



29 May 2008

Manager of Company Announcements
Australian Stock Exchange Limited
By E-Lodgement

CAPITAL RAISING AND APPOINTMENT OF NEW NOMINATED ADVISER AND BROKER

Elixir Petroleum Limited (ASX: EXR) ("Company" or "Elixir") is pleased to announce a capital raising to consist of a placement and underwritten entitlements issue of up to 53.64 million shares to raise up to A\$14.5 million at a price of \$0.27 per share.

The capital raising consists of:

- A placement of a first tranche of 24.15 million shares at \$0.27 per share to professional and sophisticated investors to raise approximately \$6.52 million before issue costs ("Placement");
- An additional placement of a further tranche of 9.35 million shares, subject to shareholder approval, at \$0.27 per share to professional and sophisticated investors to raise approximately \$2.52 million before issue costs ("Additional Placement"); and
- A fully underwritten non-renounceable entitlements issue at \$0.27 per share on the basis of one (1) share for every eight (8) shares held to raise approximately A\$5.44 million before issue costs ("Entitlements Issue").

The proceeds of the capital raising will be used to:

- Fund additional development wells under an accelerated drilling programme at the Company's Pompano Gas Project in the Gulf of Mexico;
- Fund the Company's 35% working interest share of the 2008 work programme in respect of Block SL-4 offshore Sierra Leone;
- Provide greater flexibility to the Company in its participation in appraisal and exploration programmes across its existing North Sea asset portfolio;
- Support its recent North Sea 25th Round Licensing Applications, a condition of which in some cases includes certain minimum balance sheet requirements;
- Allow the Company to grow its existing Gulf of Mexico shallow water production base through participation in additional exploration, appraisal and development opportunities; and

ASX CODE: EXR

www.elixirpetroleum.com

Elixir Petroleum Limited

Level 20, 77 St George's Terrace
PERTH WA 6000, AUSTRALIA
T: +61 8 9440 2650 F: +61 8 9440 2699 E: info@elixirpetroleum.com

- For general working capital purposes.

The issue price of \$0.27 per share represents a discount of 12.3% to the Volume Weighted Average Price (“VWAP”) of Elixir’s shares of \$0.308 over the 5 prior trading days on the ASX.

The Company also announces the appointment of Blue Oar Securities Plc as its nominated adviser and broker to the AIM market. Blue Oar has nomad representatives in the UK and Australia as well as a wholly owned Australian corporate advisory practice, Inteq Limited.

Attached to this announcement is an updated presentation which will be utilised as the basis of presentations to clients of Blue Oar, Australian brokers and other institutional and non-institutional investors.

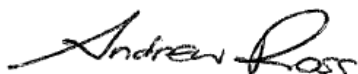
Commenting on the capital raising and the adviser appointment, Elixir’s Chairman, Jon Stewart said:

“We are delighted with the support we have received from supporting brokers and our shareholders. We are pleased to provide an opportunity for existing shareholders to participate in this fundraising through the entitlements issue.

“This financing will help the Company meet a number of strategic and operating objectives. It is management’s intention to use Elixir’s new balance sheet strength, together with its growing cashflow from production, to take advantage of existing opportunities within its portfolio and to aggressively pursue other new projects.

“We are also very pleased to have retained Blue Oar Securities Plc and Inteq as our advisers on the AIM market and the ASX. We consider our balanced portfolio of producing assets, appraisal interests and high impact exploration an attractive and relevant opportunity for the UK investment market and we intend to develop that market in conjunction with our efforts in the Australian investment market.”

Yours faithfully,



Andrew Ross
Managing Director
Elixir Petroleum Ltd

For further information, please visit Elixir’s website at www.elixirpetroleum.com

Information Concerning the Placement, Additional Placement and Rights Issue

Placement

Elixir has agreed the initial placement of 24.15 million new fully paid ordinary shares at \$0.27 each, pursuant to s.708 of the Corporations Act to be issued to professional and sophisticated investors on the same terms as the existing shares in the Company. The Placement is being finalised and upon issue, the new shares will rank equally with existing fully paid ordinary shares. It is intended that the Placement Shares will be issued to clients of Argonaut Securities Pty Limited, Stripe Capital Pty Limited (corporate authorised representative of Australian Stockbroking and Advisory Services Ltd), Tolhurst Noall Limited, Bell Potter Securities Limited and Blue Oar Securities Plc.

The Placement is expected to raise \$6.52 million before costs. Shareholder approval is not required for the Placement, which is within the 15% limit available to the Company under Listing Rule 7.1.

Additional Placement

Elixir will seek shareholder approval for an additional placement of up to 9.35 million new fully paid ordinary shares at \$0.27 each, with such shares to be issued on the same terms as the existing shares in the Company to professional and sophisticated investors. A notice convening a general meeting of shareholders to consider the Additional Placement will be sent to shareholders imminently. It is anticipated that the general meeting of shareholders will be held at the beginning of July 2008.

Upon receipt of shareholder approval, the Company will seek to place Additional Placement shares to UK based professional and sophisticated investor clients of Blue Oar Securities Plc and others at the discretion of the board of directors. A further announcement in this regard will be made in due course.

Entitlements Issue

In conjunction with the Placement and Additional Placement, Elixir is offering eligible shareholders the opportunity to acquire additional shares in the Company at the same price as the Placement and Additional Placement (\$0.27 each) via a fully underwritten non-renounceable entitlements issue on the basis of one (1) share for every eight (8) shares held at the record date.

Based on the current capital structure of the Company (i.e. before the issue of any new shares pursuant to the Placement or Additional Placement), the maximum number of shares which may be issued under the Entitlements Issue is approximately 20.14 million to raise approximately \$5.43 million (before the costs of the issue).

The Entitlements Issue is being fully underwritten by Stripe Capital Pty Limited (corporate authorised representative of Australian Stockbroking and Advisory Services Ltd) for an underwriting fee of 5% of the funds raised from the Entitlements Issue.

The Record Date for entitlements under the Entitlements Issue is 10 June 2008 and the due date for receipt of applications for shares pursuant to the Entitlements Issue is 27 June 2008. Participants in the Placement and the Additional Placement will not be eligible to subscribe for shares in the Entitlements Issue.

The Entitlements Issue is non-renounceable and is available to all eligible Elixir shareholders registered on the Record Date as detailed in the timetable below ("Timetable"). Please note that shareholders at the Record Date with a registered address outside of Australia and New Zealand will not be eligible to participate in the Entitlements Issue.

An offer document ("Offer Document") and entitlement form will be sent to eligible Elixir shareholders on the date referred to in the Timetable.

Where the determination of the entitlement of any eligible shareholder results in a fraction of a Entitlements Issue share, such fraction will be rounded up to the nearest whole share. Entitlements Issue shares, once issued, will rank equally with shares currently on issue. Shareholder approval is not required in relation to the Entitlements Issue. There will be no deferred settlement of the sale of shares offered under the Entitlements Issue. Trading in the Entitlements Issue shares will commence on the first business day following dispatch of holding statements.

A notice under section 708AA(2)(f) of the Act and an offer document will be lodged with the ASX on or about 10 June 2008 in respect of the Entitlements Issue. The Offer Document will not constitute an offer in any place in which or to any person to whom it would be unlawful to make such an offer.

Details of the Underwriting Agreement

The Company has entered into an underwriting agreement with Stripe Capital Pty Limited (corporate authorised representative of Australian Stockbroking and Advisory Services Ltd), pursuant to which the Entitlements Issue has, subject to certain terms and conditions, been fully underwritten.

The Company will pay an underwriting fee of 5% of the amount underwritten. Any sub-underwriting fees will be paid out of this fee. The Underwriter has the right to terminate the underwriting agreement on the occurrence of certain events ("Termination Events"). These Termination Events include the following specific events:

- **material change** - a material and adverse change occurs after the date of the agreement in the financial or trading position of the Company or a subsidiary;
- **market movement** – at any time after the date of the agreement the All Ordinaries Index, the S&P/ASX 200 Index or the S&P/ASX Small Ordinaries Index is at any time for three or more consecutive trading days more than 10% below its level immediately preceding the date of the agreement

Other Termination Events include contravention of applicable laws and regulations, insolvency, outbreak of war or hostilities in various locations, misleading statements in the Offer Document and criminal charges or convictions relating to any Director.

Further details of the terms and conditions of the Entitlements Issue are set out in the attached ASX Appendix 3B in respect of the Entitlements Issue shares.

NOTICE UNDER s.708AA OF THE ACT (FIRST CLEANSING NOTICE)

The Company hereby notifies ASX under paragraph 708AA 2(f) of the Act that:

1. the Company will offer the Shares for issue under the Entitlements Issue without disclosure to investors under Part 6D.2 of the Act;
2. the Company is providing this notice under paragraph 2(f) of section 708AA of the Act;
3. as at 29 May 2008, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
4. as at 29 May 2008, the Company has complied with section 674 of the Act;
5. as at 29 May 2008, there is no information:
 - a. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - b. that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - i. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - ii. the rights and liabilities attaching to the Shares; and
6. the issue of Shares under the Entitlements Issue is not expected to have any effect on the control of Elixir.

Timetable for the Entitlements Issue

Announcement of Entitlements Issue, Appendix 3B and first Cleansing Notice	29 May 2008
Notice sent to security holders	30 May 2008
Ex Date (date from which securities commence trading without the entitlement to participate in the Entitlements Issue)	3 June 2008
Record Date (date for determining entitlements of Eligible Shareholders to participate in the Rights Issue)	10 June 2008
Offer Document lodged with ASX	10 June 2008
Second Cleansing Notice lodged with ASX	10 June 2008
Offer Document Despatched to Eligible Shareholders (expected date of despatch of Offer Document and Entitlement and Acceptance Forms)	11 June 2008
Opening Date	11 June 2008
Closing Date (5pm WST) *	27 June 2008

Settlement Date (5pm WST)	27 June 2008
Company to notify ASX of undersubscriptions (if any) **	2 July 2008
Allotment Date **	7 July 2008
Cleansing statement lodged with ASX	7 July 2008
Despatch holding statements **	7 July 2008

* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Entitlements Issue at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

** These dates are indicative only.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

ELIXIR PETROLEUM LIMITED

ABN

51 108 230 995

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued | Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 20,139,740 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>				
<p>5 Issue price or consideration</p>	<p>27 cents per share</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The funds raised will be used to fund the Company's drilling programme in the Gulf of Mexico, its exploration and appraisal activities in the North Sea and offshore Sierra Leone and for general working capital purposes as outlined in the Company's announcement dated 29 May 2008.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>Expected to occur on 7 July 2008</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1433 989 1478">Number</th> <th data-bbox="989 1433 1281 1478">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1478 989 1700">181,257,662</td> <td data-bbox="989 1478 1281 1700">Fully Paid Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	181,257,662	Fully Paid Ordinary Shares
Number	+Class				
181,257,662	Fully Paid Ordinary Shares				

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	637,148	60 cent (24p) Options expiring 16 May 2010
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	As with existing shares	

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Non-renounceable
13 Ratio in which the +securities will be offered	1 for 8
14 +Class of +securities to which the offer relates	Fully paid ordinary shares
15 +Record date to determine entitlements	10 June 2008
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17 Policy for deciding entitlements in relation to fractions	Round up
18 Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	The offer will not be made to security holders with a registered address outside of Australia or New Zealand
19 Closing date for receipt of acceptances or renunciations	27 June 2008 (5pm WST)

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	Stripe Capital Pty Ltd (corporate authorised representative of Australian Stockbroking and Advisory Services Ltd)
21	Amount of any underwriting fee or commission	5% underwriting fee
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	No prospectus will be issued. Entitlement forms are expected to be despatched on or around 11 June 2008
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A

+ See chapter 19 for defined terms.

33 +Despatch date N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents N/A

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

N/A

39 Class of +securities for which
 quotation is sought

N/A

40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

N/A

41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

N/A

	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	N/A	

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

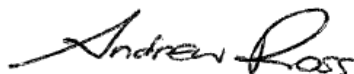
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 29 May 2008
(Director/Company secretary)

Print name: ANDREW ROSS

+ See chapter 19 for defined terms.

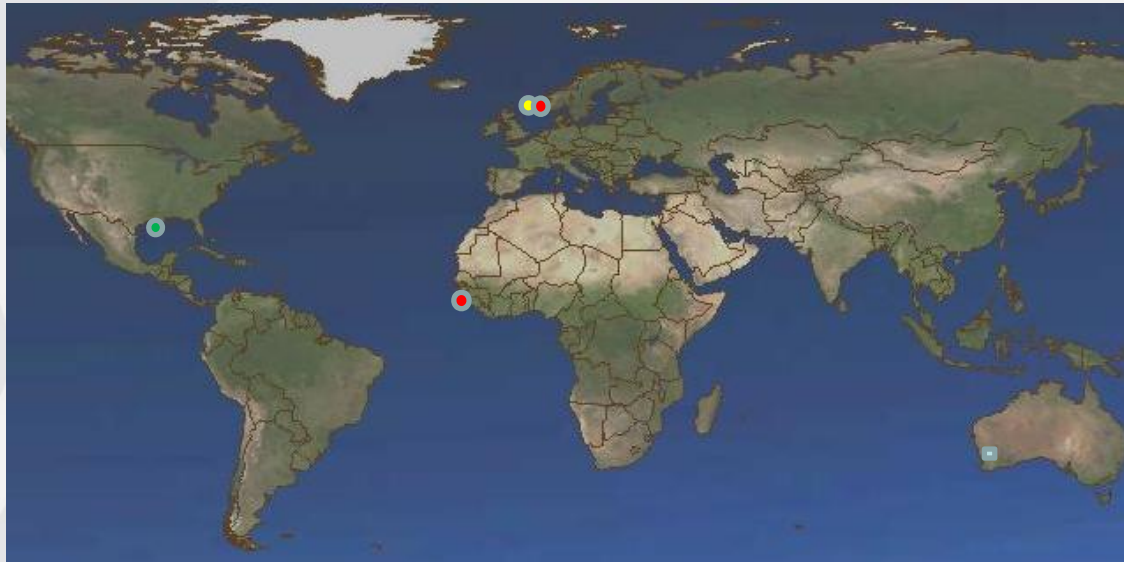
2008



**Company Update Presentation
29 May 2008**

Corporate Profile

- Elixir is an international E & P company with a diversified portfolio of interests across the exploration, appraisal, development and production spectrum
- Current areas of activity include:
 - 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
- Funded for growth!



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
Asset Manager – Europe

Malcolm Bult
Commercial Manager

Issued Share Capital

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

Ordinary shares: 161m

Pro-forma: 215m

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

Current Market Cap: ~A\$44m

Pro-forma Market Cap: ~A\$58m

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

Current Share Register Mix: ~80% (Aust) / 20% (Europe)

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

Cash on Hand (05/08): A\$4.2m

Pro-forma Cash on Hand: A\$18m

Recent Achievements

- ✓ New Chairman and MD - management team also strengthened
- ✓ High Island Project – two wells on production
- ✓ Pompano Project – two wells on production with additional wells scheduled – independent reserves estimate
- ✓ Leopard Prospect – 350MMBbl recoverable reserve target - partially farmed-out - drilling anticipated in H2, 2008
- ✓ Mulle accumulation – 17MMBbl recoverable oil project in UKCS - appraisal well being farmed out to drill
- ✓ Applications submitted for three new North Sea licences in the 25th Licensing Round
- ✓ 3D seismic acquisition in Block SL-4 offshore Sierra Leone continuing on schedule
- ✓ Proposed equity funding of A\$13.75m net



Proposed Capital Raising

	Shares (m)		\$(m)
Current Issued	161.1	Cash on Hand	4.2
Placement	33.5	Placement	9.0
Entitlements Issue	20.1	Entitlements Issue	5.4
Dilution*	15.6%	Costs of the Issue	0.7
Pro-forma Total	214.6	Pro-forma Total	18.0
* For existing shareholders who take up their entitlements			

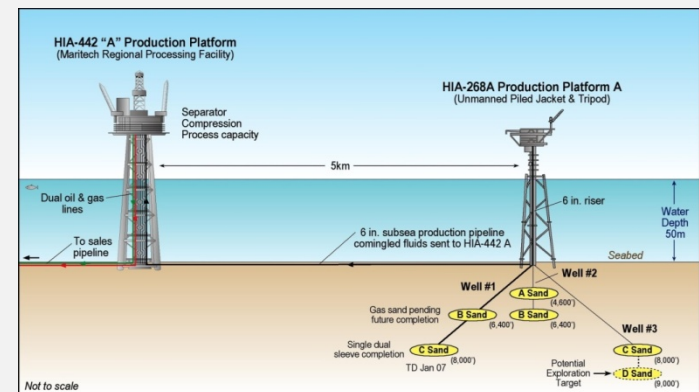
“This financing will help the Company meet a number of strategic and operating objectives. It is management’s intention to use Elixir’s new balance sheet strength together with its growing cashflow from production to take advantage of existing opportunities within its portfolio and to aggressively pursue other new projects.”

Development and Production



High Island Development

- Gas and condensate development located 65kms offshore Texas Gulf Coast in 51m water depth
- Two wells on production at approx 4.5MMscf/d and 200 boc/d
- Sleeve change aimed at increased gas from Well A-1 currently being undertaken
- Reservoirs will produce for up to another 12 months, then swap to shallower PDNP horizons
- Further sidetrack opportunities once existing producing reservoirs are depleted
- Total net sales revenue to Elixir to end of April of approx US\$4.3m
- Achieving approx US\$350,000/month - expecting increased sales following sleeve change



Pompano Development

- Gas re-development project located 7km offshore Texas Gulf Coast in 18m water depth
- Two wells on production from March 2008 at approx 16 MMscf/d and 50 boc/d
- First sales proceeds received in May and based on current prices approx US\$700k - \$800k/month by August 2008 from first two wells
- First 2 wells should pay for project
- Further wells planned for H2, 2008
- Independent reserves report published for the two producing wells –



	1P (Proven)		2P (Proven + Probable)		3P (Proven + Probable + Possible)	
	MMsf	Bbls	MMscf	Bbls	MMscf	Bbls
Project (100%)	12.6	34,732	17.1	48,207	23.8	74,617
Elixir (18.1% NRI)	2.3	6,282	3.1	8,719	4.3	13,496

Exploration and Appraisal

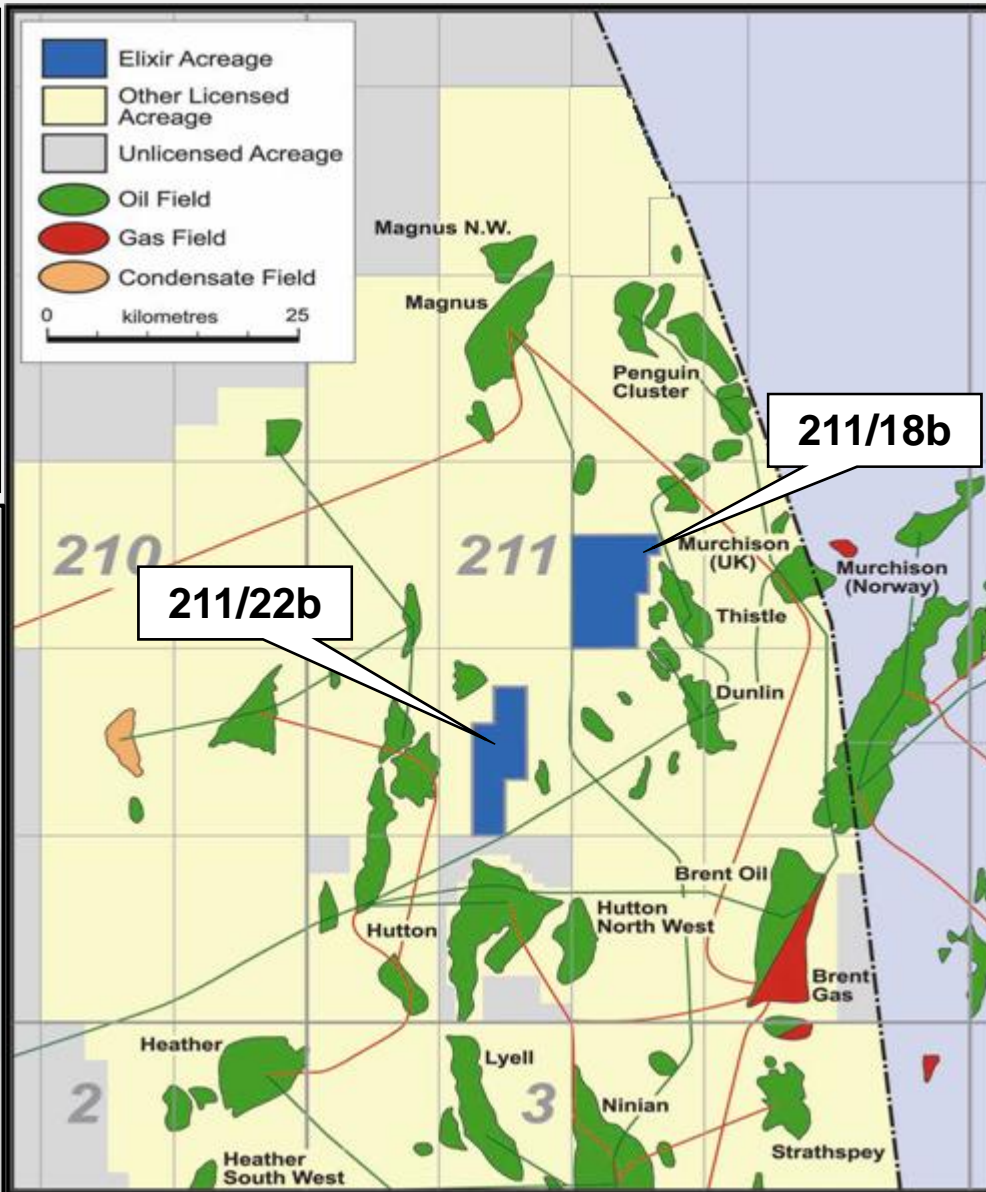
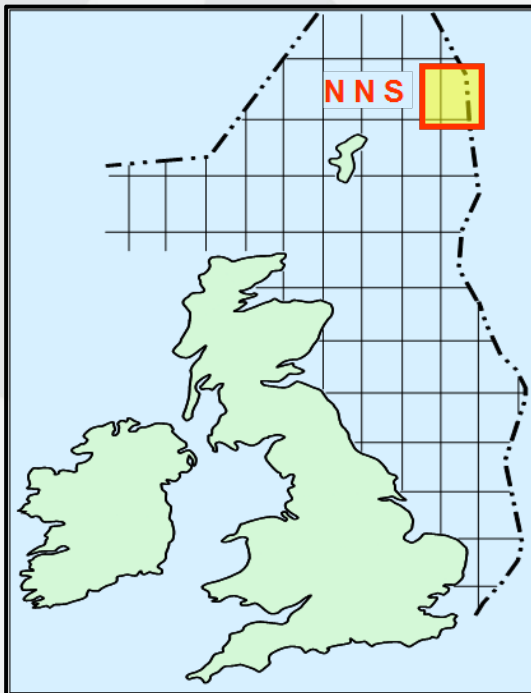


Northern UK North Sea

Elixir Petroleum Interests

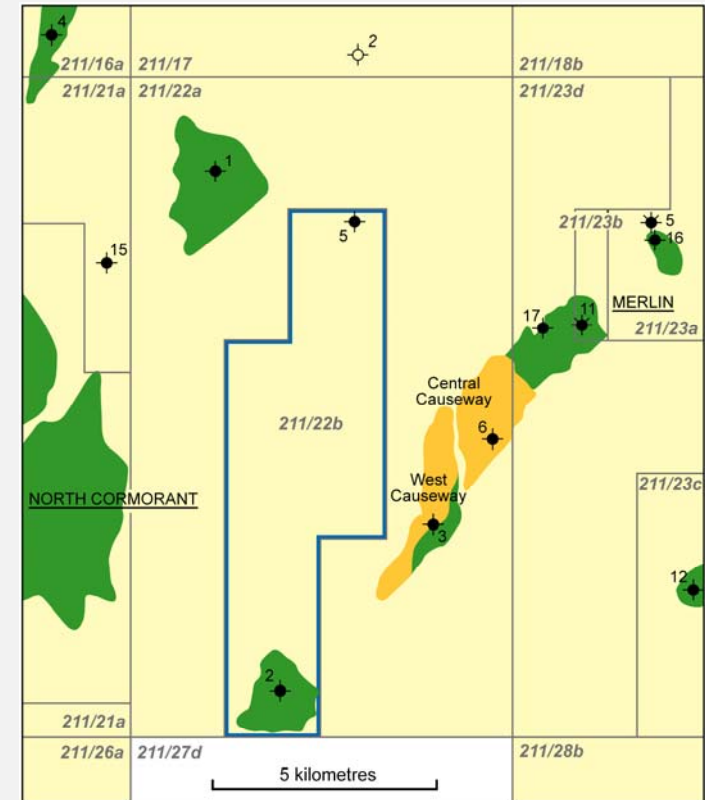
Northern North Sea

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



Northern UK North Sea (cont'd)

- Block 211/22b contains the Mulle accumulation
- Jaguar well and continuing Causeway success led to a re-examination of prospectivity in southern half of block in 2006/7
- Vintage well with 20m gross oil column in Ness formation - drilled off crest and never tested
- Joint venture is developing appraisal programme with view to farm out
- Following extensive technical studies, operator has assigned contingent resource estimate



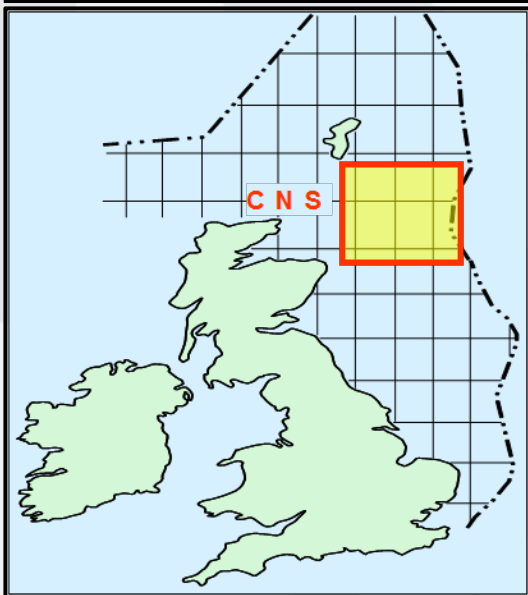
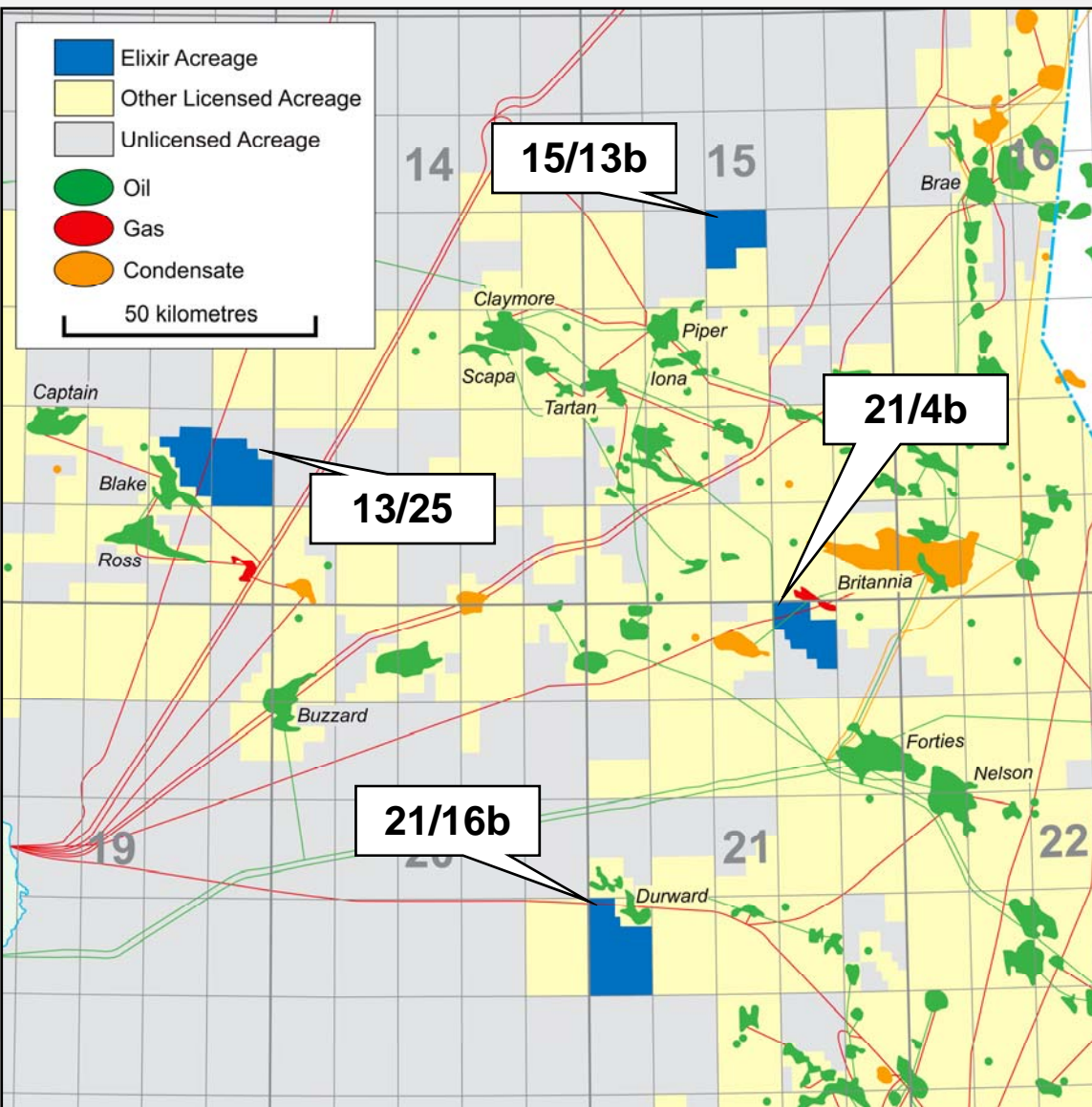
	P90	P50	P10
	Boe	Boe	Boe
Project (100%)	4	17	36
Elixir (40%)	1.6	6.8	14.4

Central UK North Sea

Elixir Petroleum Interests

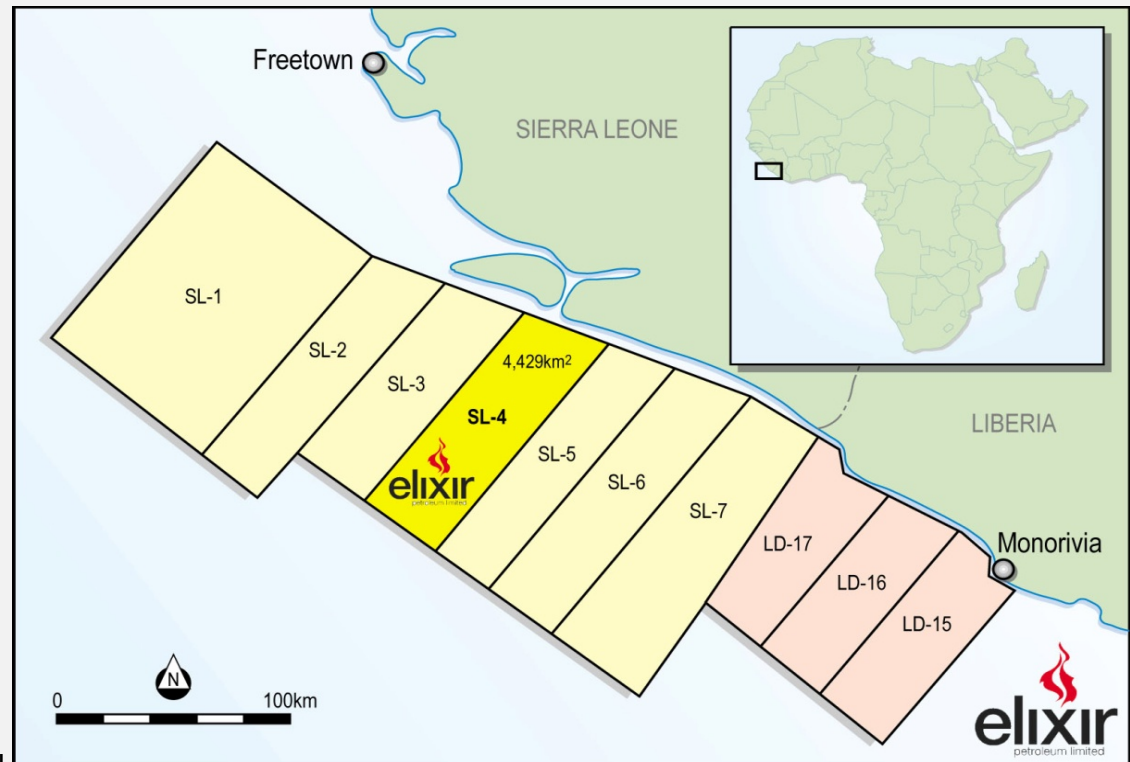
Central North Sea

13/25 'Fat Cat'	12.5%
15/13b	13.1%
21/4b	7%
21/16b* 'Bob Cat'	40%



Sierra Leone (EXR: 35%*, Operator)

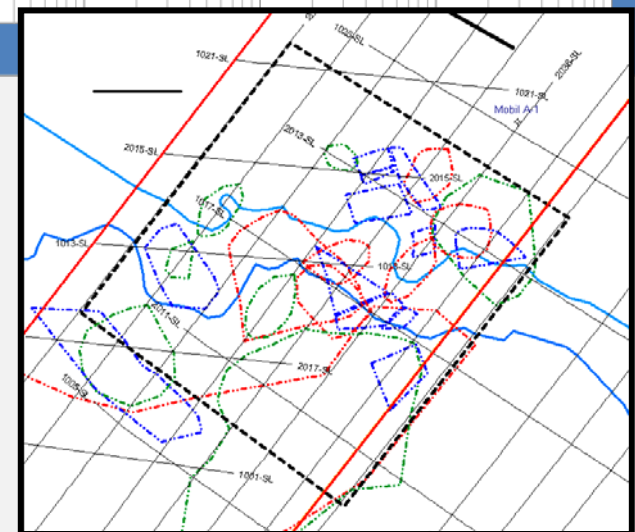
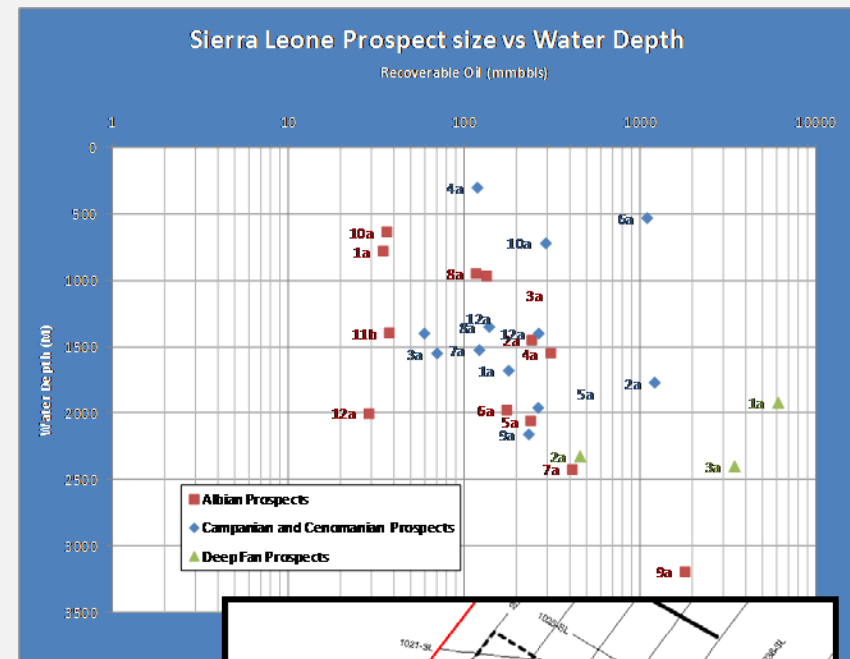
- Elixir has acquired a 35%* interest in, and operatorship of, highly prospective Block SL-4 offshore Sierra Leone
- SL-4 covers 4,429km² - water depths range from 100m to over 3,000m
- Includes shallow shelf, slope and deep water basin floor
- Interest acquired on unpromoted, ground floor terms – mix 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



* Interest will rise to 35% if Option is exercised

Sierra Leone (cont'd)

- A wide spaced 2D seismic data set was acquired over the Block in 2003
- A large number of play types and mapped leads identified from 2D
- Minimum work commitment comprises acquisition of 3D seismic data set
- 1,222 km² 3D seismic survey commenced in March – will complete in early June 2008 and then processing
- Payment of 15% WI share of 3D programme in cash (~ US\$1.5m), balance of 20% WI payable in shares
- Cash payable in Sep 08, shares to be issued in Dec 08
- Objective of 3D programme - refine 2D targets, map drill ready, world class prospects and then in Q1, 2009 look to farm out to drill



Year Ahead – Existing Portfolio

US Gulf of Mexico

- Continuing production from High Island, growing production from Pompano
- Phase 2 drilling at Pompano
- Acquisition of interests in further development projects
- Net sales revenue for next 12 months should exceed US\$10m based on current commodity prices

North Sea

- Targeting 2H, 08 drilling of large Leopard Prospect – 350+ MMBbl target
- Pursuing appraisal programme for Mulle accumulation
- Results from applications made under the UKCS 25th Licensing Round

Sierra Leone

- 3D seismic program complete in June, processing through to year end
- Farm out drill ready prospects from Q1, 2009

New Opportunities

- Funded to pursue opportunities within and outside existing portfolio

Conclusion

- Elixir has -
 - Existing reserves, growing production and cash flow
 - Scheduled drilling activity
 - Rapid cycle time from development to sales in Gulf of Mexico
 - Near term oil field appraisal in the North Sea
 - Large exploration upside in the North Sea and Sierra Leone
 - A proven team of upstream professionals, which is steadily growing
 - Diversified risk through a sound business model, which it is aggressively pursuing
 - New opportunities under review
- Elixir's is funded for growth!





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.