



QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2012

HIGHLIGHTS

- Completion of additional 2D seismic reprocessing and interpretation and ADF analysis at Moselle.
- Announced updated conventional prospects and leads portfolio for Moselle, revised volumetric estimates to follow.
- Moselle farmout activities continued with a number of interested parties involved. Focus to shift to companies interested primarily in conventional prospectivity in Moselle Permit.
- Farmout and divestment activities associated with UK portfolio ongoing.

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 June 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 reservoirised 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 saw the completion of the 'Phase 4' infill seismic remapping effort of an additional 364 line kilometres of reprocessed 2D seismic data, together with ADF analysis of selected 2D seismic lines. The Phase 4 data has increased the seismic data set by a further 33% and

together with the ADF analysis, has provided refinement of existing mapped conventional prospects, and the identification of several new conventional prospects and leads.

As announced in early July, the remapping exercise has resulted in an upwardly revised portfolio of conventional targets totalling some 25 prospects and 15 leads. Within the revised portfolio of targets there exist seven multi-horizon, or 'stacked pay', structures which provide multiple opportunities for exploration success from single wells. Of note is the new 'Francheville North' structure containing five mapped horizons located offset to the Francheville well drilled in 1984 which had significant gas shows on logs.

It is likely that the revisions to the Company's portfolio of conventional prospects and leads at Moselle may result in an increase to the volumetric estimates for the identified targets. Work is ongoing with respect to the revised volumetrics, the results of which are anticipated to be published in the coming quarter.

Farmout Activities

Elixir recently provided a market update on its continuing efforts to farm out an interest in the Moselle Permit with respect to the giant tight gas and liquids play located within the Carboniferous aged section. As announced, the farmout process has been managed on behalf of the Company by an international investment bank based in London.

The process has been well supported with over 30 global and other large upstream oil and gas companies reviewing the opportunity. The resource potential within the Moselle Permit has been the subject of technical review by a number of parties, with feedback from such parties being positive. Whilst recognising the significant technical potential of the unconventional resource play within the Moselle Permit, the current prohibition on the hydraulic fracturing of wells in France has presented a challenge for potential farminees in assessing and attributing value to the opportunity.

Although the Company remains in ongoing discussions concerning the possible farm out of an interest in the whole of the Moselle Permit (including the unconventional resource play), Elixir has re-focused its farmout efforts on the substantial conventional prospectivity identified within the Permit. By doing so, the Company aims to largely reserve its position in relation to the giant unconventional resource potential within the Permit for future farmout activity. The renewed farmout activity is now concentrating on engaging with an alternative group of companies for whom the conventional oil and gas exploration prospects identified within the Moselle Permit represent core business and a material opportunity.

French Elections

With the recent completion of the French Presidential and National parliamentary elections in May 2012 providing an element of tenure that has been absent since Q4, 2011, Elixir remains of the view that a reassessment of the position taken with respect to hydraulic fracturing in France may occur in the medium term. This view has been re-enforced by certain positive comments concerning shale gas exploration attributed to the new French Minister for Industrial Renewal, Arnaud Montebourg.

We are confident that the newly elected French Government will be open to a continuing discussion on the appropriate framework under which the assessment of France's extensive hydrocarbon resource potential might occur.

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 continued the remarketing of the opportunity, with a number of companies under confidentiality agreements and assessing the 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 billion cubic feet ("Bcf") of gas and approximately 190,000 barrels ("Bbls") of condensate (100% project).

Oil production rates from the A-1 well declined significantly from the commencement of the quarter under review due to interpreted skin damage forming within the well bore. In late May 2012, the operator undertook a workover of the well by running an acidization treatment in order to remedy the well bore skin damage. This operation was successful and resulted in the re-establishment of oil production at an average rate of approximately 60 bopd for the month of June, with an exit rate of approximately 73 bopd and modest amounts of gas.

The following table summarises the production achieved from High Island during the June 2012 quarter:

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%)	117.2	42.1	1.29	0.46	278%	2,257	2,536	25.1	28.2	-11%
Elixir (30% WI)	35.2	12.6	0.39	0.14	278%	677	761	7.5	8.5	-11%

The average uptime performance of the field was affected during the quarter by the production performance of well A-1 and the undertaking of the remedial workover operation. 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. Elixir is considering its options with respect to its ongoing involvement in the joint venture.

FINANCIAL SUMMARY AND OTHER MATTERS

Financial Summary

At the end of the reporting period, the Company held cash on hand of approximately \$3.5 million. The Elixir Group remains debt free.

Please find attached the Company's Appendix 5B for the 3 month period to 30 June 2012.

Yours sincerely,
ELIXIR PETROLEUM LIMITED

A handwritten signature in black ink that reads "Andrew Ross". The signature is fluid and cursive, with the first name "Andrew" and the last name "Ross" clearly distinguishable.

Andrew Ross
Managing Director

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

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")

30 JUNE 2012

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	93	646
1.2	Payments for (a) exploration & evaluation	(329)	(1,327)
	(b) development	-	-
	(c) production	(301)	(458)
	(d) administration	(349)	(1,089)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	9
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		(886)	(2,219)
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)	(886)	(2,219)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(886)	(2,219)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,921	4,453
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)	(18)	(101)
	Net financing cash flows	2,903	4,352
	Net increase (decrease) in cash held	2,017	2,133
1.20	Cash at beginning of quarter/year to date	1,440	1,320
1.21	Exchange rate adjustments to item 1.20	28	32
1.22	Cash at end of quarter	3,485	3,485

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

Financing facilities available

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	30
4.4 Administration	450
Total	730

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	3,436	1,391
5.2 Deposits at call	49	49
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,485	1,440

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	-	-	-	-

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.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

		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	277,250,637	277,250,637	-	-
7.4	Changes during quarter				
	(a) Increases through issues	34,146,117	34,146,117	\$0.05	\$0.05
	(b) Decreases through returns of capital, buy-backs	19,416,049	19,416,049	\$0.0625	\$0.0625
		-	-	-	-
7.5	+Convertible debt securities (description)	-	-	-	-
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>
	Employee Options Tranche 3	2,000,000		\$0.35	31 Mar 2013
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
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 give a true and fair view of the matters disclosed.

Sign here: Date: 31 JULY 2012
(Company secretary)

Print name: Keith Bowker

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.