

Q3

QUARTERLY  
REPORT  
MARCH 2017





# HIGHLIGHTS



*Madden Gas Plant Sulphur processing modules*



*Big Horn wellhead and gas flow lines*



*Grieve Field from Horsehead*

**Grieve Project  
equipment and materials  
procurement and  
construction advances**

**Total CO<sub>2</sub> injected  
39 BCF and field  
pressure reaches  
2900 PSI**

**Madden Gas & CO<sub>2</sub>  
Field/Lost Cabin Gas  
Plant acquisition  
completed**

**Total Madden Gas Field  
Proved Gas Reserves  
increase to 79.5 BCF  
(13.3 MMBOE) – up 13%**

**2P Proved + Probable  
Oil & Gas Reserves  
increase to 20.5 MMBOE  
– up 10%**

**Average daily production  
24.6 MMSCF/day  
(4,108 BOEPD)  
for total production  
2.3 BCF (369,700 BOE)**

**Total quarterly gas sales  
of US\$6.35 million and  
net operating profit  
US\$1.6 million**





Madden Deep Unit Wellhead MDU-1

## MADDEN GAS & CO<sub>2</sub> FIELD/ LOST CABIN GAS PLANT

**Elk (14%) / ConocoPhillips (46% – operator)**

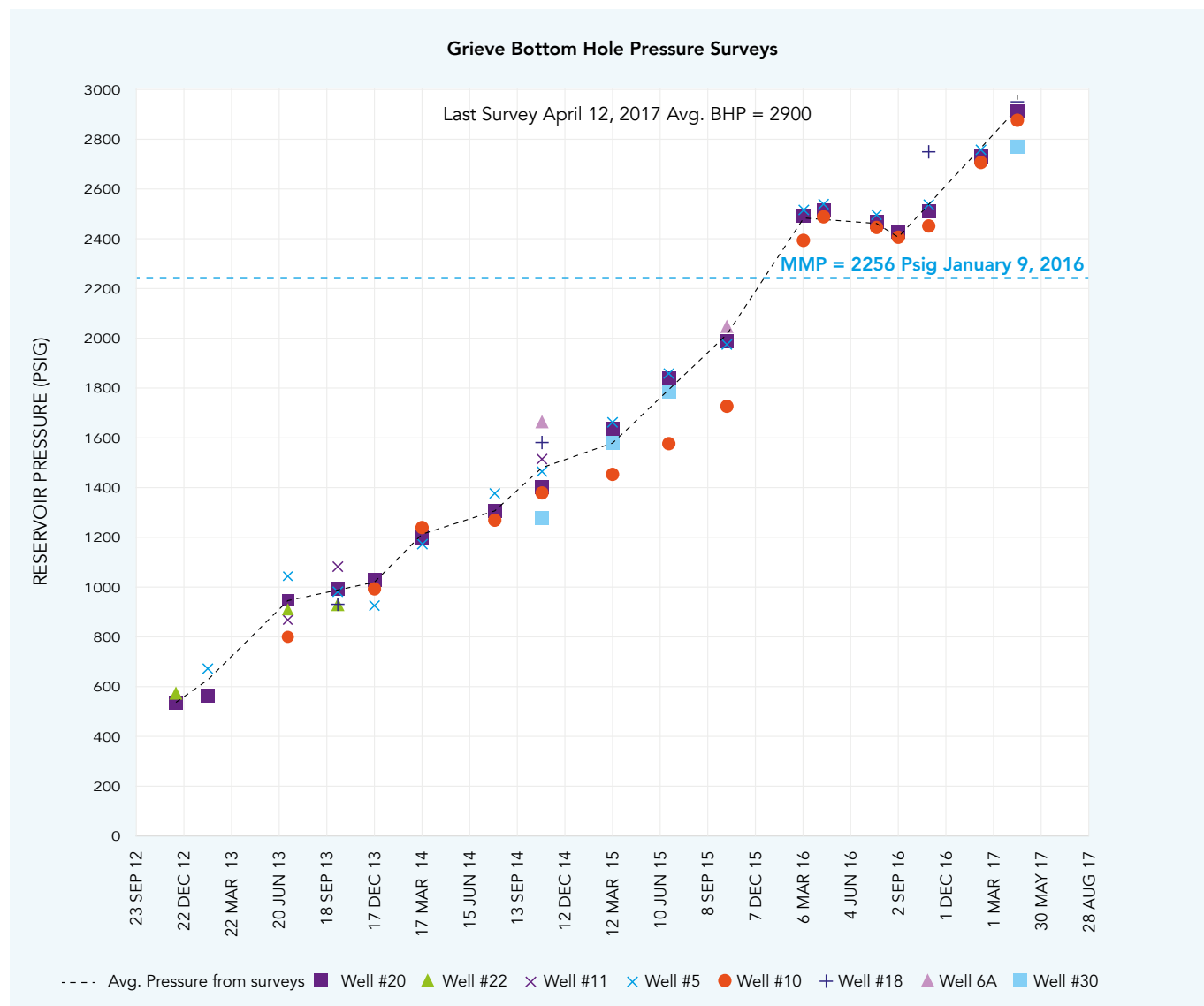
**Elk Net Reserves = 1P Reserves = 79.5 BCF (13.3 MMBOE) / 2P Reserves = 91.3 BCF (15.2 MMBOE)**

During the quarter, the Company completed the acquisition of an approximate 14% working interest in the Madden Gas & CO<sub>2</sub> Field and the Lost Cabin Gas Plant from Freeport McMoRan Inc. The acquisition closed on 17 March 2017 with Elk making a payment of US\$10 million. This closing payment was made in addition to a US\$2 million deposit paid in January 2017. Under the terms of the purchase and sale agreement, a final purchase payment of US\$5.5 million is due on 15 July 2017.

# GRIEVE CO<sub>2</sub> EOR PROJECT

**Elk 49% / Denbury Resources (51% – operator)**

**Elk Net Reserves = 1P Reserves = NA / 2P Reserves = 5.3 MMBLS ( 31.8 BCFE)**



During the March Quarter CO<sub>2</sub> injection into the Grieve Field continued at a rate of 30.5 MMscf/day and water injection at approximately 4,544 barrels of water per day. CO<sub>2</sub> is currently being injected into the Grieve Field at a rate of approximately 913 MMCF per month. As of the end of the quarter, total pressure in the Grieve Field had increased to 2,900 PSI (see graph above). The field pressure expected to be achieved prior to the commencement of first oil production is approximately 3,050 PSI.

As of 31 March 2017, approximately 39 BCF of CO<sub>2</sub> has been injected in to the Grieve Field. Under the current field development plan, at first oil production it is expected that approximately 49 BCF of CO<sub>2</sub> will have been injected into the Grieve Field.

During the Quarter significant progress has been achieved towards commencing the final stage of implementation of the Grieve CO<sub>2</sub> enhanced oil recovery project and the construction of the Grieve Central Production Facilities ("GCPF").

During the Quarter, significant progress has been made on procurement and fabrication of all the major plant and equipment required for the fabrication and construction of the GCPF and is expected to be completed by the end of September 2017. This plan has been formally outlined by Denbury to the U.S. Government in its annual Field Development Plan report lodged with The Bureau of Land Management on 9 February 2017.

The overall project execution schedule and progress under the Fixed Price Turnkey EPC contract with Denbury is consistent with Elk's prior guidance that the Grieve Project will reach completion and commence first oil production by late 2017 / early 2018.

## GRIEVE OIL PIPELINE

### Elk (100% – operator)

During the March Quarter, Elk completed the remaining Grieve Crude Oil Pipeline upgrade work and the installation of additional cathodic protection facilities along the pipeline. Following the completion of this work, the Company successfully undertook a partial pressure test and an internal intelligent pigging inspection of the pipeline to enable us to make a reliable wall thickness comparison with historical surveys.

During the Quarter the Company also commenced the licensing of the pipeline with the Federal Energy Regulatory Commission ("FERC"). As part of this process the Company conducted an "open season" marketing capacity on the pipeline. This open season process confirmed Denbury's entitlement to the necessary pipeline capacity to transport all crude oil production from the Grieve CO<sub>2</sub> EOR Project.

## SINGLETON CO<sub>2</sub> EOR PROJECT/ SINGLETON SOUTH PROJECT

### Elk (100% – operator)

The Singleton CO<sub>2</sub> EOR Project is currently on care and maintenance. The Company will continue to evaluate the viability of the redevelopment of the Singleton Oil Field through CO<sub>2</sub> enhanced oil recovery but is currently minimizing any expenditures on this project.

## Q3 UPDATES

### Reserves

The completion of the Madden Gas & CO<sub>2</sub> Field acquisition has materially increased the Company's overall Reserves resulting the Company's first booking of Proved Developed and Producing Reserves of 71.3 BCF (11.9 MMBOE) and Total 1P Proved Reserves of 79.5 BCF (13.3 MMBOE) and a 386% increase in 2P Proved and Probable Reserves to 123.1 BCFE (20.5 MMBOE) up from 5.3 MMBBLS as of 31 December 2016.

Following the completion of the Madden Gas Field acquisition, the Company engaged Netherland Sewell & Associates, Inc. to conduct an independent review of the Reserves for the field based on the latest field performance, proposed operations plans and production information provided by the operator, ConocoPhillips. The Company's Total Proven, Probable and Possible Reserves for the Grieve CO<sub>2</sub> EOR Project and the Madden Gas Field are set out in the table below.

### Summary of Elk Petroleum Oil & Gas Reserves

As of 1 January 2017

Reserve Category	Elk Net (BCFE)	Elk Net (MMBOE)
Proved (1P)	79.5	13.3
Proved + Probable (2P)	123.1	20.5
Proved + Probable + Possible (3P)	145.0	24.1

Reserves independently audited by Netherland Sewell & Associates, Inc and VSO Petroleum Consultants as of 1 January 2017.

### Production

Under the terms of the purchase and sale agreement with Freeport McMoRan Inc., effective 1 January 2017 all production attributable to the 14% working interest acquired is to the Company's account. During the March Quarter, daily gas production averaged 24.6 MMSCF/day (4,108 BOEPD) for total production 2.3 BCF (369,700 BOE). This production from the Madden Gas Field for the first quarter CY 2017 is well ahead of previous forecasts provided by the Company in January 2017 of approximately 20 MMSCF/day (3,400 BOEPD).

### Gas Sales Revenue & Cash Flow

Gas sales revenue for the March Quarter totalled US\$6.35 million at an average realised gas price of US\$2.87/MCF (US\$17.18/BOE). After production operating costs, total net operating profit from gas sales US\$1.6 million. The profit margin on gas sales for the March Quarter averaged US\$0.72/MCF.

### Corporate and Financial Update

During the Quarter, Elk continued to manage its Grieve CO<sub>2</sub> EOR Project working interest and associated US\$58 million debt facility with Benefit Street ("Grieve Term Loan") and US\$45/bbl oil put contract (comprising put options for 75% of its share of forecast oil production from the Grieve Project during calendar year 2018 and 2019, creating a US\$45/bbl floor price for the hedged volumes).

During the Quarter, US\$1.6 million was drawn from the Grieve Term Loan to finance Grieve CO<sub>2</sub> EOR Project construction and to finance remedial works on Elk's 100% owned Grieve Oil Pipeline. A total of US\$47.1 million had been drawn from the Grieve Term Loan at the end of the Quarter. The US\$58 million loan facility is forecast to be fully drawn by September 2017. As of 31 March 2017, the US dollar debt service reserve account controlled by Grieve Term Loan Lenders had a balance of US\$8.7 million.

## Q3 UPDATES continued

During the Quarter, the Company completed a US\$10 million convertible loan financing. These convertible loans have a term of approximately 3-years with a maturity date of 31 March 2020. Under the terms of the convertible loans, the holders of the convertible loans have the option to convert the principal amount into shares in the Company at a conversion price of 10.3 Australian cents per share. The total equity that may be issued upon conversion is 128,104,241 shares.

These convertible loans were largely placed with existing shareholders utilising the Company's placement capacity. The proceeds of the convertible loans were used by the Company to fund US\$10 million second payment to Freeport McMoRan Inc. for its 14% working interest in the Madden Gas & CO<sub>2</sub> Field and the Lost Cabin Gas Plant.

### Cash Position

Elk's net cash outflow from operating activities during the Quarter was A\$5 million. Total cash at the end of the March Quarter was A\$12.1 million comprised of unrestricted cash of A\$0.8 million and restricted cash dedicated to the funding of the Grieve Project under the Grieve Term Loan was A\$11.3 million. Elk's estimated cash outflows for the next Quarter of A\$17.6 million will be funded from the Grieve Term Loan, existing cash and positive cash flow from gas sales from the Madden Gas & CO<sub>2</sub> Field.

### Corporate

Following the end of Quarter, the Company announced that it is seeking to raise a further US\$6 million through placing additional convertible loans on the same terms as the initial US\$10 million convertible loans completed during the Quarter. The placement of these further convertible loans is subject to shareholder approval which is being sought at an extraordinary shareholders meeting to be held on 18 May 2017.

### Basis of Preparation of Reserves and Resources Estimates

Unless otherwise stated, references in this release to estimates of petroleum reserves and resources are as at 1 January 2017, released to the ASX by Elk Petroleum Limited on 11 April 2017. Elk confirms that it is not aware of any new information or data that materially affects the information included and that all the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Elk prepares its petroleum reserves and resources estimates in accordance with the Petroleum Resources Management System (PRMS) sponsored by the Society of Petroleum Engineers (SPE). Unless otherwise stated, all references to petroleum reserves and resources quantities in this presentation are Elks net share. Petroleum reserves and resources are aggregated by arithmetic summation.

The reserve and resource estimates in this release are based on, and fairly represent, information and supporting documentation prepared by, or under the supervision of, Geologist Mr. David Evans, Elk Petroleum Limited COO and Petroleum Engineer Mr. Brian Dolan, COO-USA and VP-Engineering of Elk Petroleum Inc. who are both qualified persons as defined under the ASX Listing Rule 5.11 and both have consented in writing to the use of the reserves and resources figures in the form and context in which they appear in this release.

Elk independently carries out reviews and audits of its Reserves and Resources assessments, using Netherland Sewell and Associates Inc. ("NSAI" related to the Madden Gas Field) and VSO Petroleum Consultants, Inc ("VSO" related to the Grieve CO<sub>2</sub> EOR project), carried out in accordance with the SPE Reserves Auditing Standards and the SPE-PRMS guidelines. Both the NSAI and VSO independent reserve audits were prepared on a deterministic basis in accordance with U.S. Securities and Exchange Commission guidelines and standards consistent with existing U.S. oil and gas reserve auditing and reporting standards and practice.

Sales gas is converted to equivalent barrels of oil (boe) using a factor of 6,000 cubic feet per barrel of oil equivalent (boe).

The Reserves and Contingent Resources in this announcement relating to the Madden Gas Field is based on an independent review and audit conducted by Netherland, Sewell & Associates, Inc. for Elk Petroleum Limited and fairly represents the information and supporting documentation reviewed. The review and audit was carried out in accordance with the SPE Reserves Auditing Standards and the SPE-PRMS guidelines under the supervision of Mr. Shane M. Howell and Mr. John R. Cliver, both Vice Presidents of Netherland, Sewell & Associates, Inc., an independent petroleum advisory firm. Mr. Howell is a Registered Professional Geologist in the State of Texas and Mr. Cliver is a Registered Professional Engineer in the State of Texas. Mr. Howell's qualifications include Master of Science in Geological Sciences, San Diego State University and a Bachelor of Science in Geological Sciences, San Diego State University. Mr. Howell has more than 10 years of relevant experience. Mr. Cliver's qualifications include a Masters of Business Administration from the University of Texas, Austin and a Bachelor of Science in Chemical Engineering from Rice University. Mr. Cliver has more than 10 years of relevant experience. Mr. Howell and Mr. Cliver meet the requirements of Qualified Petroleum Reserve and Resource Evaluator as defined in Chapter 19 of the ASX Listing Rules.

The Reserves and Contingent Resources in this announcement relating to the Grieve CO<sub>2</sub> EOR project, operated by Denbury Resources, is based on an independent review and audit conducted by VSO Petroleum Consultants, Inc. and fairly represents the information and supporting documentation reviewed. The review and audit was carried out in accordance with the SPE Reserves Auditing Standards and the SPE-PRMS guidelines under the supervision of Mr. Grant Olsen, a Director of VSO Petroleum Consultants, Inc., an independent petroleum advisory firm. Mr. Olsen is a Registered Professional Engineer in the State of Texas and his qualifications include a Bachelor of Science and Master of Science (both in Petroleum Engineering) from Texas A&M University. He has more than 10 years of relevant experience. Mr. Olsen is a member of the Society of Petroleum Engineers (SPE) and an Associate Member of the Society of Petroleum Evaluation Engineers. Mr. Olsen meets the requirements of Qualified Petroleum Reserve and Resource Evaluator as defined in Chapter 19 of the ASX Listing Rules and consents to the inclusion of this information in this report.

+Rule 5.5

## Appendix 5B

### Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

**Name of entity**

<b>ELK PETROLEUM LIMITED</b>
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**ABN**

<b>38 112 566 499</b>
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**Quarter ended (“current quarter”)**

<b>31 MARCH 2017</b>
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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers <sup>(1)</sup>	-	7
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(3,978)	(36,538)
(c) production	(60)	(371)
(d) staff costs	(735)	(2,002)
(e) administration and corporate costs	(228)	(2,110)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	11
1.5 Interest and other costs of finance paid	(1)	(6)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(5,001)</b>	<b>(41,009)</b>

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1 September 2016



<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
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<sup>(1)</sup> Elk's is entitled to project revenue from Madden/Lost Cabin for the March Quarter of A\$8.52 million (US\$6.35 million). "Section 1.1 Receipts from customers" is a A\$zero balance due to the following:

- Cash payment to Elk of January 2017 "Receipts" (Section 1.1 above) from Madden/Lost Cabin operations totalling estimated US\$2.5m and cash payments by Elk of January 2017 "Payments for production" (Section 1.2c above) totalling estimated US\$1.4m were incorporated into a working capital adjustment to the closing payment announced to ASX on 22 March 2017 which is reflected in Section 2.1d below (Other Non-Current Assets).
- Cash payment to Elk of February 2017 "Receipts" (Section 1.1 above) totalling estimated US\$1.9m and cash payments by Elk of February 2017 "Payments for production" (Section 1.2c above) totalling estimated US\$1.6m will be included in a June 2017 Madden/Lost Cabin post-closing Final Settlement Payment between Elk and Freeport.
- Cash payment to Elk of March 2017 "Receipts" (Section 1.1 above) totalling estimated US\$1.9m and cash payments by Elk of February 2017 "Payments for production" (Section 1.2c above) totalling estimated US\$1.4m were made after the end of the March Quarter in late April 2017 due to normal delayed payment terms after the end of each production month.

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(146)	(3,086)
(b) tenements (see item 10)	-	(23)
(c) investments	-	-
(d) other non-current assets <sup>(2)</sup>	(14,491)	(14,585)
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	(5,774)
- Payment to acquire put options		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(14,637)</b>	<b>(23,468)</b>

<sup>(2)</sup> Net payment of \$14.5 million for 14% working interest in Madden Gas & CO<sub>2</sub> Field and Lost Cabin Gas Plant. The acquisition cost comprises of US\$2m deposit paid in January, US\$10m on closing in March plus transaction fees adjusted for working capital of US\$1.1m (A\$1.5m) (January Sales of US\$2.5m less January costs US\$1.4m).

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	9,691
3.2 Proceeds from issue of convertible notes	13,033	13,033
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(8)	(822)
3.5 Proceeds from borrowings	4,127	61,907

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
3.6	Repayment of borrowings <sup>(3)</sup>	(174)	(20,689)
3.7	Transaction costs related to loans and borrowings	(82)	(4,270)
3.8	Dividends paid	-	-
3.9	Other	2,138	(11,529)
	- Amount transferred from / (to) Reserve Account as required under the financing arrangement with Benefit Street Partners ("BSP") <sup>(4)</sup>		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>19,034</b>	<b>47,321</b>

<sup>(3)</sup> Payment of Crow Tribe monthly settlement instalments (\$174,000) for the quarter (YTD: \$521,000) and repayment of borrowings associated with Elk's US\$55 million Grieve restructure agreement with Denbury (YTD: \$20,168,000).

<sup>(4)</sup> US dollar debt service reserve account controlled by Benefit Street Partners associated with Elk's term loan agreement. Balance at 31 March 2017 is \$11,333,000.

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	(1,129)	18,103
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,001)	(41,009)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(14,637)	(23,468)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	19,034	47,321
4.5	Effect of movement in exchange rates on cash held	240	(182)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>765</b>	<b>765</b>
	<b>Cash on deposit in USA available for completion of the Grieve Project under the Grieve Term Loan (in addition to item 4.6 above)*</b>	<b>11,333</b>	<b>11,333</b>

\*Balance of US dollar debt service reserve account associated with Elk's Grieve term loan agreement, at 31 March 2017 was US\$11.3m

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<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	765	1,129
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>765</b>	<b>1,129</b>
<b>Cash on deposit in USA available for completion of the Grieve Project under the Grieve Term Loan (in addition to item 5.5 above)*</b>	<b>11,333</b>	<b>14,204</b>

\*Balance of US dollar debt service reserve account associated with Elk's Grieve term loan agreement, at 31 March 2017 was US\$11.3m

#### **6. Payments to directors of the entity and their associates**

	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	166
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

#### **7. Payments to related entities of the entity and their associates**

	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>		<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1	Loan facilities	75,877	61,652
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The company has a senior term loan facility with Benefit Street Partners for US\$58 million for the Grieve Project JV restructure. Under the term loan, the funds can only be used to fund the field development expenditures committed by Elk as part of the Grieve JV restructure, minor upgrades to Elk's 100% owned Grieve oil pipeline and associated costs.

<b>9. Estimated cash outflows for next quarter</b>		<b>\$A'000</b>
9.1	Exploration and evaluation	-
9.2	Development <sup>(5)</sup>	12,390
9.3	Production <sup>(5)</sup>	4,211
9.4	Staff costs	735
9.5	Administration and corporate costs	230
9.6	Other (provide details if material)	
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>17,566</b>

<sup>(5)</sup> The abovementioned estimated Development and Production cash outflow will be primarily funded from draw down of Elk's US\$58m financing facility provided by Benefit Street Partners, existing cash and positive cash flow from gas sales from the Madden Gas & CO<sub>2</sub> Field.

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1 September 2016



10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A	N/A	N/A	N/A
10.2	Interests in mining tenements and petroleum tenements acquired or increased				
	Natrona County, Wyoming		Gas Leases (25) Federal	0%	9.38% to 12.5%
	Fremont County, Wyoming		Gas Leases (67) Federal	0%	12.5% to 12.77%
	Fremont County, Wyoming		Gas Leases (14) State	0%	1.2% to 14.75%

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Original version signed.....  
(Company secretary)

Date: 28 April 2017

Print name: David Franks

### 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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<b>Table 1 - Summary of petroleum tenements as at 31 December 2016</b>			
<b>Project</b>	<b>Location</b>	<b>Lease Reference</b>	<b>Interest</b>
Grieve (Outside) Federal	Natrona County, Wyoming	WYW-181111	100%
Grieve (Outside) Federal	Natrona County, Wyoming	WYW-181112	100%
Grieve Unit Federal	Natrona County, Wyoming	WYW-015813	49%
Grieve Unit Federal	Natrona County, Wyoming	WYW-015814	49%
Grieve Unit Federal	Natrona County, Wyoming	WYW-015815	49%
Grieve Unit Federal	Natrona County, Wyoming	WYW-016008	49%
Grieve (In & Out) Federal Grieve Unit – Surface Use	Natrona County, Wyoming	WYW-015824	49%
36-17-54W	Banner County, Nebraska	8118	100%
16-12-52W	Cheyenne County, Nebraska	8126	100%
16-12-53W	Cheyenne County, Nebraska	8127	100%
10-12-54W	Kimball County, Nebraska	8150	100%
16-12-54W	Kimball County, Nebraska	8151	100%
16-15-54W	Kimball County, Nebraska	8152	100%
16-13-55W	Kimball County, Nebraska	8155	100%
16-12-56W	Kimball County, Nebraska	8157	100%
36-15-56W	Kimball County, Nebraska	8159	100%
36-16-57W	Kimball County, Nebraska	8162	100%
16-13-58W	Kimball County, Nebraska	8164	100%
16-14-58W	Kimball County, Nebraska	8165	100%
Madden Unit (25 leases) - Federal	Natrona County, Wyoming	N/A	9.38% to 12.5%
Madden Unit (67 leases) - Federal	Fremont County, Wyoming	N/A	12.5% to 12.77%
Madden Unit (14 leases) - State	Fremont County, Wyoming	N/A	1.2% to 14.75%
Singleton Unit	Banner County, Nebraska, USA	N/A	100%
South Singleton (OPIS) Unit	Banner County, Nebraska, USA	N/A	100%
Singleton Leases (7)	Banner County, Nebraska USA	N/A	100%

<b>Table 2 - Summary of petroleum tenements acquired in Quarter</b>			
<b>Project</b>	<b>Location</b>	<b>Lease Reference</b>	<b>Interest</b>
Madden Unit (25 leases) - Federal	Natrona County, Wyoming	N/A	9.38% to 12.5%
Madden Unit (67 leases) - Federal	Fremont County, Wyoming	N/A	12.5% to 12.77%
Madden Unit (14 leases) - State	Fremont County, Wyoming	N/A	1.2% to 14.75%

<b>Table 3 - Summary of petroleum tenements disposed of in Quarter</b>			
<b>Project</b>	<b>Location</b>	<b>Lease Reference</b>	<b>Interest</b>
N/A	N/A	N/A	N/A



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**For further information please contact:**

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**About Elk Petroleum**

Elk Petroleum Limited ABN 38 112 566 499 (ASX: ELK) is an oil and gas producer and developer with assets located in one of the richest onshore oil regions of the USA: the Rocky Mountains.

Listed on the ASX in 2005, Elk's strategy is focused on applying established enhanced oil recovery (EOR) technologies to mature oil fields. This strategy significantly de-risks the process of finding and exploiting oil field reserves.

Leveraging proven EOR technology and experience particularly those involving CO<sub>2</sub> flood technology, Elk is currently involved in two mature oil fields in the Rocky Mountain region of the USA and is pursuing other opportunities that will benefit from the application of EOR technologies.

For more information on Elk, see Elk's most recent Investor Presentations which are available on Elk's website [www.elkpet.com](http://www.elkpet.com).