ASX ANNOUNCEMENT

petroleum limited
ABN 51 108 230 995

10 June 2008

Company Announcements Platform
Australian Securities Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000
By E-Lodgement

FINALISATION OF PLACEMENT, APPENDIX 3B AND s708A NOTICE

Elixir Petroleum Limited (ASX:EXR) ("Company" or "Elixir") is pleased to advise that it has finalised an initial placement of 20,000,000 fully paid ordinary shares to Institutional and other Sophisticated Investors ("Initial Placement"), as part of the capital raising announced on 29 May 2008. The Initial Placement has raised $5,400,000 before the costs of the issue.

Fully paid ordinary shares in respect of the Initial Placement are now being allotted and issued to clients of Argonaut Capital Pty Limited, Bell Potter Securities Limited, Stripe Capital Pty Limited (corporate authorised representative of Australian Stockbroking and Advisory Services Ltd) and Tolhurst Noall Limited. A completed Appendix 3B in respect of the Initial Placement is attached and the Company expects that holding statements will be despatched to shareholders at the beginning of next week.

As previously announced, a further tranche of placement shares is to be issued, being 13,500,000 fully paid ordinary shares, to be placed during June with European clients of Blue Oar Securities, Elixir's newly appointed broker in the UK. The allotment and issue of 9,350,000 of these shares is subject to receipt of shareholder approval. A meeting of shareholders to consider this matter has been called for 7 July 2008.

Secondary Trading Exemption Notice

The Corporations Act 2001 ("Act") restricts the on-sale of securities without disclosure, unless the sale is exempt under Section 708 or 708A of the Act. By Elixir giving this notice, on-sale of shares issued under the Placement will fall within the exemption offered by Section 708A (5) of the Act.

Elixir hereby notifies the ASX (as the operator of the prescribed financial market on which the Placement shares are to be quoted) under Section 708A(5)(e) of the Act that:

(a) Elixir issued the Placement shares without disclosure to investors under Part 6D.2 of the Act;
(b) As at the date of this notice Elixir has complied with the provisions of Chapter 2M of the Act as they apply to Elixir and with Section 674 of the Act; and
(c) As at the date of this notice there is no "excluded information" as defined in Section 708A(7) and (8) of the Act in relation to Elixir.

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Yours faithfully,

Alex Neuling
Company Secretary
Elixir Petroleum Ltd

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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	20,000,000
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.

4	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	Yes
5	Issue price or consideration	27 cents per share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	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.
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	Expected to occur on or around 11 June 2008

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)	201,257,662* *includes up to a maximum of 20,139,740 Entitlements Issue Shares proposed to be issued, as announced on 29 May 2009	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 8,571,429	60 cent (24p) Options expiring 16 May 2010 Convertible Notes having a conversion price of $0.35 per share and accruing interest at 10% on face value. The Notes are convertible at any time on or before 31 December 2008 or are redeemable at face value plus interest on 31 January 2009.

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?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A

+ See chapter 19 for defined terms.

18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
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	N/A
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 *in full* through a	N/A

+ See chapter 19 for defined terms.

	broker?	
31	How do +security holders sell *part* 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
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.

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 (*including* the securities in clause 38)	N/A	

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: Alex Neuling .... Date: 10 June 2008
(~~Director~~/Company Secretary)

Print name: ALEX NEULING