ASX ANNOUNCEMENT

elixir petroleum limited

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2011

HIGHLIGHTS

- Evaluation of the large Moselle Permit in France progressing
- Moselle independent resource estimate due mid year
- Finalisation of award of new licence in the Central UK North Sea
- Work continuing on new licence acquisitions in Europe

Elixir is an internationally focused upstream oil and gas company with a diversified portfolio of petroleum interests across the exploration, appraisal, development and production lifecycle. Elixir holds interests in production leases located in the Gulf of Mexico and exploration licences onshore France and in the UK North Sea.

A summary of the Group's activities for the March 2011 quarter is set out below.

EXPLORATION

France

Project Name:	Moselle Permit
Location:	North-eastern France
Ownership:	100% Working Interest
Operator:	Elixir Petroleum (Moselle) Limited

The Moselle Permit is a 5,360 km^2 onshore exploration block located in north-eastern France. The Permit is prospective for a number of different play types, including conventional oil and gas and unconventional hydrocarbons (i.e. tight sand and shale gas). Regionally, 25 wells have penetrated the Carboniferous interval, the primary target in the basin, with seven of these wells located within the Moselle Permit. The wells have been drilled over a period spanning nearly 60 years and a number have recorded gas shows throughout the target interval. At least two wells are known to have produced gas to surface. The Permit was awarded in January 2009 for an initial five year term. Elixir acquired operatorship and a 100% working interest in the Permit in April 2010.

During the reporting period, Elixir continued to progress a number of technical studies designed to assess both the conventional and unconventional prospectivity within the permit area. A large geological database containing information on over 100 regional wells has been assembled. The database also contains in excess of 450 kilometres of digitised wireline well log data. Core and cuttings samples from over 2,800 metres of available core have been sourced from six key wells and over 550 geochemical assays conducted on rock samples from eleven wells, in and adjacent to, the Permit have also been acquired. The database also contains 534 line kilometres of newly reprocessed 2D seismic data over the permit. The balance of the remaining digital raw seismic data over the permit of approximately 2,000 line kilometres has also been purchased.

This quarter saw the start of the reprocessing of an additional 464 km of 2D seismic data which will be used to provide an improved interpretation of conventional exploration targets within the permit, and to assist in finalising volumetric estimates. Additional sampling of key wells also took place to improve the granularity of the existing interpretation and to further improve our understanding of the conventional hydrocarbon potential within the permit. Further studies were also commenced, including additional geochemical analyses, porosity/permeability analyses of sands, the extension of the pilot

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chemostratigraphy study to all key wells in order to improve correlations, and the acquisition and interpretation of gravity data by ArkEx over approximately 28,400km^2 in, and adjacent to, the Moselle Permit.

These additional technical studies, together with the results from the detailed analysis of six key wells by Core Laboratories will be integrated during Q2, 2011 with the aim of improving our understanding of the sub-plays within the permit and to calculate the hydrocarbon volumetric potential for both conventional and unconventional systems within the permit. When finalised, the integration of the conclusions from these studies will shape the forward work programme on the Permit. The studies have however already identified opportunities to re-enter wells drilled on the Permit in the mid-1990's. If this were to prove feasible, it would provide an early opportunity to test intervals of conventionally trapped hydrocarbons that appear to have been overlooked in past exploration activities.

Commercial studies initiated during the quarter included a review of the gas market in France which focuses on gas infrastructure and access to transportation in the greater Lorraine area for which Wood Mackenzie has been engaged.

As previously reported, Netherland Sewell & Associates Inc. has been engaged by the company to provide an independent report of the resource potential of the permit. As announced in the quarter, it is anticipated that the report will be completed following the incorporation of the results from the additional seismic interpretation outlined above. Thereafter, the farmout of the Moselle permit is expected to commence.

French Government Study into Unconventional Hydrocarbon Activities

In early February 2011, the French Government announced its intention to undertake a study into the possible economic, social and environmental impacts of unconventional hydrocarbon resource exploitation within France. The study is similar in nature to a number of studies which are currently being undertaken in other parts of the world in response to the rapid growth of horizontal drilling and fracture stimulation activities associated with unconventional oil and gas exploitation.

The study is being conducted by a joint committee of the French Ministry of Industry and the Ministry of Ecology ("CGIET/CGEDD") and is being assisted by representatives drawn from academia and the oil and gas industry in France. The preliminary results of the study were published on 21 April 2011 and identified a number of matters, including:

- Shale gas and shale oil resources in France remain largely unknown, due to a lack of exploration tests necessary to assess their presence.

- Although these unconventional hydrocarbon resources are not finally proven, the comparison with similar geological formations exploited in Northern America lead to a conclusion that France could rank among one of the most promising nations in Europe for shale oil and gas potential.

- From a technical as well as economic standpoint, the possibility that unconventional resources might allow France to substantially reduce its hydrocarbon import dependency and thus reduce its trade deficit must not be ignored.

- It would be detrimental to the French economy and for employment if a thorough evaluation of the potential value of these resources was not undertaken.

- Adopting a position of ignorance about the possible unconventional oil or gas potential would not be compatible with French energy policy.

The preliminary report proposes that certain regulated exploration activity concerning unconventional hydrocarbon resources be permitted so that the size, potential and commerciality of the resources can be assessed and then a further decision made concerning its extraction through development and production activities.

A debate in the French parliament concerning the regulation of unconventional hydrocarbon exploration is due to occur on 10 May 2011. The final report of the CGIET/CGEDD is due to be published towards the end of June 2011.

UK North Sea

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

Block 211/12b 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. The Block was awarded in February 2009 and has a licence term of four years.

The Block contains the Tiger prospect, which lies five 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 1.54 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 low risks.

The technical work programme has been completed and the farm-in opportunity was marketed to industry participants during the reporting period. The Tiger data room closed at the end of January, 2011 and we are currently considering a variety of options with respect to the licence.

Project Name:	Dumas Project (Block 30/25 (split))
Location:	Central UK North Sea
Ownership:	100% Working Interest
Operator:	Elixir Petroleum (Europe) Limited

On 1 November 2010, Elixir announced that it had been successful in its application for the southern part of Block 30/25 in the 26th Seaward Licensing Round. Block 30/25 contains a Lower Cretaceous and three Upper Cretaceous aged oil prospects that have been mapped on 2D seismic data.

The finalisation of the licence was received from DECC in the quarter and a forward programme for the licence is currently being formulated.

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 March 2011 quarter.

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.

The operator continues to review third party studies and other internal reports relating to a phased appraisal work programme that is anticipated to reduce the upfront capital expenditure commitment for the project. The Operator has approached other stakeholders in the area with a view to establishing a viable export route and is currently investigating rig availability. These will be reviewed by the joint venture during Q2, 2011 with a view to establishing a way forward on the licence prior to engaging with DECC.

The current license term for Blocks 211/22b and 27d expires in September 2011. To retain the licence following that point would require the approval of the Secretary of State for Energy and Climate Change and a commitment to undertake significant activity; likely to be the drilling of a well.

DEVELOPMENT AND PRODUCTION

Gulf of Mexico

Project Name: High Island Project (Block 268-A)
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 kilometres offshore the east Texas coast in the Gulf of Mexico. The field commenced production in September 2007 from two wells and has produced to date in excess of 4 billion cubic feet (“Bcf”) of gas and approximately 171,000 barrels (“Bbls”) of condensate (100% project).

The following table summarises the production achieved from High Island during the March quarter:

High Island 268A	Gas Production					Oil Production				
	Total Mar Qtr (MMscf)	*Total Dec Qtr (MMscf)*	**Avg Daily Mar Qtr (MMscf/d)**	*Avg Daily Dec Qtr (MMscf/d)*	*Change (%)*	**Total Mar Qtr (Bbls)**	*Total Dec Qtr (Bbls)*	**Avg Daily Mar Qtr (Bbls/d)**	*Avg Daily Dec Qtr (Bbls/d)*	Change (%)
Project (100%)	**6.9**	32.4	**0.08**	0.35	*-79%*	**1,717**	6,509	**19**	71	*-74%*
Elixir (30% WI)	**2.1**	9.7	**0.02**	0.11	*-79%*	**515**	1,953	**6**	21	*-74%*

Production from High Island has been shut-in for extended periods during the reporting period. The field maintained 32% uptime on Well A1 and only 20% uptime on Well A2. The production shut-in was for multiple reasons, including excessive back pressure on the gas export line and shut downs on the processing facility HI-442. When the wells were opened up to production, the average rate achieved was 0.3 mmscf/d of gas and 60 bbls/d of condensate. As has been previously described, limitations to production are a function of depleted reservoir pressure on Well A1, the necessity to comingle flow between the HI-268 production platform and the HI-442 processing facility and gas compression limitations on the processing facility.

A shallower gas bearing sand was penetrated by both High Island wells when they were first drilled. Producing from this shallower zone would negate the requirement to utilise the limited compressor capacity on the HI-442 platform, as the original reservoir pressure would be sufficient to allow the wells to flow straight to export. Additionally, the wells would have a common flowing tubing head pressure which would allow them both to flow uninhibited through the in-field pipeline to the processing platform.

The Bureau of Ocean Energy Management Regulation and Enforcement ("BOEMRE") requires that a prescribed minimum flow rate be reached before a producing horizon can be temporarily or permanently abandoned. During the reporting quarter, Well A-1 continued to produce at rates above the prescribed BOEMRE rate of 50 bopd, and therefore further depletion of the current horizon by way of production is required before the zone could be temporarily shut-in ahead of producing from the shallower gas sand in that well. The intention of the joint venture is to recomplete the two wells at High Island over the shallower gas sand as soon as possible. A successful workover at High Island would result in a significant increase in gas production from the field.

At the end of the reporting period modifications to surface pipework were nearing completion to allow gas lift on the A1 well utilising gas from the A2 well. It is hoped that this will improve production rates until sufficient depletion has occurred to allow recompletion of each well on the shallower reservoirs. The timing of the workover will depend on the success of the gas lift operations presently underway.

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 of the Gulf of Mexico and is located approximately 6 kilometres offshore the east Texas coast and 110 kilometres south of Houston. The field has two producing wells, with production from three separate reservoirs. The field has produced approximately 6.3 Bcf of gas and 6,300 Bbls of condensate (100% project) since the commencement of production in March 2008.

The following table summarises the production achieved from Pompano for the March quarter:

Pompano Field – Brazos Block 446-L	**Gas Production**					**Oil Production**				
	Total Mar Qtr (MMscf)	*Total Dec Qtr (MMscf)*	**Avg Daily Mar Qtr (MMscf/d)**	*Avg Daily Dec Qtr (MMscf/d)*	*Change (%)*	**Total Mar Qtr (MMscf)**	*Total Dec Qtr (Bbls)*	**Avg Daily Mar Qtr (MMscf/d)**	*Avg Daily Dec Qtr (Bbls/d)*	Change (%)
Project (100%)	**165**	*349*	**1.83**	*3.8*	*-53%*	**127**	*188*	**1.4**	*2.0*	-32%
Elixir (25% WI)	**41**	*87*	**0.46**	*0.95*	*-53%*	**32**	*47*	**0.3**	*0.5*	-32%

The field achieved an uptime of 75% with shut down periods in January and February caused by process related incidents or separators sanding up. Whilst on production, the field averaged 2.44 mmscf/d of gas. There were no safety incidents reported in the period.

Production from the shallow B sand on Well ATO #2 ceased in late February due to water loading in the well. The two primary zones that continue to contribute to production are the B Sand in Well ATO #1 and the E Sand in Well ATO #2. During the reporting period an increase in the water cut from the B Sand in well ATO#1 has been observed. This has reduced the production rates from this horizon, but the well maintains sufficient pressure to flow naturally to surface. This horizon will be closely monitored going forward.

The abandonment of the ATO#3 well was completed during the reporting period.

FINANCIAL SUMMARY AND OTHER MATTERS

At the end of the reporting period, Elixir held cash on hand of approximately $2.7 million. Receipts from production received in the March 2011 quarter were approximately $321,000. The Elixir Group is debt free.

Please find attached the Company's Appendix 5B for the 3 month period to 31 March 2011.

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 Elixir's Operations Manager, Ian 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 Mulle and Tiger Projects and the Moselle Permit was compiled by Elixir and reviewed by 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.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

ELIXIR PETROLEUM LIMITED

ABN	Quarter ended ("current quarter")
51 108 230 995	31 March 2011

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from product sales and related debtors	321	1,161
1.2	Payments for (a) exploration & evaluation	(737)	(1,398)
	(b) development	-	-
	(c) production	(205)	(1,033)
	(d) administration	(155)	(854)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	5	42
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(771)	(2,082)
	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	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(771)	(2,082)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(771)	(2,082)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(771)	(2,082)
1.20	Cash at beginning of quarter/year to date	3,470	5,148
1.21	Exchange rate adjustments to item 1.20	(31)	(398)
1.22	**Cash at end of quarter**	2,668	2,668

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	206
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees, salaries and rent. All payments are on normal commercial terms.

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

+ See chapter 19 for defined terms.

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	150
4.2	Development	-
4.3	Production	-
4.4	Administration	150
	Total	300

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	2,607	2,674
5.2	Deposits at call	61	796
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	2,668	3,470

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2	Interests in mining tenements acquired or increased	Block 30/25a	Operator and 100% interest holder for a period of 2 years with a drill-or-drop decision to be made prior to licence expiry	-	100%

+ See chapter 19 for defined terms.

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 (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	- -	- -	- -	- -
7.3	**+Ordinary securities**	188,988,472	188,988,472	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** *(description)*	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date*
	Employee Options Tranche 2 *Employee Options Tranche 3*	3,250,000 2,750,000 6,000,000		$0.30 $0.35	31 March 2012 31 March 2013
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter *Employee Options Tranche 1*	1,750,000		$0.25	31 March 2011
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

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 (see note 5).

2 This statement does /~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: .... Date: 29 April 2011
(~~Director~~/Company secretary)

Print name: Julie Foster

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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