

ELIXIR PETROLEUM LIMITED

ABN 51 108 230 995

SHORT FORM PROSPECTUS

For the issue by way of private placement of 10,000 fully paid ordinary shares in the capital of the Company at an issue price of \$0.59 each to raise \$5,900

This Prospectus has been prepared for the purpose of Section 708A(11) of the Corporations Act to remove any restrictions on the sale of securities issued by the Company on 16 May 2005

Important Notice

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type but refers to another document the information of which is deemed to be incorporated in this Prospectus.

TABLE OF CONTENTS

1.	CORPORATE DIRECTORY	1
2.	DETAILS OF THE OFFER	2
3.	INFORMATION DEEMED TO BE INCORPORATED IN PROSPECTUS	3
4.	COMPANY OVERVIEW	5
5.	ADDITIONAL INFORMATION.....	6
6.	AUTHORITY OF DIRECTORS	12
7.	DEFINITIONS	13
	APPLICATION FORM TO BE COMPLETED BY EGR INVESTMENTS PTY LTD ONLY.....	14

Important Notice

This Prospectus is dated 16 May 2005.

A copy of this Prospectus was lodged with the ASIC on 16 May 2005. The ASIC takes no responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus. Application will be made within seven (7) days after the date of this Prospectus for permission for the Shares offered by this Prospectus to be listed for Quotation.

Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisors before deciding whether to apply for Shares. There are risks associated with an investment in the Company and the Shares offered under this Prospectus must be regarded as a speculative investment. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares.

Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in Section 7 of this Prospectus.

An exchange rate of £1.00 = A\$2.46 (being the approximate market rate as at 3 May 2005) has been used throughout this Prospectus.

Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type. Rather, the Prospectus incorporates by reference information contained in a document that has been lodged with the ASIC.

This Prospectus refers to the admission document prepared for the admission of the Company to the Alternate Investment Market of London Stock Exchange plc (**AIM**) lodged by the Company with the ASIC on 12 May 2005 in respect of the placing of 27,114,790 Shares at an issue price of £0.24 each to raise £6.5 million (**Admission Document**). In referring to the Admission Document, the Company:

- (a) identifies the Admission Document as being relevant to the offer of Shares under this Prospectus and containing information that will provide investors and their professional advisers information to assist them in making an informed assessment of:
 - (i) the rights and liabilities attaching to the Shares; and
 - (ii) the assets and liabilities, financial position and performance, profits and losses and prospects of Elixir;
- (b) refers investors and their professional advisers to Section 3 of this Prospectus which summarises the information in the Admission Document deemed to be incorporated in this Prospectus;

- (c) informs investors and their professional advisers that they are able to obtain, free of charge, a copy of the Admission Document by contacting the Company at its registered office during normal business hours during the offer period; and
- (d) advises that the information in the Admission Document will be primarily of interest to investors and their professional advisers or analysts.

Timetable and Important Dates*

EVENT	DATE
Prospectus lodged with the ASIC and ASX	16 May 2005
Opening Date of Offer	17 May 2005
Closing Date of Offer	18 May 2005
Despatch of holding statements for Offer	23 May 2005
Expected Date for Official Quotation of Shares under Offer	25 May 2005

* These dates are indicative only. The Directors reserve the right to vary the dates without prior approval. As such, the date the Shares are expected to commence trading on ASX may vary.

1. CORPORATE DIRECTORY

DIRECTORS

John Robertson
Non-Executive Chairman – effective on admission to AIM

Russell Langusch
Managing Director

Angus MacAskill
Executive Director

Iain Knott
Executive Director

Kent Hunter
Non-Executive Director

Donald Maloney
Non-Executive Deputy Chairman

COMPANY SECRETARY

Kent Hunter

AUSTRALIAN BUSINESS NUMBER

ABN 51 108 230 995

REGISTERED OFFICE

9A Agnew Way
SUBIACO WA 6008

CONTACT DETAILS

Tel: (08) 9382 3200

Fax: (08) 9388 8042

Email: admin@elixirpetroleum.com

Website: www.elixirpetroleum.com

SHARE REGISTRY*

Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009

SOLICITORS TO THE OFFER

Steinepreis Paganin
Lawyers & Consultants
Level 4, Next Building
16 Milligan Street
PERTH WA 6000

INDEPENDENT ACCOUNTANT**

Ernst & Young
The Ernst & Young Building
11 Mounts Bay Road
PERTH WA 6000

COMPETENT PERSON**

Exploration Consultants Limited
Highlands Farm
Grey Road
Henley-on-Thames
OXON RG9 4PR UK

* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Their name appears for information purposes only.

** These entities prepared the Independent Accountant's Report and Competent Person's Report which are included in the Admission Document and incorporated by reference into this Prospectus.

2. DETAILS OF THE OFFER

2.1 Offer

By this Prospectus, the Company invites EGR Investments Pty Ltd to subscribe for a total of 10,000 Shares at an issue price of \$0.59 per Share payable in full on application to raise \$5,900.

All of the Shares under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

2.2 Purpose of the Offer

The purpose of the Offer is to raise \$5,900 (not including the expenses of the Offer). The funds raised by the Offer will be applied towards the expenses of the Offer.

2.3 Purpose of this Prospectus

The purpose of this Prospectus is to remove any restrictions on the sale of securities issued by the Company on 16 May 2005 in accordance with Section 708A(11) of the Corporations Act.

2.4 Application for Shares

Applications for Shares may only be made by EGR Investments Pty Ltd and must be made using the Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of \$0.59 per Share.

Completed Application Forms and accompanying cheques must be mailed or delivered to:

Elixir Petroleum Limited
9A Agnew Way
SUBIACO WA 6008

Cheques should be made payable to "Elixir Petroleum Limited – Placement Account" and crossed "Not Negotiable". Completed Application Forms must reach the Company by no later than the Closing Date.

2.5 Minimum Subscription

The minimum subscription for the Offer is \$5,900 (being the full subscription pursuant to the Offer). If the minimum subscription is not raised within four (4) months after the date of this Prospectus, all applications will be dealt with in accordance with the Corporations Act.

2.6 Allotment of Shares

Allotment of Shares will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until allotment. This account will be established and kept by the Company in trust for the applicant. Any interest earned on the application monies will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place and the applicant waives the right to claim any interest.

The Directors will determine the allottees of all the Shares. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for.

Where the number of Shares allotted is less than the number applied for, the surplus monies will be returned by cheque as soon as practicable after the Closing Date. Where no allotment is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on monies refunded.

2.7 Underwriting

The Offer is not underwritten.

2.8 Stock Exchange Quotation

Application for official quotation of the Shares by ASX will be made by the Company within seven (7) days of the date of this Prospectus.

If ASX does not grant permission for Official Quotation of the Shares within three (3) months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Shares offered by this Prospectus will be granted. In that circumstance, all applications will be dealt with in accordance with Section 724 of the Corporations Act.

2.9 Enquiries

If you have any questions concerning the Offer, please contact Kent Hunter, Company Secretary, by telephone on (08) 9382 3200, or contact your professional adviser.

3. INFORMATION DEEMED TO BE INCORPORATED IN PROSPECTUS

3.1 Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, however, it incorporates by reference information contained in a document that has been lodged with the ASIC.

The information to be incorporated by reference into this Prospectus is summarised below in sub-section 3.2 and will primarily be of interest to investors and their professional advisers or analysts.

The Company informs investors and their professional advisers that they are able to obtain, free of charge, a copy of the Admission Document by contacting the Company at its registered office during normal business hours during the offer period. The Admission Document will also be available by searching the ASIC's records in relation to Elixir, or by visiting the Company's website at www.elixirpetroleum.com.

3.2 Summary of Information Deemed to be Incorporated

Set out below is a summary of the information contained in the Admission Document that is deemed to be incorporated in this Prospectus to assist investors and their professional advisers to determine whether, for the purposes of making

an informed investment decision in relation to the Shares, they should obtain a copy of the Admission Document.

The parts referred to below are references to parts in the Admission Document.

Part 1 – Information on the Group

Part 1 contains the following general information:

- (a) a history of the Company;
- (b) an overview of the oil and gas exploration assets which the Company has an interest in;
- (c) details of the prospects, future strategy and objectives of the Company;
- (d) details of the offer of Shares made under the Admission Document and the proposed use of funds;
- (e) a summary of the capital structure of the Company following the offer under the Admission Document;
- (f) details of the dividend policy of the Company;
- (g) details of each of the Directors and senior management of the Company;
- (h) details of the lock-in arrangements for the securities held by the Directors and related parties in the Company; and
- (i) a statement of the corporate governance responsibilities of the Board.

Part 2 – Risk Factors

Part 2 notes that an investment in Elixir has risks reasonably expected of an investment in a business of its type. It details a number of factors that may impact on the success and future profitability of Elixir. The factors referred to include exploration success, project development, operating risks, reserves and resource estimates, grant of licences, exploration risks, foreign exchange risk, environmental risks, title and payment obligations, share market condition, competition, general investment risks and specific risks associated with the Company.

Part 3 – Competent Person's Report

Part 3 consists of the Competent Person's Report prepared by Exploration Consultants Limited. The Competent Person's Report describes the geological setting and the historical exploration carried out on the oil and gas licence's in which the Company has an interest in.

Part 4 – Accounting Information on Elixir

Part 4 consists of the Independent Accountant's Report prepared by Ernst & Young. The Independent Accountant's Report was included in the Admission Document to assist investors and their financial advisers in making an assessment of the financial position of the Company.

The Independent Accountant's Report contains the Consolidated Statement of Financial Position, Consolidated Statement of Financial Performance and Consolidated Statement of Cash Flows as at and for the periods ended 31 December 2004 and 30 June 2004.

Based on the scope of their review, the Independent Accountant stated that in their opinion the consolidated financial information gives, for the purposes of the Admission Document, a true and fair view of the affairs of the Company and its controlled entities as at 31 December 2004 and 30 June 2004, and of its results and cash flows for the periods then ended.

Part 5 – Summary of Elixir's Oil and Gas Licence Terms

Part 5 consists of the common terms of the oil and gas licence's which Elixir has an interest in, including the term, area and work obligations imposed under the relevant licences.

Part 6 – Additional Information

Part 6 sets out additional information required to be disclosed in the Admission Document including:

- (a) corporate information concerning the Company;
- (b) a statement that the Company is obliged to comply with the Corporations Act;
- (c) the terms and conditions of the options granted by the Company;
- (d) details of the employee incentive option scheme adopted by the Company;
- (e) the rights attaching to the Shares and details of the powers of the Company and its Directors;
- (f) the interests of the Directors of the Company, including share holdings, remuneration and interests in agreements with the Company;
- (g) details of material contracts entered into by the Company;
- (h) details of the expenses of the offer of shares under the Admission Document; and
- (i) a statement that the Company is not involved in any legal proceedings, nor are any proceedings pending or threatened against the Company.

4. COMPANY OVERVIEW

4.1 Overview and Reference to Admission Document

A comprehensive overview of the Company is set out in the Admission Document that was lodged with the ASIC on 12 May 2005. Persons considering subscribing for Shares under this Prospectus should refer to Section 3 of this Prospectus for a summary of the information contained in the Admission Document deemed to be incorporated in this Prospectus.

On 16 May 2005, the Directors resolved to allot and issue 27,114,790 Shares at an issue price of £0.24 (A\$0.59) per Share under the placing.

The Company now has 63,714,791 Shares and 15,512,148 options on issue.

Elixir was admitted to the Official List on 15 July 2004 with official quotation of its Shares commencing on 19 July 2004.

Under the ASX Listing Rules, 10,500,000 Shares and 4,625,000 options were subject to escrow restrictions. Accordingly, the Company has placed holding locks on these securities with the Company's share register. The numbers and periods of escrow are as follow:

- (a) 1,475,000 Shares escrowed until 9 June 2005;
- (b) 2,500,000 Shares escrowed until 12 July 2005;
- (c) 6,525,000 Shares escrowed until 19 July 2006;
- (d) 2,000,000 options (exercisable at \$0.20 each on or before 30 June 2007) escrowed until 19 July 2006; and
- (e) 4,625,000 options (exercisable at \$0.50 each on or before 31 December 2007) escrowed until 19 July 2006.

The balance of the issued capital of the Company are quoted and freely tradeable on ASX.

4.2 Circumstances or Matters Subsequent to the Admission Document

Other than as stated in this Prospectus, the Company is not aware of any material matter or circumstance that would impact on the contents of the Admission Document or the activities and prospects of the Company and be relevant to assist investors or their professional advisers making an informed assessment of relevant matters.

4.3 Effect of the Offer on the Company

Under the Offer, 10,000 Shares are available for issue and will be issued if the Offer is fully subscribed. The Shares will be issued for \$0.59 each.

Upon completion of the Offer, the issued capital of the Company will comprise 63,724,791 Shares and 15,512,148 options.

After expenses of the Offer of approximately \$5,900, there will be no proceeds from the issue of the Shares.

5. ADDITIONAL INFORMATION

5.1 Rights Attaching to Shares

The rights attaching to Shares in the Company are:

- (a) set out in the Constitution of the Company, a copy of which is available for inspection during normal business hours at the registered business office of the Company; and

- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules, the ASX Settlement Rules and the general law.

The following are the more important rights, privileges and restrictions attaching to the Shares offered for subscription by this Prospectus:

- (a) subject to any special rights or restrictions for the time being attached to any class or classes of shares in the Company (at present there are none), at a general meeting every shareholder present in person or by proxy, representative or attorney will have a vote on a show of hands and, on a poll, one vote for each Share held;
- (b) each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to shareholders under the Constitution or the Corporations Act;
- (c) subject to any special rights of the holders of any shares as to a dividend (at present there are none), any dividend declared shall be payable on all Shares in proportion to the number of Shares held by the Shareholders;
- (d) subject to the rights of holders of shares with special rights in a winding-up (at present there are none), on a winding-up of the Company all monies and property that are to be legally distributed among holders of shares will be distributed so that, to the greatest extent possible, the amount distributed is in proportion to the Shares held by shareholders respectively. At the commencement of the winding up, shares classified by ASX as Restricted Securities shall rank on a return of capital after all other shares; and
- (e) subject to the Constitution and the Corporations Act, Shares are freely transferable.

5.2 Market Prices of Ordinary Shares

Official quotation of the Shares commenced on 19 July 2004 and consequently, the trading history on ASX as at the date of this Prospectus is limited to that period.

The highest and lowest recorded market sale prices of the Shares quoted on ASX during the period from commencement of official quotation to the date of this Prospectus were \$0.97 on 8 October 2004 and \$0.21 on 20 July 2004 respectively.

The last market sale price of the Shares on ASX on the last day that trading took place in the Shares prior to the date of this Prospectus was \$0.70 on 13 May 2005.

The Company has no options over Shares that are currently quoted on ASX.

5.3 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers before investing in the Shares. Taxation consequences will depend on particular circumstances. Neither Elixir nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to

above or any other taxation consequences connected with an investment in the Shares in Elixir.

5.4 Overseas Participants

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer to sell, or a solicitation to buy Shares in the Company in any jurisdiction in which such offer or solicitation is unlawful.

5.5 Legal Proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

5.6 Continuous Disclosure and Documents Available for Inspection

The Company is listed on ASX and its Shares are quoted on ASX.

The Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations, which require it to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from or inspected at, an office of the ASIC. This includes the Admission Document referred to in Section 3 of this Prospectus.

The Company will provide a copy of all documents used to notify ASX of information relating to the Company under the provisions of the Listing Rules since official quotation on 19 July 2004. As at the time of lodging this Prospectus the only such documents were:

Date	Details
12 May 2005	Becoming a substantial holder
12 May 2005	Share Placing and Proposed AIM Listing
29 April 2005	Third Quarter Cashflow Report
29 April 2005	Third Quarter Activities Report
29 March 2005	Appoints New Chairman
29 March 2005	Appendix 3B/partial consideration/director incentive options
21 March 2005	Results of General Meeting
16 March 2005	Latest Presentation

14 March 2005	Half Year Accounts
24 February 2005	Resignation of Non-Executive Director/Final Directors Notice
22 February 2005	Notice of General Meeting
31 January 2005	Second Quarter Activities & Cashflow Report
24 January 2005	Newsletter January 2005 – Despatched to Shareholders
24 December 2004	Appendix 3B – New Issue
20 December 2004	Further Senior Management Appointment
11 November 2004	To List on AIM
2 November 2004	Acquisition of Further UK North Sea Interest
29 October 2004	First Quarter Cashflow Report
29 October 2004	First Quarter Activities Report
18 October 2004	Change of Director's Interest Notice
13 October 2004	Becoming a substantial holder
6 October 2004	Senior Management Appointments & London Office
6 October 2004	Results of General Meeting of Members
1 October 2004	Presentation on UKCS 22 nd Offshore Licensing Round Offers
1 October 2004	Details of North Sea UKCS 22 nd Licensing Round Awards
16 September 2004	Offer of North Sea Exploration Blocks
15 September 2004	Trading Halt
7 September 2004	Notice of General Meeting
7 September 2004	Becoming a substantial holder
1 September 2004	Short Form Disclosure Document
1 September 2004	Appendix 3B – New Issue
30 August 2004	UK Institutional Placement
26 August 2004	Trading Halt
13 August 2004	Company Update
10 August 2004	Change of Director's Interest Notice
9 August 2004	Company Presentation

5 August 2004	Initial Director's Interest Notice x 4
27 July 2004	Becoming a substantial holder
22 July 2004	Becoming a substantial holder x 2
19 July 2004	Elixir Lists on ASX Today
15 July 2004	Correction to Earlier Circular
15 July 2004	Constitution & Appendix 1A – Application for admission to official list
15 July 2004	Terms & Conditions of Employee Incentive Scheme
15 July 2004	Confirmation of Acquisition of Block 21/6b
15 July 2004	Number & Escrow Period of Restricted Securities
15 July 2004	Revised Statement of Financial Position
15 July 2004	Revised Expenditure Summary
15 July 2004	Summarised Details of Restricted Securities
15 July 2004	Top 20 holders
15 July 2004	Distribution Schedule
15 July 2004	Pre-Quotation Disclosure
29 June 2004	Disclosure Document

5.7 Material Contracts

Part 6 of the Admission Document sets out contracts to which the Company is a party which were considered by the Directors as being material to enable investors to make an informed assessment of the shares being offered under the Admission Document. Investors and their professional advisers are referred to that part of the Admission Document in relation to material contracts.

5.8 Interests of Directors and Experts

A full disclosure of the interests of Directors, experts and promoters of and to the Company for the period commencing on incorporation of the Company and to the date of issue of the Admission Document are set out in Part 6 of the Admission Document and other than as set out below or elsewhere in this Prospectus, that information and disclosure remains current.

The interests of the Directors in the securities of the Company at the date of this Prospectus are as follows:

Directors	Shares	Options
Russell Langusch ^{1,2}	250,000	3,500,000
Angus MacAskill ²	Nil	2,000,000
Iain Knott ²	Nil	2,000,000
John Robertson ²	Nil	250,000
Don Maloney ³	490,000	250,000
Kent Hunter ⁴	250,000	125,000

Notes:

1. Mr Langusch's interest in Shares is held by Russell and Paula Langusch as trustees for the Russell & Paula Langusch Super Fund, of which Mr Langusch is a beneficiary.
2. The interests in Options shown for Mr Langusch, Mr MacAskill, Mr Knott and Dr Robertson are held directly. All of the Options for Mr MacAskill and Mr Knott, and 3 million of the Options held by Mr Langusch are Incentive Options subject to vesting conditions set out in Section 6 of Part 1 of this Admission Document. The issue of Dr Robertson's Options remains subject to shareholder approval.
3. 140,000 of the Shares in which Mr Maloney has an interest are held through the DG Maloney Super Fund of which Mr Maloney is a beneficiary. The rest of Mr Maloney's interest in Shares and Options is held directly.
4. Mr Hunter's interest in Shares and Options are held by Kent Hunter as trustee for the Houndy Family Trust, of which Mr Hunter is a beneficiary.

Steinepreis Paganin are the Solicitors to the Offer and will receive professional fees of approximately \$1,000 for legal work undertaken by them in connection with this Prospectus.

5.9 Consents

The following persons have each consented to the inclusion of the following statements and statements identified in this Prospectus as being based on statements made by those persons, in the form and context in which they are included, and have not withdrawn that consent before lodgement of this Prospectus with the ASIC:

- (a) Exploration Consultants Limited in relation to the Competent Person's Report in Part 3 of the Admission Document and the reference to that report in this Prospectus. Exploration Consultants Limited has also consented to be named in this Prospectus as the Competent Person to the Company. Exploration Consultants Limited has not authorised or caused the issue of any other part of this Prospectus.
- (b) Ernst & Young in relation to the Independent Accountant's Report in Part 4 of the Admission Document and the reference to that report in this Prospectus. Ernst & Young have also consented to be named in this Prospectus as Independent Accountant to the Company. Ernst & Young have not authorised or caused the issue of any other part of this Prospectus.
- (c) Steinepreis Paganin have consented to be named in this Prospectus as Solicitor to the Offer. Steinepreis Paganin have not authorised or caused the issue of any other part of this Prospectus.

5.10 Expenses of the Offer

The total expenses of the Offer are estimated to be \$5,900 comprising adviser's fees and other administrative expenses, including ASX quotation fees and ASIC fees.

6. AUTHORITY OF DIRECTORS

Each of the Directors of Elixir Petroleum Limited has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act.

Dated the 16th day of May 2005

Signed for and on behalf of
ELIXIR PETROLEUM LIMITED
by Kent Hunter
Non-Executive Director

7. DEFINITIONS

Admission Document means the admission document prepared for the admission of the Company to the Alternate Investment Market of London Stock Exchange plc and lodged by the Company with the ASIC on 12 May 2005.

Applicant means a person who submits an Application Form.

Application Form means the application form attached to or accompanying this Prospectus.

ASIC means Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited (ACN 008 624 691).

Board means the Board of Directors unless the context indicates otherwise.

Business Day means a day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia.

CHESS means ASX Clearing House Electronic Subregistry System.

Company or **Elixir** means Elixir Petroleum Limited (ABN 51 108 230 995).

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company from time to time.

Dollars or **\$** means Australian dollars unless otherwise stated.

Listing Rules or **ASX Listing Rules** means the official Listing Rules of ASX.

Offer means the offer of Shares pursuant to this Prospectus, as described in Section 2.1 of this Prospectus.

Official List means the Official List of ASX.

Prospectus means the prospectus constituted by this document.

Quotation and **Official Quotation** means official quotation on ASX.

Share means one fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

WST means Western Standard Time, Perth, Western Australia.

This Application Form relates to the Offer of 10,000 Shares in Elixir Petroleum Limited pursuant to the Prospectus dated 16 May 2005.

APPLICATION FORMS

Applications must be made on the application form attached to this Prospectus. Please complete all parts of the application form using BLOCK LETTERS.

Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHES participants should complete their name and address in the same format as they are presently registered in the CHES system.

Insert the number of Shares you wish to apply for. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is an irregularity in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it, shall be final.

PAYMENT

Applications for Shares must be accompanied by the application money of \$0.59 per Share (in Australian currency). Cheques should be made payable to "Elixir Petroleum Limited – Placement Account" and crossed "Not Negotiable".

BROKER SPONSORED APPLICANTS

The Company is an Issuer Sponsored participant in the ASX CHES System. This enables a holder to receive a statement of holding rather than a certificate. If you are already a Broker Sponsored participant in this system, you may complete this section or forward a signed Application Form to your sponsoring broker for completion prior to lodgement. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

TAX FILE NUMBERS

The collection of tax file number ("TFN") information is authorised and the tax laws and the Privacy Act strictly regulate its use and disclosure. Please note that it is not against the law not to provide your TFN or claim an exemption, however, if you do not provide your TFN or claim an exemption, you should be aware that tax will be taken out of any unfranked dividend distribution at the maximum tax rate.

If you are completing the application with one or more joint applicants, and you do not wish to disclose your TFN or claim an exemption, a separate form may be obtained from the Australian Taxation Office to be used by you to provide this information to the Company. Certain persons are exempt from providing a TFN. For further information, please contact your taxation adviser or any Taxation office.

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Elixir Petroleum Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

TYPE OF INVESTOR	CORRECT FORM OF REGISTRABLE TITLE	INCORRECT FORM OF REGISTRABLE TITLE
Individual Use given names, not initials	John Alfred Lee	JA Lee
Company Use Company title, not abbreviations	XYZ Pty Ltd	XYZ P/L XYZ Co
Trusts Use trustee(s) personal name(s). Do not use the name of the trust	Sue Lee <Sue Lee Family A/C>	Sue Lee Family Trust
Deceased Estates Use executor(s) personal name(s)	Jane Lee <Est John Lee A/C>	Estate of late John Lee
Partnerships Use partners' personal names, do not use the name of the partnership	John Lee and Michael Lee <John Lee and Son A/C>	John Lee and Son
Clubs/Incorporated Bodies/Business Names Use office bearer(s) personal name(s). Do not use the names of the clubs etc.	Michael Lee <XYZ Cricket Association A/C>	XYZ Cricket Association
Superannuation Funds Use of name of trustee of fund, do not use the name of the fund.	Jane Lee Pty Ltd <Super Fund A/C>	Jane Lee Pty Ltd Superannuation Fund