# ASX ANNOUNCEMENT

elixir petroleum limited
ABN 51 108 230 995

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

## UPDATE ON BLOCK SL-4

Elixir Petroleum Limited ("Elixir", ASX:EXR, AIM:ELP), the international oil and gas exploration and production company provides an update on matters associated with Block SL-4, located offshore the Republic of Sierra Leone.

*Default of Partner*

As previously advised, a notice of default was issued in late September by Elixir's subsidiary entity, Elixir Petroleum (UK) Limited ("Elixir (UK)"), the operator of Block SL-4, to its partner in the project, Prontinal Limited ("Prontinal") for failing to meet its payment obligations in respect of the Block. The obligations primarily relate to the payment of monies which remain outstanding to the seismic contractor who acquired 3D seismic over Block SL-4. Since that time, Elixir (UK) has been involved in detailed negotiations with Prontinal in a good faith attempt to settle the dispute. Unfortunately, these negotiations have not reached a satisfactory conclusion.

As Prontinal has not remedied its default within the time period allowed, Elixir (UK) has issued a notice of forfeiture to Prontinal. The notice provides that the whole of Prontinal's interest in Block SL-4 is now held by Elixir (UK). Elixir (UK) has been in communication with the Sierra Leone Petroleum Resource Unit and advised them of this fact and that Prontinal is no longer a participant in Block SL-4.

The notice of forfeiture issued to Prontinal also included a demand for the immediate payment of all monies owing by Prontinal to the joint venture. To date, Prontinal has not paid this amount, and so steps are now being taken to enforce this demand. Prontinal has indicated it will be contesting the demand, default and forfeiture notices. Elixir (UK) has formed the view that any challenge to the default and forfeiture process by Prontinal will be without merit.

*Demand by Seismic Contractor*

Elixir (UK) has received a statutory demand for payment in the amount of approximately US$2.58m from the seismic contractor who undertook the acquisition of the 3D seismic over



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Block SL-4. Elixir (UK) has taken legal advice in relation to this matter and is taking measures to have the Statutory Demand set aside.

Elixir will keep the market informed of developments as they arise in relation to this matter.

Yours faithfully,

Alex Neuling
Company Secretary
Elixir Petroleum Ltd

*Further information on the company can be found on the Company's website at www.elixirpetroleum.com*