



ASX RELEASE

31 July 2009

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2009

HIGHLIGHTS

- Sale of interest in Block SL-4, Sierra Leone
- Technical studies progressed on Block 211/12b (Tiger Prospect) UK North Sea
- Remedial well workover at Pompano deferred to Q3, 2009
- Sales receipts for the quarter of \$0.7 million
- Cash on hand at the end of the period of \$8.1 million

COMMENT AND OUTLOOK

The June 2009 quarter saw the continuation of challenging operating, commodity and equity market conditions for the Company and industry as a whole.

In terms of Elixir's producing assets, the High Island field maintained 93% production uptime for the quarter. The operator undertook certain surface facility modifications in the quarter to allow a greater pressure drawdown to be applied to the wells. As a result of the modifications, we have recently seen increased production rates from the wells, particularly in terms of condensate production, which is pleasing.

At the Pompano field, well ATO#1 awaits a remedial workover to remove sand from the completion and to shut-off a deeper water zone. As previously reported, we had been waiting on the completion of a divestiture by our joint venture partner of its interest in the field prior to undertaking the workover. That sale process was however discontinued during the quarter and it is now expected that the workover will occur in late August, or early September. If successful, the workover of well ATO #1 should result in a significant increase in the gas production rate from that well.

Gas prices remained at historically low levels during the quarter which continues to have an impact on total receipts from production.

In the UK North Sea, a comprehensive programme of technical studies continued with respect to the Tiger prospect located in Block 211/12b. The Tiger prospect is estimated to hold 90 million barrels of oil ("MMBbls") on a most likely in-place resource basis. It is anticipated the technical studies will conclude in the next few weeks, after which marketing activities for the farmout of the block will commence.

Farmout activities continued in the quarter with respect to the Leopard prospect located in Block 211/18b, with a number of new companies entering the dataroom and examining the opportunity. We remain in discussions with several companies and remain hopeful that a farmout of the Leopard prospect will be completed in the next few months to allow the drilling of the Leopard exploration well before year end.

Elixir remains well funded with cash on hand at the date of this report of approximately \$7.9 million and is debt free. Elixir's cash on hand equates to cash backing per share of \$0.042.

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A number of interesting asset and corporate opportunities have emerged as a result of the recent turbulent market conditions. We will continue to review opportunities which have the potential to be value accretive to the Company.

STRATEGY

Elixir is an internationally focused upstream oil and gas company with a diversified portfolio of offshore petroleum interests across the exploration, appraisal, development and production lifecycle.

Elixir's business strategy is to acquire interests in exploration licences with high impact potential, to work up prospects internally and to farm these out to industry to drill, typically on a promoted carry basis. Complementing this exploration strategy is the addition of lower risk oil and gas development projects with appraisal upside located in the shallow waters of the Gulf of Mexico. These projects typically demonstrate a short cycle time to production and provide cashflow for the Elixir Group.

The Board of Elixir considers it important to remain flexible in the pursuit of new business opportunities which are judged to be complementary to its existing business activities and able to deliver superior growth in shareholder value.

An update on the Group's operations follows.

DEVELOPMENT AND PRODUCTION

Gulf of Mexico

Project Name: High Island Project (Block 268A)
Location: High Island Area, Offshore Texas, USA
Ownership: 30% Working Interest (22.5% Net Revenue Interest)
Operator: Peregrine Oil and Gas, LP

The High Island field is located approximately 60 km offshore the Texas coast in the Gulf of Mexico. The field has been on production since September 2007 and has produced to date in excess of 3.65 billion cubic feet ("Bcf") of gas and 85,718 barrels ("Bbls") of condensate (100% project).

Production uptime has been maintained at 93% over the quarter with no safety incidents reported. The following table summarises the production data for the reporting period:

High Island 268A	Gas Production					Oil Production				
	Total Jun Qtr (MMscf)	Total MarQtr (MMscf)	Avg Daily Jun Qtr (MMscf/d)	Avg Daily Mar Qtr (MMscf/d)	Change (%)	Total Jun Qtr (Bbls)	Total Mar Qtr (Bbls)	Avg Daily Jun Qtr (Bbls/d)	Avg Daily Mar Qtr (Bbls/d)	Change (%)
Project (100%)	292	349	3.46	4.48	-16%	180	3,229	2.1	41	-94%
Elixir (30% WI)	88	105	1.04	1.34	-16%	54	969	0.6	12	-94%

The A-1 well was produced at reduced rates until the end of April, when the well was shut in due to surface constraints limiting the drawdown that could be applied to the well. The operator of the field carried out surface modifications to production facilities that were designed to allow a greater pressure drawdown to be applied to the well, and the A-1 well was put back online on 6 July 2009. The drawdown is being slowly increased for reservoir management and surface operational reasons, but over a 17 day period in July the well averaged 0.45 million standard cubic feet of gas per day ("MMscf/d") and 319 Bbls of condensate per day, which represents a significant improvement in the production rate.

The A-2 well has restarted production at slightly higher rates than those being achieved prior to the shut-in. Over the reporting period the well maintained a stable rate of just over 3.1 mmscf/d.

Under the normal course of business, Elixir receives revenue three months in arrears from the High Island project. Sales receipts for February to April 2009 received in the quarter totalled US\$452,272.

Project Name: Pompano Gas Project (Block 446-L SE/4)
Location: Brazos Area, Offshore Texas, USA
Ownership: 25% Working Interest (18.125% Net Revenue Interest)
Operator: AnaTexas Offshore Inc.

The Pompano field lies within the Brazos Area and is approximately 12 km offshore the Texas coast and 150 km southwest of Houston. The field has two production wells, with each producing from two separate reservoirs. A third well drilled during Q3, 2008 has been temporarily suspended as a future sidetrack candidate. The field has produced approximately 3.44 Bcf of gas and 4,700 Bbls of condensate (100% project) since the commencement of production in May 2008.

The following table summarises the production data for the reporting period:

Pompano Field – Brazos Block 446-L	Gas Production					Oil Production				
	Total Jun Qtr (MMscf)	Total Mar Qtr (MMscf)	Avg Daily Jun Qtr (MMscf/d)	Avg Daily Mar Qtr (MMscf/d)	Change (%)	Total Jun Qtr (Bbls)	Total Mar Qtr (Bbls)	Avg Daily Jun Qtr (Bbls/d)	Avg Daily Mar Qtr (Bbls/d)	Change (%)
Project (100%)	263	494	3.43	5.5	-37%	14	66	0.2	0.7	-72%
Elixir (25% WI)	65.8	124	0.86	1.4	-37%	3.5	17	0.05	0.2	-72%

The field achieved 84% uptime during the reporting period with no safety incidents reported. The uptime was primarily affected by 14 days downtime in the month of April 2009 whilst repairs were carried out to an onshore export compressor owned by a third party contractor.

Production from Well #1 continues to be restricted due to sand forming bridges in the short and long completion strings which produce from the 6700 ft Sand and the B Sand respectfully. The workover on Well #1 which was scheduled for the June quarter has once again been delayed pending the resolution of funding issues associated with the largest joint venture participant in the field. The workover is now scheduled to occur in the September 2009 quarter. It is anticipated the workover will remedy the sand and associated water production from the B Sand and, if successful, significantly improve gas production rates from the well.

Well #2 achieved an average flow rate in the June 2009 quarter of approximately 2.83 MMscf/d, with the majority of this originating from the deeper E Sand completion.

Under the normal course of business, Elixir receives revenue two months in arrears from the Pompano project. Elixir was credited revenue for production for the month of February 2009 during the June 2009 quarter for a total of approximately US\$79,692. Immediately following the end of the quarter, Elixir received an additional US\$93,715 in respect of sales revenues for production in March and April 2009. The average price realised for the sale of gas produced in the period was US\$3.58/Mcf, and for oil was US\$38.25/Bbl.

APPRAISAL

UK North Sea

Project Name: Mulle Prospect (Block 211/22b and 211/27d)
Location: Northern UK North Sea
Ownership: 40% Working Interest
Operator: DNO (UK) Limited

The Mulle accumulation lies in Block 211/22b on the south-western extension of the Osprey ridge and is adjacent to the proposed Causeway oil field development. Elixir's wholly-owned UK subsidiary, Elixir Petroleum (Europe) Limited ("E(EU)") holds a 40% working interest in the Block.

The operator of Block 211/22b has published a most likely contingent resource estimate for Mulle of 18 million barrels of oil. This equates to a most likely net contingent recoverable oil resource to E(EU) of almost 7 million barrels. This resource estimate excludes the anticipated increase in resources from the awarding of Block 211/27d to the Mulle joint venture, which contains a mapped southern extension to the field.

A number of changed conditions, including marked reductions in drilling and development costs combined with the recently announced fiscal incentive from the UK Treasury for small field developments, has prompted the joint venture to reconsider its options for the further appraisal of the field. The JV is considering a revised, phased work programme for potential farm-in partners with a view to re-marketing the project to industry in Q4, 2009. The current licence term for Blocks 211/22b and 27d does not expire until 2011.

EXPLORATION

UK North Sea

Project Name: Tiger Prospect (Block 211/12b)
Location: Northern UK North Sea
Ownership: 100% Working Interest
Operator: Elixir Petroleum (Europe) Limited ("E(EU)")

During the March 2009 quarter, E(EU) received the formal licence for Block 211/12b from the UK regulator. The Block is located in the northern sector of the UK North Sea, approximately 160 kilometres north east of the Shetland Islands, in a water depth of approximately 186 metres. Block 211/12b contains a newly mapped prospect named Tiger, which lies 5 kilometres to the east of the Magnus field. The Magnus field was brought into production in 1983 by BP with an in-place volume of approximately 1.5 billion barrels of oil.

The target reservoir in the Tiger prospect is the Magnus Sandstone Member, over 500 feet of which was encountered in Well 211/12b-15. This well was drilled down dip of the Tiger Prospect in 1992. The equivalent sands in the nearby Magnus Field have excellent porosity and permeability characteristics. Evidence from the 211/12b-15 well also indicates the presence of a nearby hydrocarbon column. Reservoir presence and hydrocarbon charge for the Tiger prospect are considered to be very low risk.

Elixir is progressing additional technical studies in relation to the Tiger prospect which are expected to conclude shortly after which the marketing of the prospect to industry will commence. The Block has a licence term of 4 years with a drill-or-drop decision required at the end of year 3.

Project Name: Leopard Prospect (Block 211/18b)
Location: Northern UK North Sea
Ownership: 56% Working Interest
Operator: Elixir Petroleum (Europe) Limited ("E(EU)")

Block 211/18b is a traditional licence which was awarded in the 23rd UKCS Seaward Licensing Round in December 2005. The licence is located in the northern sector of the UK North Sea and contains the Leopard prospect.

As previously announced, the drill-or-drop decision date for the licence was extended to 21 April 2009 with the agreement of the UK Department of Energy and Climate Change ("DECC"). Following the end of the March 2009 quarter, DECC has now agreed to waive the drill-or-drop commitment for the licence altogether. This means that a well is required to be spudded prior to 21 December 2009 (being the end of the original licence term) in order to retain the licence past this date.

Efforts to secure another farminee in order to largely cover E(EU)'s cost exposure in the proposed Leopard well are ongoing with several companies currently assessing the opportunity following renewed marketing efforts undertaken in 1H, 2009. The company is also reviewing the potential to drill the Leopard prospect from the nearby Thistle platform by extended reach drilling techniques (ERD).

We remain hopeful that despite a more difficult farmout market in the UK, E(EU) will secure an additional farmin partner prior to the end of the year which will allow the Leopard well to be drilled.

Gulf of Mexico

Project Name: Red Fish Prospect (Block 479-L N/2 and NE/4)
Location: Brazos Area, Offshore Texas, USA
Ownership: 25% Working Interest (18.125% Net Revenue Interest)
Operator: AnaTexas Offshore Inc.

No significant additional activity was undertaken on this prospect in the June 2009 quarter.

Block SL-4 - Sierra Leone

In early May 2009, Elixir sold its shareholding interest in its wholly owned subsidiary, Elixir Petroleum (UK) Limited ("E(UK)") to Prontinal Limited, E(UK)'s joint venture partner in Block SL-4, which is located offshore Sierra Leone.

The only asset held by E(UK) on its sale to Prontinal was E(UK)'s interest in Block SL-4. The consideration received by Elixir comprised a cash payment of US\$254,663 (which substantially represented project costs incurred by E(UK) on Block SL-4 to the date of sale) and the grant by Prontinal to Elixir of an overriding production royalty interest on Block SL-4, capped at US\$5 million. The royalty will be payable by Prontinal (or its assigns) from the proceeds of sale of any hydrocarbons produced from Block SL-4 in the event of a discovery on the Block and the subsequent commercialisation of that discovery.

Prontinal has also provided the Elixir Group with an indemnity in respect of any losses which may arise with respect to Block SL-4 or the various disputes that had arisen in relation to the Block.

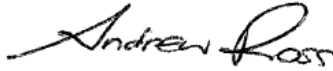
FINANCIAL SUMMARY AND OTHER MATTERS

At the end of the June 2009 quarter, Elixir held cash on hand of approximately \$8.1 million. Receipts from production in the June 2009 quarter were approximately \$700,000. The Elixir Group is debt free.

Please find attached the Company's Appendix 5B for the 3 month period to 30 June 2009.

Yours sincerely,

ELIXIR PETROLEUM LIMITED



Andrew Ross
Managing Director

For further information, please visit the Company's website at www.elixirpetroleum.com, or contact:

Information contained in this report with respect to the High Island and Pompano Projects and the Red Fish Prospect, was compiled by Elixir or from material provided by the project operators and reviewed by I L Lusted, BSc (Hons), SPE, who has had more than 15 years experience in the practice of petroleum engineering. Mr Lusted consents to the inclusion in this report of the information in the form and context in which it appears.

Information contained in this report with respect to the UK North Sea Projects was compiled by Elixir or from material provided by the project operators and reviewed by the Elixir's Exploration Director, Iain Knott, BSc, MSc, FGS, AAPG, who has had more than 25 years experience in the practice of geology, including more than 5 years experience in petroleum geology. Mr Knott consents to the inclusion in this report of the information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Name of entity

ELIXIR PETROLEUM LIMITED

ABN

51 108 230 995

Quarter ended ("current quarter")

30 June 2009

Consolidated statement of cash flows

		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	701	8,284
1.2	Payments for		
	(a) exploration and evaluation	(305)	(990)
	(b) development	(42)	(4,039)
	(c) production	(548)	(2,052)
	(d) administration	(707)	(3,619)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	49	280
1.5	Interest and other costs of finance paid	-	(250)
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(852)	(2,386)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	326	326
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
Net investing cash flows		326	326
1.13	Total operating and investing cash flows (carried forward)	(526)	(2,060)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(526)	(2,060)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,607
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	(3,000)
1.18	Dividends paid	-	-
1.19	Other	-	-
	Convertible Notes	-	-
	Less underwriting fee	-	-
	Issue Costs	-	(105)
	Net financing cash flows	-	(1,498)
	Net increase/(decrease) in cash held	(526)	(3,558)
1.20	Cash at beginning of quarter/year to date	8,948	10,604
1.21	Exchange rate adjustments to item 1.20	(341)	1,035
1.22	Cash at end of quarter	8,081	8,081

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	176
1.24 Aggregate amount of loans to the parties included in item 1.10	Nil
1.25 Explanation necessary for an understanding of the transactions	
Payments include: Directors' fees and salaries.	

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
	N/A
2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest
	N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	530
4.2 Development	-
Total	

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,081	6,448
5.2 Deposits at call	5,000	2,500
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	8,081	8,948

Changes in interests in mining tenements

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	SL-4 P1212 P1507 P1104	Working Interest Working Interest Working Interest Working Interest	15.000% 13.125% 40.000% 7.000%	0% 0% 0% 0%
6.2 Interests in mining tenements acquired or increased	None	Nil		

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security(cents)	Amount paid up per security (cents)
7.1 Preference *securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 *Ordinary securities	188,988,471	188,988,471	Various	Fully Paid
7.4 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through returns of capital, buy-backs	-	-		
7.5 *Convertible debt securities	-	-		
Convertible Notes	-	-		
7.6 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through securities matured, converted	-	-		
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
Ambrian Options	637,148	-	\$0.60	16 May 2010
Employee Options Tranche 1	1,750,000	-	\$0.25	31 Mar 2011
Employee Options Tranche 2	3,250,000	-	\$0.30	31 Mar 2012
Employee Options Tranche 3	2,750,000	-	\$0.35	31 Mar 2013
	8,387,148			
7.8 Issued during quarter			<i>Exercise price</i>	<i>Expiry date</i>
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-	-	-
7.12 Unsecured notes <i>(totals only)</i>	-	-	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 31 July 2009
(Company Secretary)

Print name: David Lim