

**QUARTERLY ACTIVITIES REPORT FOR THE
PERIOD ENDED 31 MARCH 2012****HIGHLIGHTS**

- Additional 2D seismic reprocessing and interpretation substantially advanced at Moselle
- Announced updated conventional resource volumetric estimates for Moselle
- Moselle farmout continued with a number of interested parties involved
- Well supported fundraising undertaken by the Company raising circa \$3.3m

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 2012 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 km² (1.34 million acre) onshore exploration block located in the eastern part of the Paris Basin in North-eastern France. The Permit is prospective for four main play types within the Triassic and Carboniferous aged sequences, which include conventionally reservoir oil and gas and a giant tight gas sand play.

Regionally, seventy one wells have penetrated the Triassic interval and a further twenty five wells have penetrated the Carboniferous interval, being the two primary sequences in the Saar-Lorraine Basin. The wells have been drilled over a period spanning nearly 60 years with at least 78% of the Carboniferous well penetrations having recorded oil and/or gas shows throughout the target intervals. At least two wells are known to have produced gas to surface from the Carboniferous source rock interval. The Permit was awarded in January 2009 for an initial five year term. Elixir acquired operatorship in April 2010 and holds a 100% working interest in the Permit.

A large geological database containing information on 107 regional wells has been assembled. The database contains over 800 kilometres of digitised wireline well log data from 25 wells, over 600 core and cuttings samples from 2,700 metres of available core taken from six key wells and over 550 geochemical assays conducted on rock samples from eleven wells located in, and adjacent to, the Permit.

Activity in the quarter under review focused on the interpretation of an additional 364 line kilometres of reprocessed 2D seismic data delivered at the conclusion of the December quarter as part of a 'Phase 4' infill seismic remapping effort. The Phase 4 data has increased the seismic data set by a further 33% and provided refinement of existing mapped conventional prospects and the identification of several new conventional prospects and leads.

The remapping exercise (although still in progress at the conclusion of the quarter), has resulted in a revised portfolio totalling some 34 prospects and leads. This is an increase from the 19 conventional prospects and leads certified by Netherland & Sewell Inc. (“NSAI”) in its report published in September 2011. Within the revised portfolio exist six ‘stacked pay’ targets which provide multiple opportunities for exploration success from single wells.

Updated conventional volumetric estimates were prepared and published by the Company during the quarter. The volumetric estimates have been based on the remapping exercise and were derived utilising the same methodology previously adopted by NSAI in its report. The revised volumetrics for the updated conventional prospects and lead were fully risked and has resulted in a mean prospective risked recoverable resource for all 34 prospects and leads estimated at 161 million barrels of oil or, alternatively, if the mapped structures are gas filled, 559 Bcf of gas.

A 2D seismic line has been selected over the Franchville prospect to test for direct hydrocarbon indicators using quantitative seismic attribute extraction. Despite the line suffering from a poor signal to noise ratio, a positive anomaly result was obtained that correlated with direct physical evidence of gas from logs in the Franchville-1 well. A further two 2D seismic lines have been selected over the Franchville prospect to investigate the continuity of the anomaly, and the results from this work are expected to be available early in Q2, 2012.

Work also commenced in the quarter for well engineering design and a number of options are currently being evaluated for costing.

Farm out process

Detailed management presentations to interested parties occurred during the quarter, with parties also continuing to undertake data room and seismic workstation reviews.

As previously announced, it is anticipated that the farm out process will culminate during Q2, 2012

Publication of Final Report of the Impacts of Unconventional Hydrocarbon Exploration in France

The final joint report of the French General Council of Industry, Energy and Technology (“CGIET”) and the General Council of the Environment and Sustainable Development (“CGEDD”) into the possible social, economic and environmental impacts of unconventional hydrocarbon exploration in France was published in March 2012. The report was originally ordered to be prepared by the French government in March 2011, with Part one of the report published in June 2011.

The final version of the report recommends the establishment of a national commission to investigate shale oil and gas exploration and exploitation techniques. A key focus for the Commission will be on determining the appropriate conditions for the conduct of environmentally acceptable hydraulic fracturing operations within France.

The report also recommends that experiments be undertaken to determine the size, nature and extent of unconventional hydrocarbon resources within France. It is suggested that these experiments may include the undertaking of hydraulic fracture stimulation of wells, and suggests that existing operators in France may volunteer to organize such experiments on their permits according to a predetermined framework. Elixir has written to the French government confirming its support for the recommendations released by the CGIET and CGEDD and offering the Moselle Permit area as a possible site for the conduct of the contemplated experiments. The report provides a suggested timetable for research in to experimentation activities, which could see the hydraulic fracture stimulation of wells as early as the second half of 2013.

Publication of New Decree creating the Shale Oil and Gas Commission

Following the recommendations contained within the joint report of the CGIET and CGEDD, on 21 March 2012 a decree was published by the French Government establishing the “National Orientation Commission for the Evaluation of Shale Oil and Gas Exploration Techniques and Operations” (“Orientation Commission”).

The Orientation Commission will be broadly based, with representatives from the French legislative bodies, from industry and from relevant interest groups. Meetings of the Commission will be organized at least twice yearly. The Commission’s duties will include collecting data in order to identify and better define unconventional hydrocarbon resource potential in France, and examining if such resources can be developed in a safe and environmentally acceptable manner.

The establishment of the Commission is a further important step in determining the necessary framework for the examination of unconventional hydrocarbon potential in France.

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 giant 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 by BP 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.

Elixir has commenced remarketing of the opportunity and a number of companies are under confidentiality agreements and assessing the opportunity in the virtual data room.

Project Name: Newly Awarded Licenses (Blocks 12/18 and 12/19a (split))
Location: Inner Moray Firth, UK North Sea
Ownership: 100% Working Interest
Operator: Elixir Petroleum (Europe) Limited

On 3 January 2012 Elixir received notice that it had been offered two new adjoining licences in the Inner Moray Firth area of the UK North Sea. The licence awards are the completion of the 26th UK Seaward Licensing Round.

The Blocks were applied for in the 26th UK Seaward Licensing Round and have been offered to Elixir under promote licences as 100% interest holder and operator. The work obligation comprises the purchase of 3D seismic data and will require a drill-or-drop decision to be made on the licences by early 2014.

The Blocks are contiguous and are located approximately 150 km north east of Inverness, in a water depth of approximately 75m. The Blocks lie to the north east of the Beatrice oil field located in Block 11/30a and to the west of the Captain oil field in Block 13/22a. A single large stratigraphic prospect has been identified in the Middle Jurassic Beatrice Formation on the northerly edge of the Smith Bank High. The forward work programme in 2012 will focus on the interpretation of the 3D seismic data set to evaluate and further de-risk the prospect.

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 5.03 billion cubic feet (“Bcf”) of gas and approximately 189,690 barrels (“Bbls”) of condensate (100% project).

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

High Island 268A	Gas Production					Oil Production				
	Total Mar Qtr (MMscf)	Total DecQtr (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%)	42.1	44.1	0.46	0.48	-4%	2,983	4,746	33	52	-37%
Elixir (30% WI)	12.6	13.2	0.14	0.14	-4%	895	1,424	10	15.5	-37%

The field maintained an average uptime performance of 98% for the period. There were no safety incidents reported in the period.

As indicated previously, Elixir is considering its options for its interest in the High Island field, including possible divestment.

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.

As previously reported, workovers undertaken on the two previously producing Pompano wells in mid-2011 were unsuccessful at re-establishing production from the wells. Elixir elected not to participate in the workover operations and consequently is no longer a participant in the wells. During the quarter under review the operator advised that it intends to recommend to the joint venture that the two production leases be relinquished in the near term.

FINANCIAL SUMMARY AND OTHER MATTERS

Capital Raising

In early March 2012, the Company announced a placement (“Placement”) of 6,400,000 new ordinary shares at \$0.0625 per share to New Standard Energy Limited (“NSE”) to raise \$400,000 (before costs).

In conjunction with Placement, the Company also undertook a pro-rata, non-renounceable entitlement issue (“Issue”) at \$0.05 per share to raise approximately \$1,800,000 (before costs). The Issue was fully underwritten by NSE for no fee. As part of the arrangements, NSE was also afforded a right to elect to ‘top-up’ its shareholding in the Company following the closing of the Issue to no greater than 15% of the Elixir’s then issued share capital.

Acceptances under the Issue totalled 24,217,710 (71% acceptance level) raising \$1,210,885.50. The shortfall arising under the Issue of 9,928,407 ordinary shares was taken up by NSE as underwriter, who also exercised its right to “top-up” by applying for an additional 19,416,049 ordinary shares. As a result, the Company has issued 59,962,165 new ordinary shares securing funds totalling \$3,320,808 arising from the Placement, Issue, underwritten shortfall and the exercise of the ‘top-up’ right by NSE.

Unmarketable Parcel Program

The Company announced the establishment of an Unmarketable Parcel Program (“UPP”) in December 2011. The UPP was designed to provide eligible small shareholders the opportunity to either sell their shareholding without incurring any brokerage or handling costs, or (in the case of Australian and New Zealand based small shareholders), the opportunity to instead top-up their shareholding, again without incurring brokerage or handling costs.

The UPP closed 14 February 2012 with 2,484,610 ordinary shares sold by Elixir in the market on behalf of eligible small shareholders and elections being received to acquire on behalf of small shareholders 144,415 shares.


Financial Summary

At the end of the reporting period, the Company held cash on hand of approximately \$1.4 million, with a further \$2.9 million having been received early in April as a result of the completion of the capital raising described above. Sales receipts from oil and gas production received in the March 2012 quarter were approximately \$243,000. The Elixir Group remains debt free.

Please find attached the Company’s Appendix 5B for the 3 month period to 31 March 2012.

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 Tiger Project and the Moselle Permit was compiled by Elixir and reviewed by Elixir's Exploration Manager, 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

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

51 108 230 995

Quarter ended ("current quarter")

31 March 2012

Consolidated statement of cash flows

	Current quarter	Year to date (9 months)
	\$A'000	\$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	243	552
1.2 Payments for (a) exploration & evaluation	(376)	(934)
(b) development	-	-
(c) production	(42)	(156)
(d) administration	(181)	(804)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	8
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	(355)	(1,334)
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)	(355)	(1,334)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(355)	(1,334)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	400	1,532
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) -Issue Costs	(2)	(83)
	Net financing cash flows	398	1,449
	Net increase (decrease) in cash held	43	115
1.20	Cash at beginning of quarter/year to date	1,413	1,320
1.21	Exchange rate adjustments to item 1.20	(16)	5
1.22	Cash at end of quarter	1,440	1,440

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	74
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 superannuation entitlements. 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	250
4.2 Development	-
4.3 Production	-
4.4 Administration	300
Total	550

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	1,391	1,055
5.2 Deposits at call	49	358
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,440	1,413

+ See chapter 19 for defined terms.

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 12/18 Block 12/19a	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

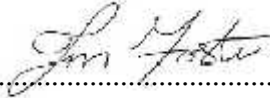
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	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 <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	223,688,472	223,688,472	Various	Fully Paid
7.4 Changes during quarter	-	-	-	-
(a) Increases through issues	6,400,000	6,400,000	\$0.0625 per share	Fully Paid
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter	-	-	-	-
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
<i>Employee Options Tranche 3</i>	2,000,000		\$0.35	31 March 2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter – <i>Employee Options Tranche 2</i>	2,250,000		\$0.30	31 March 2012
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ 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: 30 April 2012
(~~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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+ See chapter 19 for defined terms.