



19 December 2018

Dear Shareholder

Notice to Eligible Shareholders of Non-Renounceable Pro-Rata Entitlements Issue of New Options

We write to you as the registered holder of fully paid ordinary shares (**Shares**) in Elixir Petroleum Limited (ASX:EXR) (**Company**) as at today's date.

As advised in the Company's ASX announcement dated 14 December 2018, and as detailed in the prospectus lodged by the Company with ASIC and ASX on the same date, the Company is undertaking a non-renounceable, pro-rata offer of options, each exercisable at \$0.075 on or before 31 December 2020 (**New Options**), at an issue price of \$0.01 per New Option, to Eligible Shareholders on the basis of one (1) New Option for every four (4) Shares held at the record date (**Offer**).

The record date to determine entitlements for Eligible Shareholders is 21 December 2018 (**Record Date**).

Where the determination of the entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded down to the nearest whole New Option.

A prospectus in relation to the Offer was lodged with ASIC and ASX on 14 December 2018 (**Prospectus**) and is available on the Company's ASX platform at the ASX website (www.asx.com.au). A copy of the Prospectus, together with an entitlement and acceptance form will be sent to Eligible Shareholders on 28 December 2018.

The Company currently has 384,763,232 Shares, 8,000,000 options and 22,500,000 performance rights on issue (refer to section 4.1 of the Prospectus for further details about the Company's securities on issue, noting that the shares and performance rights to be issued on completion of the acquisition of GOH have now been issued). Assuming that no options are exercised and no performance rights convert into Shares prior to the Record Date, the Offer is for up to 96,190,808 New Options. The Offer will raise up to \$961,908 (before payment of the costs associated with the Offer).

The Offer is not underwritten. Any New Options not taken up by Eligible Shareholders under the Offer (**Shortfall Options**) will be placed by the Company at the board's discretion. The offer of any Shortfall New Options is a separate offer made under the Prospectus.

The funds raised under the Offer will be used to supplement the Company's existing cash reserves and will be used to fund further exploration work on the Company's existing assets, provide general working capital and to fund further activities within the Nomgon IX CBM PSC.

Eligible Shareholders are those persons who:

- (a) are registered as a holder of Shares as at 5.00pm (WST) on the Record Date; and
- (b) have a registered address in Australia or New Zealand (together the **Eligible Countries**). The Offer is not being extended to any Shareholder whose registered address is outside the Eligible Countries.

Shareholders not satisfying the above criteria will not be eligible to participate in the Offer.

The rights to New Options under the Offer are non-renounceable. Accordingly, there will be no trading

of rights on ASX and you may not dispose of your rights to subscribe for New Options to any other party. If you do not take up your entitlement to New Options by the closing date (being at 5pm WST on 21 January 2019), the Offer to you will lapse.

The Company has a dividend policy in accordance with section 4.5 of the Prospectus.

No Shareholder approval is required for the Offer. Full terms and conditions of the New Options offered under the Offer are set out in section 5.1 of the Prospectus.

This Prospectus also contains an offer of 1,000 Shares each at an issue price of \$0.05 per Share (**Cleansing Offer**). The Cleansing Offer is being made by the Company to facilitate secondary trading of Shares issued the vendors of Golden Horde Limited and Shares issued on conversion of certain performance rights held by Company management and consultants. Further details are set out in section 1.4 of the Prospectus.

Neither the Cleansing Offer nor the Shortfall Offer are being made to Eligible Shareholders. Accordingly, no action is required by shareholders in respect of those offers.

The proposed timetable of the Offer and the Cleansing Offer is as follows:

Lodgement of Prospectus with ASIC and provision of copies to ASX	14 December 2018
Appendix 3B given to ASX	14 December 2018
Notice sent to security holders	19 December 2018
Cleansing Offer Closing Date*	20 December 2018
Existing Shares quoted on an "ex" basis	20 December 2018
Record Date for the Offer	21 December 2018
Prospectus and Entitlement and Acceptance Form sent to Eligible Shareholders	28 December 2018
Last Day to extend offer Closing Date	16 January 2019
Closing Date*	21 January 2019
Existing Shares quoted on a deferred settlement basis	22 January 2019
ASX notified of under subscriptions	24 January 2019
Anticipated date for the issue of the New Options (excluding under Shortfall Offer)**	29 January 2019
Anticipated date for despatch of holding statements for New Options (excluding under Shortfall Offer)**	29 January 2019
Deferred settlement trading ends**	29 January 2019
Shortfall Closing Date	29 January 2019
Anticipated date for commencement of New Options trading (excluding New Options offered under Shortfall Offer)**	31 January 2019
Anticipated date for the issue of Shortfall New Options (Shortfall Offer only)**	5 February 2019

Anticipated date for despatch of holding statements for Shortfall New Options (Shortfall Offer only)**	5 February 2019
Anticipated date for commencement of Shortfall New Options trading (Shortfall Offer only)**	7 February 2019

** Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer, the Shortfall Offer and the Cleansing Offer at their discretion. Any extension of the Closing Date, the Shortfall Offer Closing Date or the Cleansing Offer Closing Date will have a consequential effect on the anticipated date for issue of the New Options or Shares under this Prospectus.*

*** Indicative date only.*

You are encouraged to read the Prospectus in full before making a decision in respect of the Offer. If **you wish to participate in the Offer** you should follow the directions in the Entitlement and Acceptance Form and section 2 of the Prospectus. If **you do not wish to participate in the Offer**, you do not need to take any action. This letter is to inform you of the Offer. You are not required to do anything in respect to this letter.

The directors of the Company recommend that if you are in doubt as to the value of the Offer then you should contact your financial advisor.

For further information on the Offer:

- (a) see the Prospectus lodged with ASX on 14 December 2018, and available at www.asx.com.au; or
- (b) contact the Company on +61 (08) 9226 2111 between 8.30am and 5.00pm (WST) Monday to Friday.

Yours sincerely



Dougal Ferguson
Managing Director