



ASX RELEASE

17 March, 2008

COMPANY UPDATE PRESENTATION

Elixir Petroleum Limited is pleased to attach a copy of a company update presentation that will be delivered by management of the Company to existing shareholders and new investors as part of a roadshow being conducted in Perth, Melbourne, Sydney and London over the course of the coming weeks.

Yours sincerely,

ELIXIR PETROLEUM LIMITED

Alex Neuling
Company Secretary

Golden Cross House
8 Duncannon Street
London WC2N 4JF
Tel: +44 207 484 5019
Fax: +44 207 484 4992
Website: www.elixirpetroleum.com

Level 20
77 St George's Terrace
Perth WA 6000
Western Australia
+61 8 9440 2650
+61 8 9440 2699
ABN 51 108 230 995



2008



Company Update Presentation March 2008

Corporate Profile

- Elixir Petroleum is an international E & P company with a pan-Atlantic focus
- Elixir holds a diversified portfolio of offshore oil and gas interests across the exploration, appraisal, development and production spectrum
- Current areas of interest include:
 - Oil and gas development and production from the shallow shelf Gulf of Mexico
 - Exploration and appraisal activities in the UK North Sea
 - Early stage exploration activities offshore Sierra Leone, West Africa
- Head office in Perth, and regional offices in London and Houston
- Experienced and proven management team



Corporate Profile *(cont'd)*



Board & Executive Management

Jon Stewart
Chairman

Andrew Ross
Managing Director

Iain Knott
Exploration Director

John Robertson
Non-Executive Director

Trevor Benson
Non-Executive Director

Alex Neuling
Company Secretary
Group Financial Controller

Ian Lusted
Group Operations Manager

James Stockley
Commercial Manager – Europe

Malcolm Bult
Commercial Manager – GOM

Issued Share Capital

Exchanges: ASX (Ticker:EXR)
AIM (Ticker:ELP)

Ordinary shares: 161.1m

Options @ 90c: 0.5m (expiry 5/08)
@ 60c: 0.6m (expiry 5/10)

Convertible Notes: A\$3m, 10% coupon, conversion @35c

Current Market Cap: ~A\$32m

Share Trading Range: 16c – 39c (prior 12 months)

Share Register Mix: ~ 83% (Aust) / 17% (Europe)

Largest shareholder: Aurora Oil & Gas Ltd (14.9%)

Cash on Hand @ 03/08: A\$4.7m

Recent Achievements

- ✓ Completion of merger with Gawler Resources
- ✓ New Chairman and MD - management team also strengthened
- ✓ High Island Project - successfully drilled, developed and on production
- ✓ Pompano Project – first well on production March 08, second well approaching TD
- ✓ Leopard Prospect - partially farmed-out - drilling anticipated in H2 2008
- ✓ Mulle accumulation - identified as oil appraisal opportunity in UKCS
- ✓ Completion of technical work for further UKCS farm-outs and participation in 25th Licensing Round
- ✓ Acquisition of interest in Block SL-4, offshore Sierra Leone

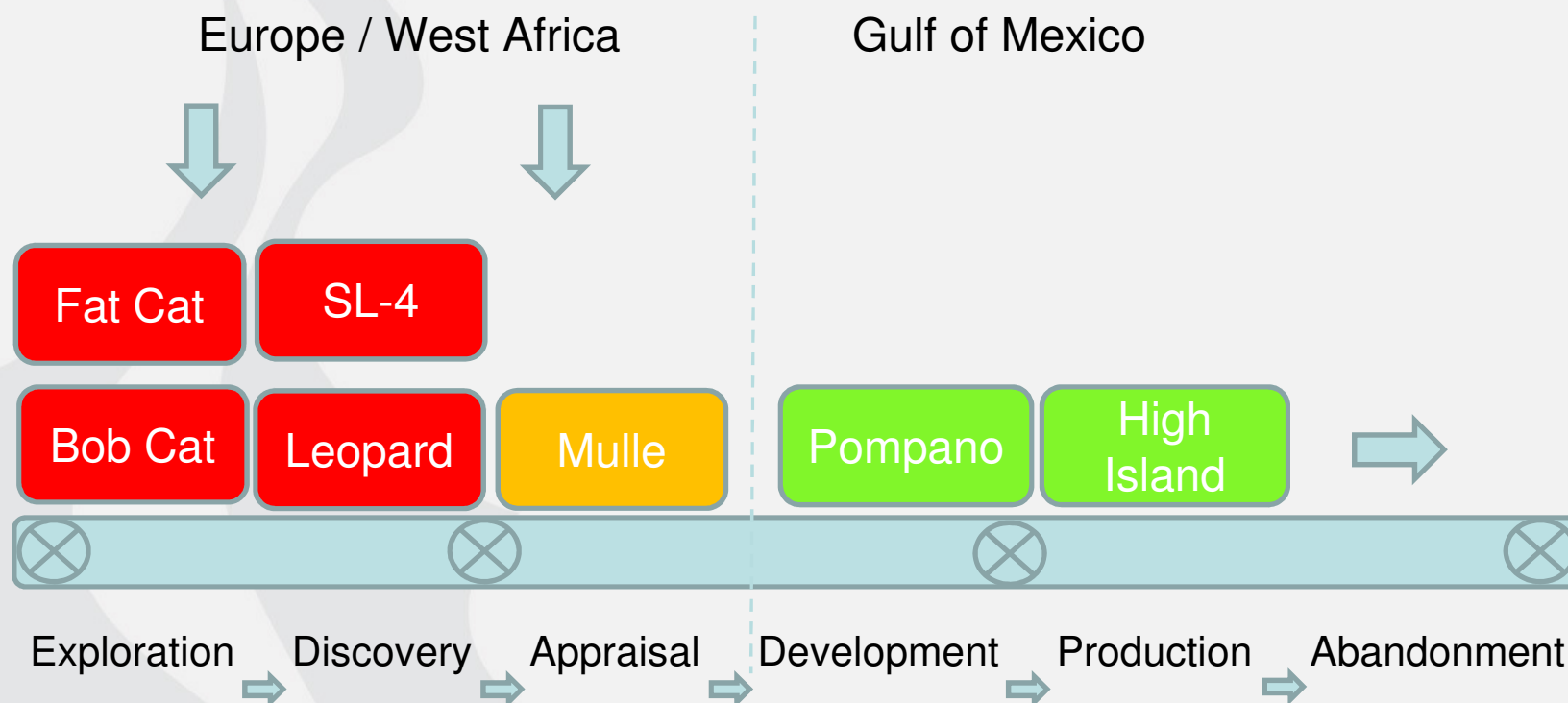


Business Plan

- Development and Production –
 - Gulf of Mexico focus
 - Shallow water (<200m), lower risk, 3D coverage, close to infrastructure, short cycle time to production and cashflow, non-operated interests
 - Currently a prospect taker, seeking near term drill opportunities
 - Established and active A&D market for GOM shallow shelf opportunities
- Exploration –
 - UK North Sea and West Africa focus
 - High impact exploration opportunities, internally generated prospects, farm-out to drill, mix of operated and non-operated
 - Active farm-out program for current UK licences
 - Participation in recently announced 25th Licensing Round for UKCS
- New Opportunities –
 - Industry and corporate opportunities to accelerate growth
 - Will maintain entrepreneurial and opportunistic approach

Business Plan (cont'd)

Asset Life Cycle



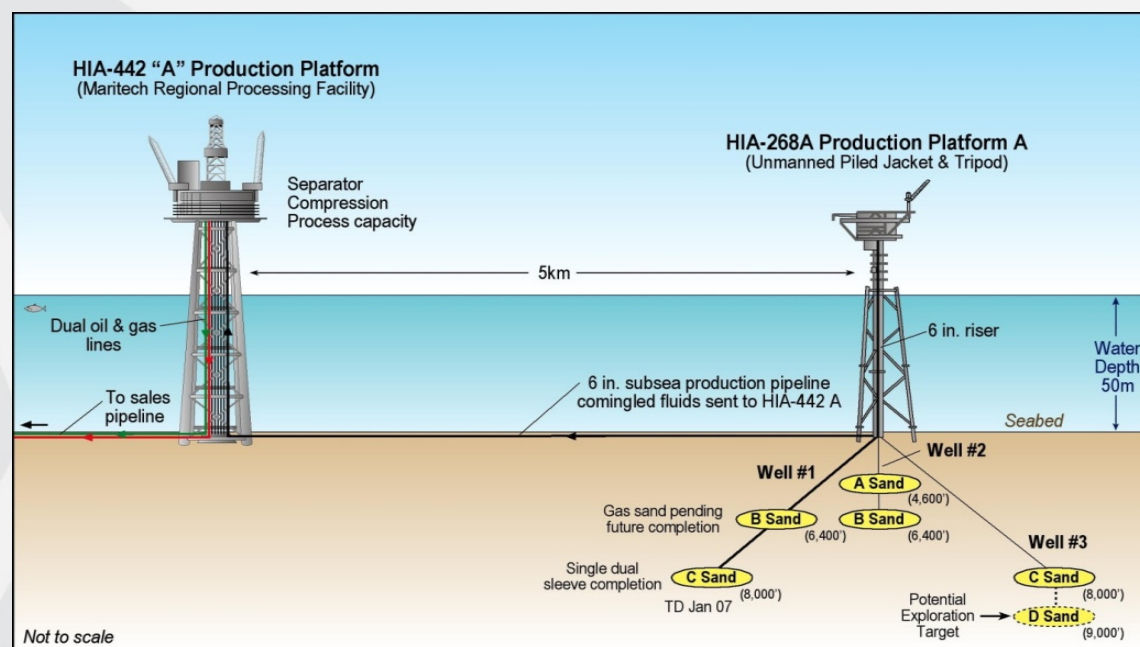
- A balanced portfolio across asset life cycle – more highly regarded by market
- The market rewards activity and the achieving of targets and timetables
- A meaningful exploration discovery will have a company changing impact

Development and Production



High Island Development (EXR: 30%WI)

- Gas and condensate development located 65kms offshore Texas Gulf Coast in 51m water depth
- Field development consists of two deviated wells, an unmanned well head platform and 5km pipeline to regional processing facility
- Each well intersected two gas bearing zones on prognosis - selective completions were installed
- Development completed on time and on budget and wells on production in September 2007



High Island Development (cont'd)

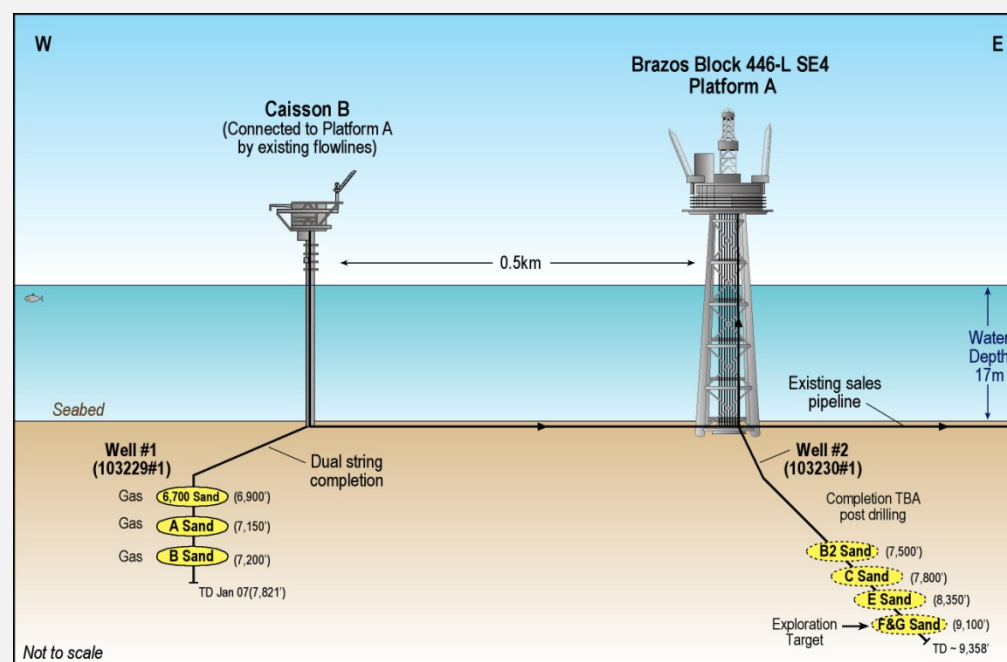
- Current reservoirs will produce for another 12 -18 months, then swap to shallower PDNP horizons
- Further sidetrack opportunities to be drilled once existing producing reservoirs are depleted
- Current net sales revenue to Elixir of approx US\$600,000 - \$700,000/month



HI Production Results to 29/2/08	Total Production		Avg Daily Production	
	Gas (MMscf)	Condensate (Bbls)	Gas (MMscf/d)	Condensate (Bbls/d)
Project (100%)	2,200	45,000	13.17	270
Elixir (30%)	660	13,500	3.95	81

Pompano Development (EXR: 25% WI)

- Gas re-development project located 7km offshore Texas Gulf Coast in 18m water depth
- Pompano field originally developed on 2D seismic and produced 120 Bcf of gas (1966 – 2003)
- Re-interpretation of 3D seismic has identified undrained, up-dip reserves, untested fault block compartments and deeper exploration potential
- Existing platform, flowlines and sales gas pipeline to shore being used – significant capex and time savings
- Initial programme consists of two deviated wells, installation of an unmanned wellhead platform and refurbishment of existing flowlines and production platform



Pompano Development (cont'd)

- Well #1 spudded mid-January 2008 and intersected three pay zones as prognosed
- Well #1 was flow tested, completed and placed on production in mid-March
- Initial expected flow rates from Well #1 of approx 6 - 7MMscf of gas/day
- Well #2 currently drilling – anticipated TD late March
- Platform refurbishment activities essentially complete
- Independent reserves report will be prepared for Wells #1 and #2
- Phase 2 wells planned for Q2 and Q3



Exploration

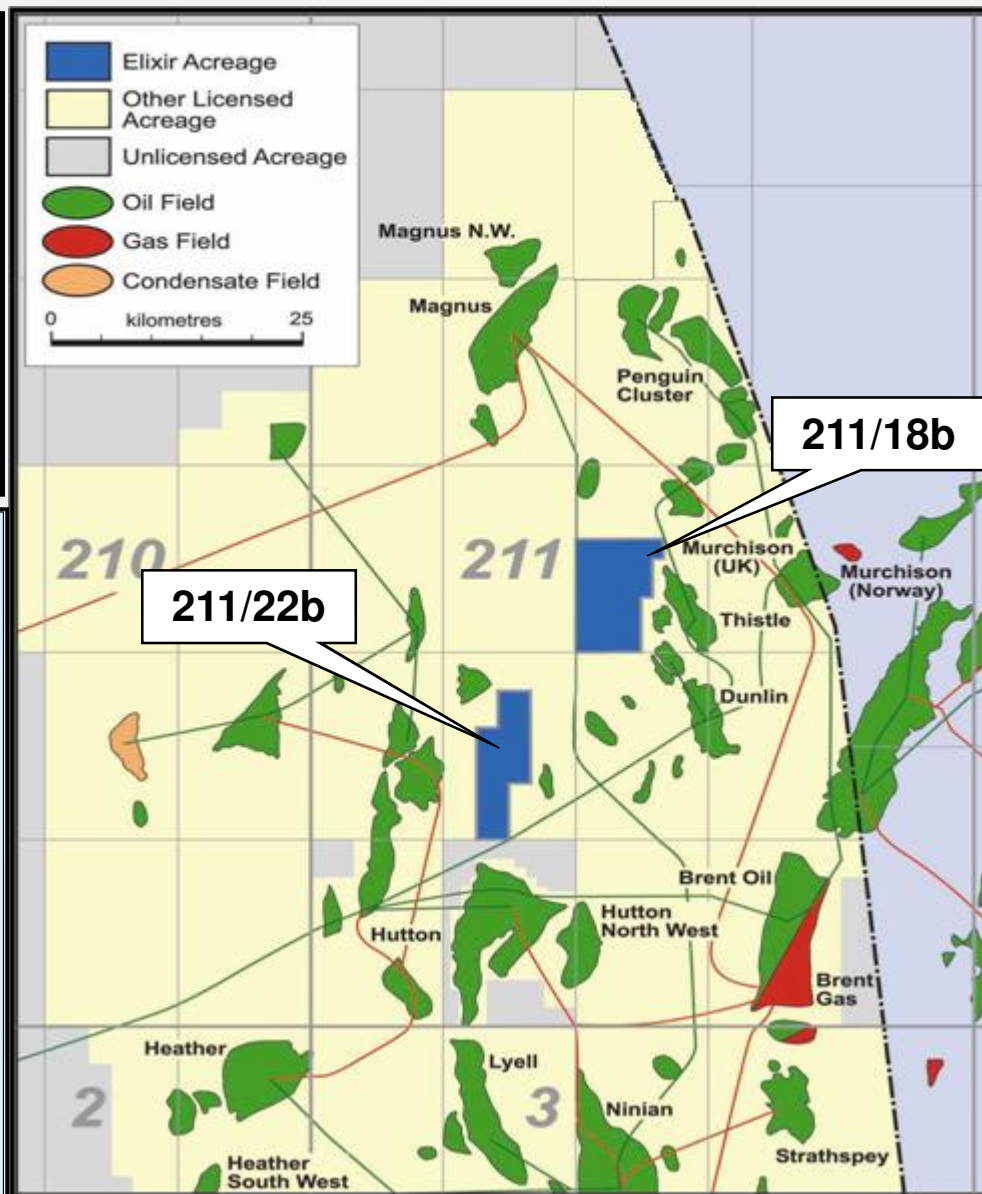
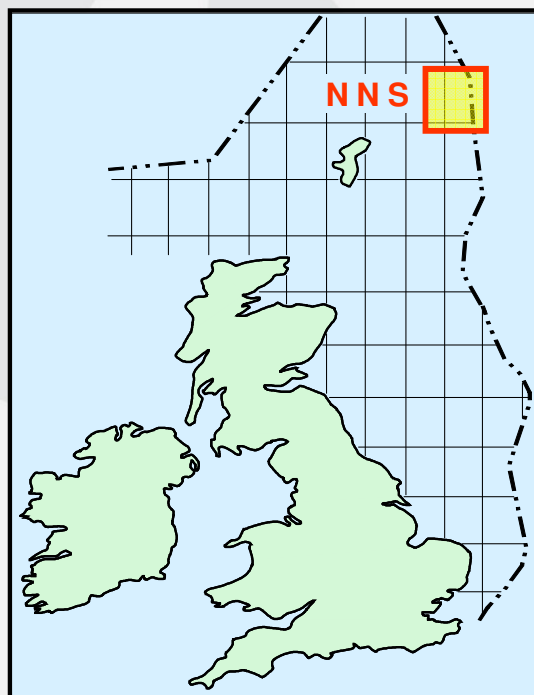


Northern UK North Sea

Elixir Petroleum Interests

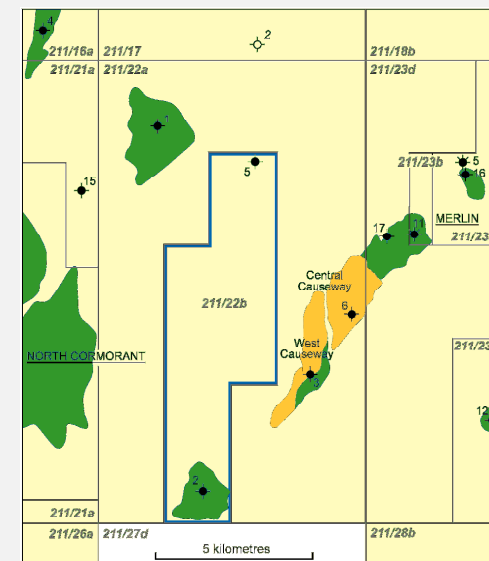
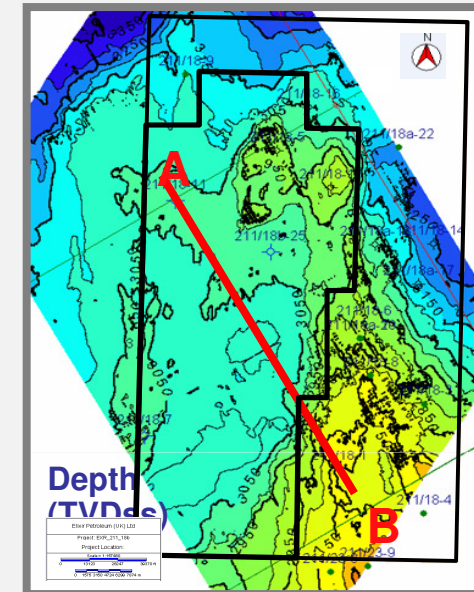
Northern North Sea

211/22b	40%
211/18b (operator)	56%



Northern North Sea - A Core Focus Area

- Block 211/18b (Leopard Prospect) –
 - Primary play stratigraphic synrift Upper Jurassic sands
 - Tied-in to Norwegian Borg analogue with 2006 long offset seismic lines
 - Resource potential of 350+ MMbbls
 - Prospect partially farmed-out (RWE 30%) – Traditional licence to 2011
 - Well expected to be drilled in H2 2008
- Block 211/22b (Mulle Discovery) –
 - Attention now on Brent prospectivity in block after Jaguar well intersected residual oil in Middle Jurassic and continuing success at Causeway
 - Operator has completed detailed technical work and prepared resource estimates for possible hydrocarbons in the Brent formation
 - Commencing discussions with possible processing and export partners and considering appraisal options

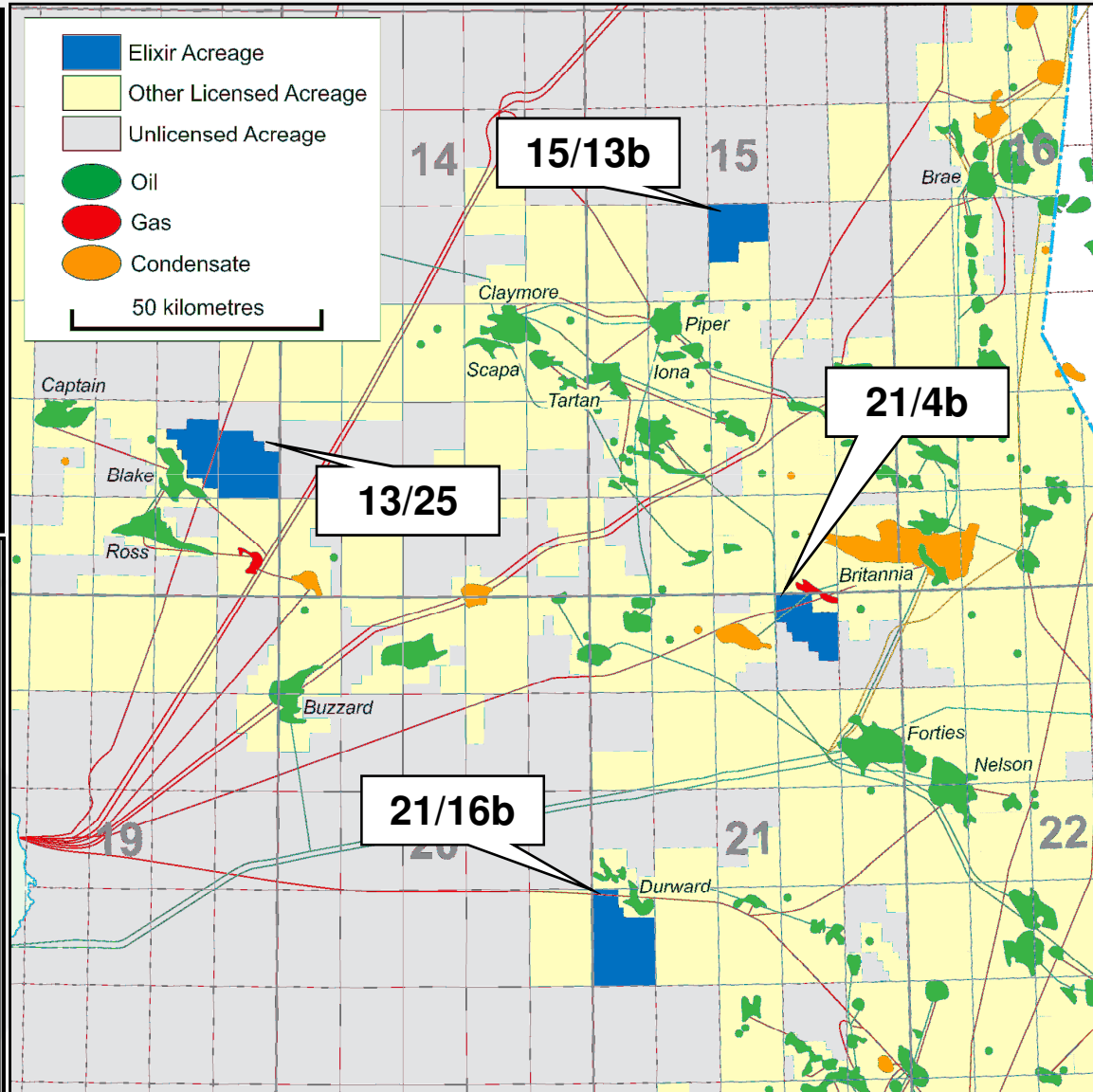
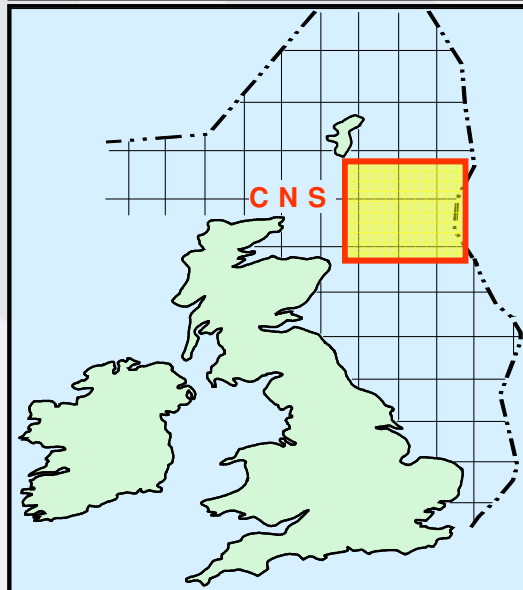


Central UK North Sea

Elixir Petroleum Interests

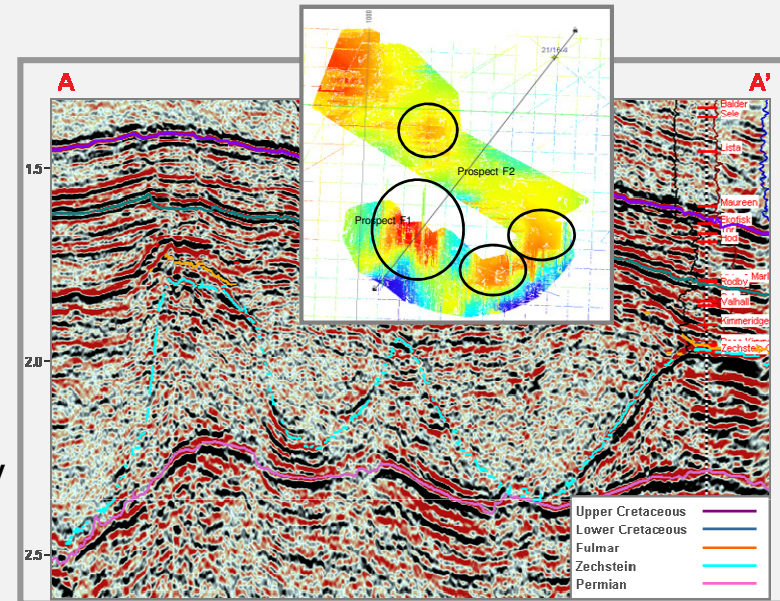
Central North Sea

13/25	12.5%
15/13b	13.1%
21/4b	7%
21/16b (operator)	40%



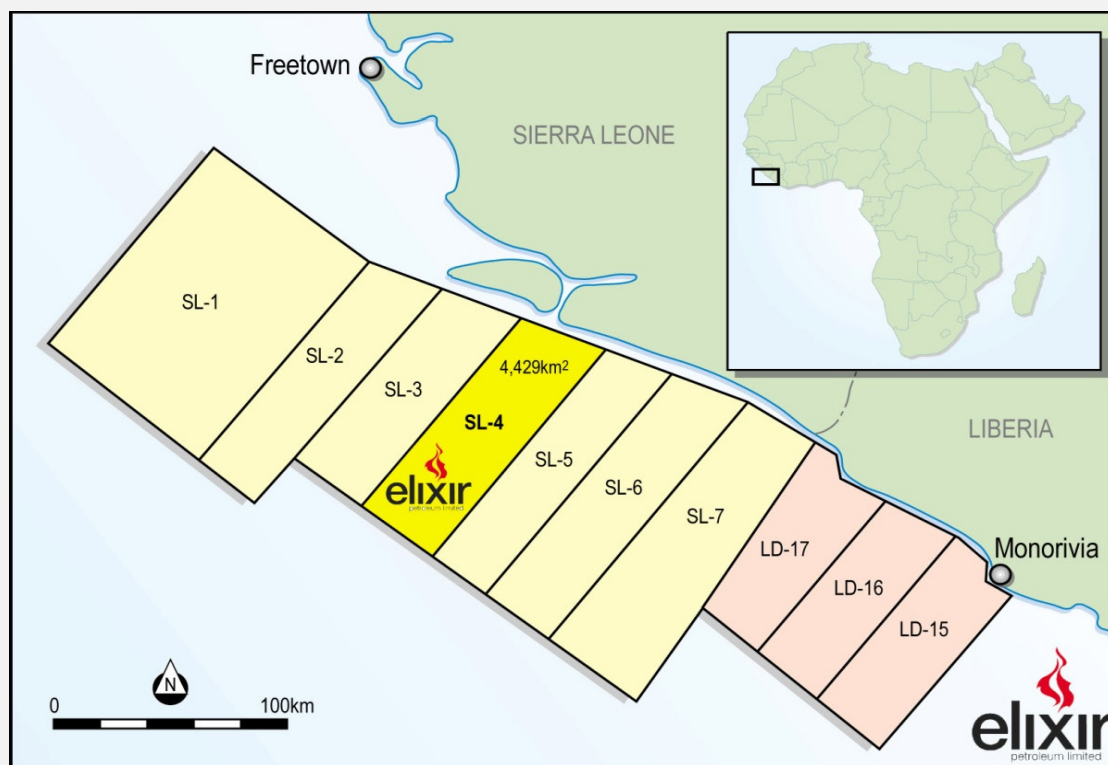
Central North Sea – Active Farmouts

- Block 21/16b (Bob Cat Prospect)
 - 24th Licencing Round promote licence in north west Central Graben area
 - 5 mapped prospects and 1 lead with mean total reserves of 70+Mmbbls
 - Close to existing fields and infrastructure
 - Key risks are migration and reservoir quality
 - Work program has utilised advanced seismic techniques to de-risk prospects
 - Farmout activities to commence this month
- Block 13/25 (Fat Cat Prospect)
 - Recently merged adjacent blocks with Petro Canada
 - High quality 2D acquired in 2007, currently being interpreted
 - Results available end of Q2 2008, consider farm out options at that stage



Sierra Leone (EXR: 35%*, Operator)

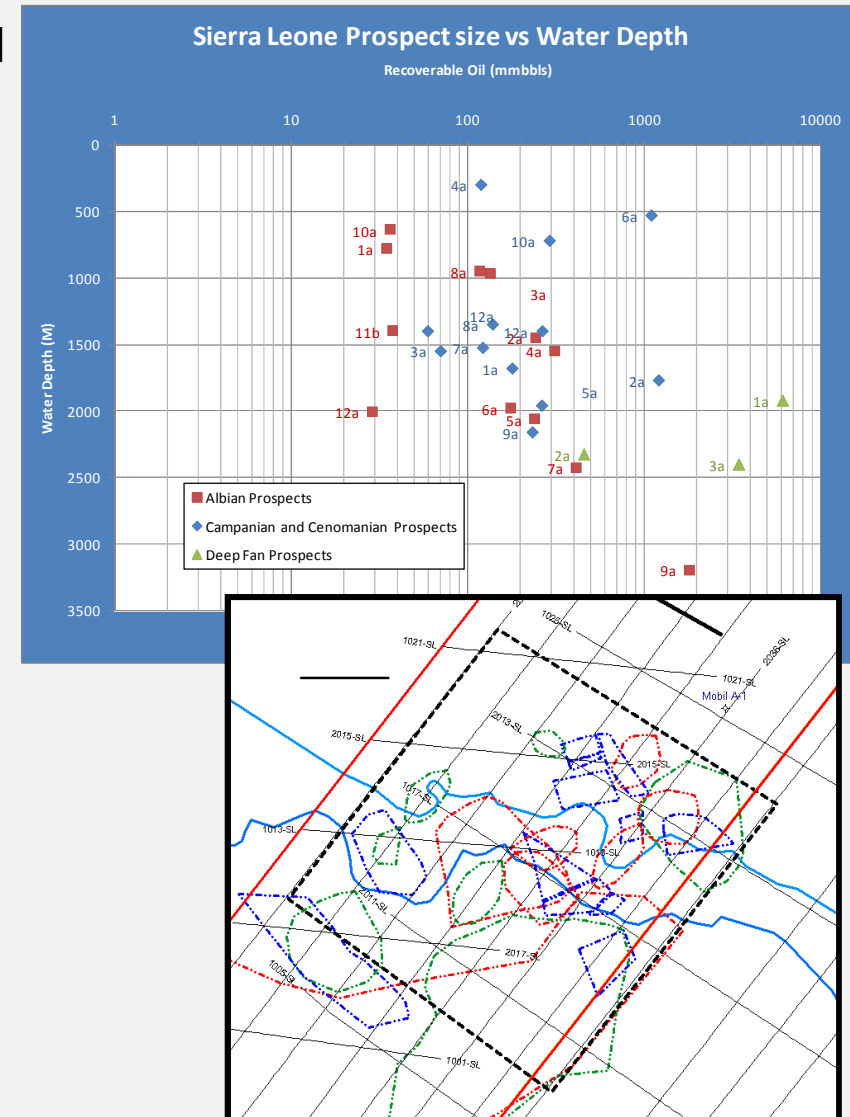
- Elixir has acquired a 35%* interest in and operatorship of the highly prospective Block SL-4 offshore Sierra Leone
- SL-4 covers 4,429 sq kms with water depths ranging from 100m to over 3,000m
- Interest acquired on unpromoted, ground floor terms – mix of cash and shares
- No bonus payable on entry to Government or assignor
- Excellent fiscal terms in petroleum agreement – production royalty basis
- Government has approved assignment and operatorship in favour of Elixir
- Minimum work commitment comprises acquisition of 3D seismic data set



* Interest will rise to 35% if Option is exercised

Sierra Leone (cont'd)

- A wide spaced 2D data set was acquired over the Block in 2003
- A number of mapped leads and play types have been identified from 2D
- Includes shallow shelf, slope and deep water basin floor -
- 1,000 sq km 3D seismic survey to commence no later than Q3 2008
- Payment of 15% WI share of 3D programme in cash, balance of 20% WI payable in shares – both deferred until 6 months following commencement of shoot
- Objective of 3D programme is to map drill ready, world class targets and then farm out



Year Ahead – Existing Portfolio

US Gulf of Mexico

- Continuing production from High Island, growing production from Pompano
- Phase 2 drilling at Pompano of up to 4 new wells
- Acquisition of interest in a further development project

UK Continental Shelf – North Sea

- 2H 08 drilling of large Leopard Prospect – 350+ MMBbl target
- Appraisal drilling on Mulle accumulation
- Participation in UKCS 25th Licensing Round

Sierra Leone

- 3D seismic program kicking off within 6 months
- Farm out drill ready prospects from early 2009

New Opportunities

- Entrepreneurial approach being adopted
- Geographic expansion of ops into complementary jurisdictions being pursued

Summary

- Growth in capitalisation will depend on –
 - Equity market conditions
 - Commodity pricing
 - Pace of prospect generation, and
 - Drilling success,
But mainly success through the drill bit
- Our growth will be determined by various factors within our control –
 - Internal generation of drill ready exploration prospects
 - Sourcing of attractive third party generated development opportunities
 - Having sufficient available financial capacity to participate in new opportunities as they emerge
 - By successfully planning and conduct of drilling/development operations

Conclusion

- Elixir has -
 - Sound business model, which it is aggressively pursuing
 - Existing reserves, production and cash flow
 - Scheduled drilling activity
 - A proven team of upstream professionals, which is steadily growing
 - Rapid cycle time from development to sales in Gulf of Mexico
 - Large exploration upside in the UKCS and Sierra Leone
 - Diversified risk through pursuit of combination of near term, production opportunities together with high impact exploration plays
- Elixir's efforts will remain focused and will not be hampered through a lack of ambition





www.elixirpetroleum.com

This presentation has been prepared by Elixir Petroleum Limited (ABN 51 108 230 995) ("Elixir") based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Elixir, its related bodies corporate, its or their directors, employees or agents, advisers, nor any other person accepts any liability for any loss arising from the use of or reliance on this presentation or anything contained in, omitted from or otherwise arising in connection with it, including, without limitation, any liability arising from fault or negligence on the part of Elixir, its related bodies corporate or its or their directors, employees or agents.

The distribution of this document in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions.

This presentation is not an offer, invitation, solicitation or recommendation to invest in Elixir and neither this document nor anything in it shall form the basis of any contract or commitment. The information in this presentation does not take into account the investment objectives, financial situation and particular needs of investors and does not constitute investment, legal, tax or other advice. Before making an investment in Elixir an investor should consider whether such an investment is appropriate to their particular investment objectives, financial situation and particular needs and consult a financial adviser if necessary. This presentation does not purport to constitute all of the information that a potential investor may require in making an investment decision. Investments are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Elixir does not guarantee the performance of the investment referred to in this presentation, the repayment of any capital invested or any particular rate of return.

Any securities described in this presentation may not be offered or sold in the United States absent registration under the US Securities Act 1933 or exemption from registration.

Nothing in this presentation is a promise or representation as to the future. Statements or assumptions in this presentation as to future matters may prove to be incorrect and differences may be material. Elixir does not make any representation or warranty as to the accuracy of such statements or assumptions.

You acknowledge that circumstances may change and the contents of this presentation may become outdated as a result. Elixir accepts no obligation to correct or update the information or opinions in this presentation. Opinions expressed are subject to change without notice.

By accepting this document, you agree to be bound by the above limitations.