

30 April, 2014.

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2014

HIGHLIGHTS

- Appointment of Mr Dougal Ferguson as Chief Executive Officer effective 1 May 2014.
- Strategic Review completed with renewed focus on international new ventures.
- Relinquishment of remaining legacy asset in UK North Sea.

Elixir Petroleum Limited (**ASX:EXR**) (“Elixir” or “Company”) holds a 100% working interest in the Moselle exploration licence onshore France and is currently reviewing several new venture opportunities.

A summary of the Company’s activities for the March 2014 quarter is set out below.

EXPLORATION

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

As previously reported the Moselle Permit’s initial five year exploration period expired on 20 January 2014. A renewal application was lodged in September 2013 with the relevant French authorities and Elixir is now awaiting further information regarding the progress of the renewal application. 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 were met and the Company expects the extension into a second exploration period to be forthcoming in due course.

Recent elections in France have resulted in a Manuel Valls being elected as the new Prime Minister. He is considered pro-business and has announced a change in his ministry, including the Ministry for Ecology, Sustainable Development and Energy. The Company is encouraged that the recent changes together with the current political will to stimulate the economy and employment growth through increased business investment may accelerate the speed of the regulatory approval process within France to allow Elixir to progress its activity on the Moselle Permit.

Elixir is considering various opportunities to add value to the Moselle project including but not limited to seeking a partner to pursue the substantial conventional prospectivity of the Moselle project.

Project Name: Sunset Prospect (Blocks 12/18 and 12/19c)
Location: Inner Moray Firth UK North Sea
Ownership: Relinquished during the quarter

On 21 February 2014, Elixir announced that it had relinquished these licenses. Elixir’s co-venturer, Adriatic Oil Plc, lodged a relinquishment request with the UK authorities on behalf of the joint venture and there are no further financial obligations associated with the licenses.

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)

During the previous quarter, the Company announced that, through its wholly owned subsidiary Cottesloe Oil & Gas LLC, it has executed a Purchase and Sale Agreement (“PSA”) with Peregrine Oil &

Gas LP (“Peregrine”) for the sale of the Company’s interest in the High Island Project, Block A-268 (“High Island”) located in offshore Texas, USA.

The Company awaits the final regulatory approval for the transfer of the interests to Peregrine from the United States authorities, which is expected imminently. Elixir has no further financial obligations in relation to High Island.

FINANCIAL SUMMARY AND OTHER MATTERS

During the quarter a strategic review was completed in light of the ongoing regulatory and political uncertainties in France. As a result of this review Elixir will focus on two primary objectives:

- retaining and adding value to the existing asset base in France to the extent possible; and
- placing an increased focus on assessing and pursuing international new ventures

In line with this review the Company has today appointed Mr Dougal Ferguson as Chief Executive Officer effective 1 May 2014. Mr Ferguson has been working with the Elixir Group over the past few months in a consultancy capacity and is an experienced oil and gas professional that has held senior management positions with Discovery Petroleum, Premier Oil, ARC Energy and Salinas Energy. His international background in finance, acquisitions and corporate development together with 20 years’ experience in the oil and gas sector is a significant asset to the Company at this juncture where the focus is on growing the business and adding value to the existing asset base.

Mr Ferguson has agreed to a remuneration package consisting of an annual salary of \$260,000 including superannuation, together with the issuing of 15 million share options exercisable at \$0.01 per share within three years. The options will vest 50% after 12 months with the balance vesting after 24 months and can be cancelled on cessation of employment. There is no fixed term in the agreement but either party may terminate the employment by providing three months’ notice. Mr Ferguson will be entitled to participate in both long term and short term incentive plans as approved by the Board and based on achievement of agreed milestones.

At the end of the reporting period the Company held cash on hand of approximately \$0.9 million. The Elixir Group remains debt free with modest commitments on its remaining assets.

During the quarter, the company affected the transfer of its share register to Security Transfer Registrars. The Company also relocated its offices to West Perth.

PETROLEUM TENEMENTS HELD AS AT 31 MARCH 2014

	% Interest	Tenement	Location
Held at end of quarter	100%	Moselle Permit	North-eastern France
	30%	High Island Project	Gulf of Mexico, USA
Acquired during quarter	-	-	-
Disposed during quarter	20%	Sunset Prospect	UK North Sea

INTERESTS IN FARM-IN OR FARM-OUT AGREEMENTS AS AT 31 MARCH 2014

	Farm-in / Farm-out	% Change in Interest	Project
Held at end of quarter	-	-	-
Acquired during quarter	-	-	-
Disposed during quarter	20%	Sunset Project	UK North Sea

Please find attached the Company’s Appendix 5B for the three month period to 31 March 2014.

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")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	62
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(46) (28) (172)	(205) (234) (665)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	9	20
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
	(237)	(1,022)
Net Operating Cash Flows		
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 ⁽ⁱ⁾	-	(779)
	-	(779)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(237)	(1,801)

+ 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)	(237)	(1,801)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	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)	-	(126)
	Net financing cash flows	-	1,722
	Net increase (decrease) in cash held	(237)	(79)
1.20	Cash at beginning of quarter/year to date	1,139	985
1.21	Exchange rate adjustments to item 1.20	(4)	(8)
1.22	Cash at end of quarter	898	898

- (1) Other cash flows from investing activities relates to the amount paid to dispose of the High Island project. The amount paid represents less than the previously booked rehabilitation provision for the project.

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	50
1.24	Aggregate amount of loans to the parties included in item 1.10	-

- 1.25 Explanation necessary for an understanding of the transactions

Director's fees 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

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 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

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	49
4.2 Development	-
4.3 Production	57
4.4 Administration	167
Total	273

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	91	1,139
5.2 Deposits at call	807	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	898	1,139

+ 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	12/18 12/19c Blocks in North Sea	20% 20%	Nil Nil
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 (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				
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:

(Company secretary)

Date: 30 April 2014

Print name: Nicholas Ong

+ See chapter 19 for defined terms.

Notes

- 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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