's UK North Sea licence
- Fully underwritten entitlement issue raised approximately \$1.85m
- Sam Willis appointed as non-executive director to the Board

Elixir Petroleum Limited (ASX:EXR) ("Elixir" or "Company") holds interests in exploration licences onshore France and in the UK North Sea, and in a production lease located in the Gulf of Mexico.

A summary of the Company's activities for the September 2013 quarter is set out below.

EXPLORATION

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

Elixir continued its efforts to secure a partner to pursue the considerable conventional prospectivity within the Moselle permit on acceptable commercial terms. A number of parties have expressed some interest but none of these discussions have progressed to a meaningful stage at this juncture and it is uncertain if an acceptable deal will be reached in the near term. The feedback from various parties is that the jurisdiction and regulatory environment continues to be challenging and thus creates an impediment to attracting a farminee.

The Moselle Permit's initial five year exploration period is due to expire in January 2014, and accordingly a renewal application was lodged in early September 2013 with the relevant French authorities in accordance with a process prescribed by the French Mining Code. As required by the Mining Code, Elixir has identified areas comprising approximately 50% of the permit which will be relinquished upon entering Moselle's second 5-year exploration term. These areas cover the shallow flanks of the Saar-Lorraine Basin, with the acreage to be retained comprising approximately 2,660 km² of the central part of the basin and the areas considered most prospective for both conventional and unconventional hydrocarbons (including all of the conventional structural prospects and leads mapped in the permit to date). Under the Mining Code, permits are renewed based on maintaining the current period expenditure per kilometre per year which Elixir has committed to over the second five year exploration period. All obligations relating to the first exploration period have been met and the Company expects the extension into a second exploration period to be forthcoming in due course. It is noted that it is likely to be some time prior to the renewal extension being formally granted / approved due to the process involved.

Project Name: Sunset Prospect (Blocks 12/18 and 12/19c)
Location: Inner Moray Firth UK North Sea
Ownership: 75% Working Interest, proposed to reduce to 20% non-operated Working Interest

In December 2012, Elixir announced the farmout of the Sunset Prospect to Adriatic Oil Plc ("Adriatic"). Under the terms of the farmout, Adriatic was assigned a 25% participating interest in the licence in consideration for funding the cost of interpreting newly purchased 3D seismic data over the blocks

up to an agreed maximum value, together with a cash contribution towards Elixir's prior costs on the project.

In September 2013, Elixir announced an amendment to the original farmout agreement. Under the amended terms of the farmout, and subsequent to the quarter, Adriatic was assigned a further 55% participating interest (resulting in a total 80% Adriatic participating interest) in the Licence in consideration for fully funding re-processing of the acquired 3D seismic data, and interpretation of the re-processed data. In addition, all costs related to any farm-out required to fulfil the licence's drill or drop requirements before February 2014 will be borne solely by Adriatic.

Elixir will retain a 20% participating interest (free carried until the drill or drop decision).

DEVELOPMENT AND PRODUCTION

Project Name: High Island Project (Block 268-A)
Location: High Island Area, Offshore Texas, USA
Ownership: 30% Working Interest (22.5% Net Revenue Interest)

The High Island field is located approximately 60 kilometres offshore the east Texas coast in the Gulf of Mexico. The field commenced production in September 2007 from two wells and has produced to date in excess of 4.2 billion cubic feet ("Bcf") of gas and approximately 195,000 barrels ("Bbls") of condensate (100% project).

The following table summarises the production achieved from High Island during the September 2013 quarter:

High Island 268A	Gas Production					Oil Production				
	Total Sep Qtr (MMscf)	Total Jun Qtr (MMscf)	Avg Daily Sep Qtr (MMscf/d)	Avg Daily Jun Qtr (MMscf/d)	Change (%)	Total Sep Qtr (Bbls)	Total Jun Qtr (Bbls)	Avg Daily Sep Qtr (Bbls/d)	Avg Daily Jun Qtr (Bbls/d)	Change (%)
Project (100%)	101.1	23.9	1.10	0.26	317%	0	721	0.0	7.9	-100%
Elixir (30% WI)	30.3	7.2	0.3	0.1	317%	0	216	0.0	2.4	-100%

Elixir is currently considering its options with respect to its continued involvement with the High Island project, which is near the end of its economic life, and which may include divestment of the Company's working interest in the Project or withdrawal from the Joint Venture with the resultant crystallisation of abandonment liabilities

FINANCIAL SUMMARY AND OTHER MATTERS

The Company undertook a capital raising at the start of the reporting period in July 2013. Elixir raised approximately \$1.85 million (before costs) via a fully underwritten non-renounceable rights issue. As a result of priority sub-underwriting of the issue, the Company's largest shareholder, New Standard Energy Limited (ASX:NSE), increased its ownership stake in the Company to 28.2%.

Following the completion of the fundraising the Board undertook a review of its composition and structure, and agreed to appoint Mr Sam Willis (a non-executive director of NSE) as a non-executive director to the Board. Contemporaneously with this appointment Mr John Robertson indicated that he would not be seeking re-election to the Board at the upcoming annual general meeting of the Company.

Further to the appointment of Mr Willis, the Board is in the process of a strategic review to determine the best way of enhancing shareholder value.

At the end of the reporting period, the Company held cash on hand of approximately \$2.2 million. The Elixir Group remains debt free.

Please find attached the Company's Appendix 5B for the 3 month period to 30 September 2013.

Yours sincerely,

ELIXIR PETROLEUM LIMITED

Nicholas Ong
Company Secretary

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

ELIXIR PETROLEUM LIMITED

ABN

51 108 230 995

Quarter ended ("current quarter")

30 September 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	62	62
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(22) (189) (362)	(22) (189) (362)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	7	7
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(504)	(504)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	-	
1.13 Total operating and investing cash flows (carried forward)	(504)	(504)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(504)	(504)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,848	1,848
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (Capital Raising Costs)	(120)	(120)
	Net financing cash flows	1,728	1,728
	Net increase (decrease) in cash held	1,224	1,224
1.20	Cash at beginning of quarter/year to date	985	985
1.21	Exchange rate adjustments to item 1.20	(28)	(28)
1.22	Cash at end of quarter	2,181	2,181

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	61
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors fees, salaries and professional consultancy fees. All are on arms-length commercial terms.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	65
4.2 Development	-
4.3 Production ⁽¹⁾	7
4.4 Administration	200
Total	272

(1) Estimated cash inflows from production amounting to \$76,000 have been offset against estimated cash outflows to arrive at the net cash outflow position of \$7,000.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,181	927
5.2 Deposits at call	-	58
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,181	985

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	431,278,356	431,278,356	
7.4	Changes during quarter			
	(a) Increases through issues	154,027,719	154,027,719	\$0.012
	(b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities			
	<i>(description)</i>			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Performance Rights	500,000		-	22/4/14
		500,000		-	23/7/14
		1,000,000		-	22/10/14
		500,000		-	23/7/15
7.12	Debentures <i>(totals only)</i>				
7.13	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 31 October 2013
(Company secretary)

Print name: Nicholas Ong

Notes

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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