elixir
petroleum limited

ASX RELEASE

16 September, 2004

OFFER OF NORTH SEA EXPLORATION BLOCKS

The United Kingdom Department of Trade & Industry ("DTI") has released the results of the 22nd Licensing Round for the UK Continental Shelf (UKCS) region of the North Sea.

Elixir Petroleum Limited (ASX: EXR) is delighted to announce that its UK-based alliance partner Granby Enterprises Limited ("Granby") has been offered nine (9) exploration blocks under five (5) separate petroleum licence applications as outlined below.

Block	**Proposed Elixir Interest**	**Partners**
15/13b	35%	Granby, Team Oil
9/26	33.3%	Granby, Century Expln
16/1b	33.3%	Granby, Century Expln
16/2b	33.3%	Granby, Century Expln
9/22	33.3%	Granby, Century Expln
9/23c	33.3%	Granby, Century Expln
14/14b	50%	Granby
13/19	50%	Granby
13/24c	50%	Granby

In keeping with Elixir's strategy, each of the blocks contains identified prospects and leads.

The Company's success in the 22nd Licensing Round supports Elixir's primary business objective of rapidly building a portfolio of prospective blocks on ground floor terms in the North Sea.

The UKCS remains a prolific oil & gas province and in terms of prospectivity, economics and political risk, it is one of the best places in the world for emerging exploration and production companies.

A number of blocks have been offered to a bidding group which includes Century Exploration International Inc., the same US independent that is farming-in to Block 21/6b (Elixir 15%). It is expected that the Marquis prospect within this block will be drilled later this year or early next year.

Under the terms of the Elixir-Granby alliance upon formal acceptance and licence award, the interests as outlined in the table above will be assigned to Elixir.

All blocks offered are under Promote Licences. These Promote Licenses were introduced by the DTI in late 2003 as a way to encourage more exploration and appraisal drilling in the UKCS, particularly by smaller companies.

Elixir is in the process of preparing a report to provide investors with a more detailed description of the offered blocks.

This announcement is the announcement referred to in the trading halt request of 15 September 2004 and the Company requests trading in its securities re-commence immediately.

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