elk petroleum

Noosa Mining & Exploration Conference

20 July 2017

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The reserves and resources assessment follows the guidelines set forth by the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS).

The Reserves and Contingent Resources in this announcement relating to the Madden Gas Field and Madden Deep Unit to be acquired from Freeport McMoRan Inc. is based on an independent review and audit conducted by Netherland, Sewell & Associates, 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. 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_2 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.

The information in this ASX release or presentation that relates to Reserve and Contingent Resources estimates for the Grieve CO_2 EOR project and the Reserve and Contingent Resource estimates for the newly acquired Madden Deep Gas Field and the Madden Deep Unit Singleton CO_2 EOR project have been compiled and prepared by Mr. David Evans, COO and 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 to the use of the reserves figures in the form and context in which they appear in this presentation.

Mr. Evans is a full-time employee of the company. Mr. Evans earned a Bachelor of Science with Honours in Geology from the University of London, United Kingdom, a Post Graduate Diploma, Petroleum Exploration from Oxford Brookes University, United Kingdom and a Master of Applied Science, Geology from the University of Canberra and Australian National University in Canberra, ACT. Mr. Evans has more than 30 years of relevant experience. Mr. Evans has sufficient experience that is relevant to the company's Reserves and Resources to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules. Mr. Evans consents to the inclusion in this presentation of the matters based on the information in the form and context in which it appears.

Mr. Dolan is a full-time employee of the company. Mr. Dolan earned a degree in Mechanical Engineering from the University of Colorado at Boulder. Mr. Dolan has more than 24 years of relevant experience. Mr. Dolan has sufficient experience that is relevant to the company's Reserves and Resources to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules. Mr. Dolan consents to the inclusion in this presentation of the matters based on the information in the form and context in which it appears.

Elk Corporate Overview

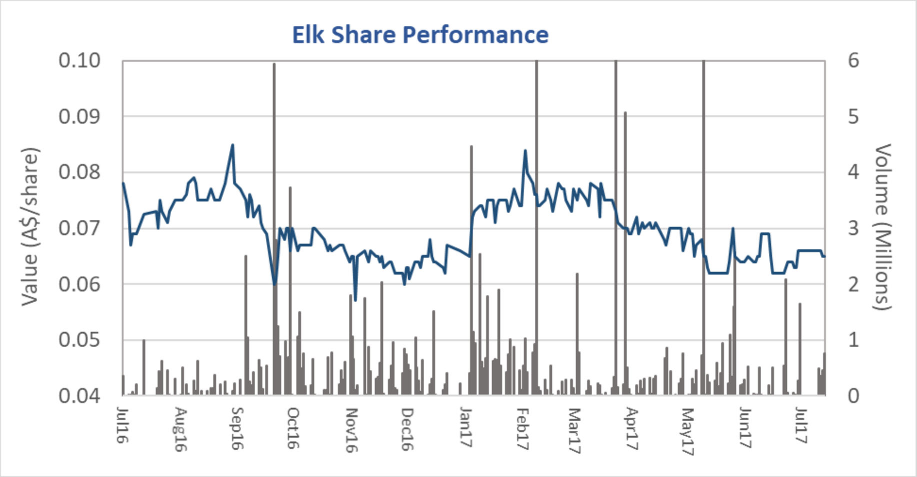
Oil Development	• Elk is focused on redevelopment of historically producing conventional oil fields to produce significant remaining in place oil by applying enhanced oil recovery ("EOR") methods • Grieve CO_2 EOR project development 85% complete, forecast production late 2017/early 2018
Natural Gas & CO_2 Production	• Madden/Lost Cabin Gas Field is a large conventional gas and CO_2 production asset with high quality, long-life reserves & production delivering free cash flow to Elk • Current production rate is 25.4 MMCF/day (4,240 BOE/day) net to Elk • Strategic interest in material CO_2 production supports Elk's CO_2 EOR strategic focus
Proven Practices & Opportunity	• EOR is a well established low risk redevelopment methodology • ~90% of CO_2 EOR projects developed in USA are technical and commercial successes • Abundance of large mature conventional oil fields suitable for CO_2 EOR redevelopment
Long term Profitable Production	• Typical CO_2 EOR projects have a15+ year reserve life and annuity style cash flows • Grieve-minimal ongoing capex and opex • Madden/Lost Cabin operator forecast 50 year project life
Cash Flow Positive	• Forecast 2017 project free cash flow of ~US$6 million and forecast Elk consolidated project free cash flow of US$22-US$30 million[1] per annum for 2018-2023 period

1) Based on Grieve 2P and Madden PDP production profile at Bloomberg Consensus Pricing (31 June 2017)

Corporate Snapshot

Elk Reserves & Resources (1 January 2017)	MMBOE
PDP (Proved Developed Producing Reserves)	11.9
1P (Proved Reserves)	13.3
2P (Proved + Probable Reserves)	20.5
3P (Proved + Probable + Possible Reserves)	24.2

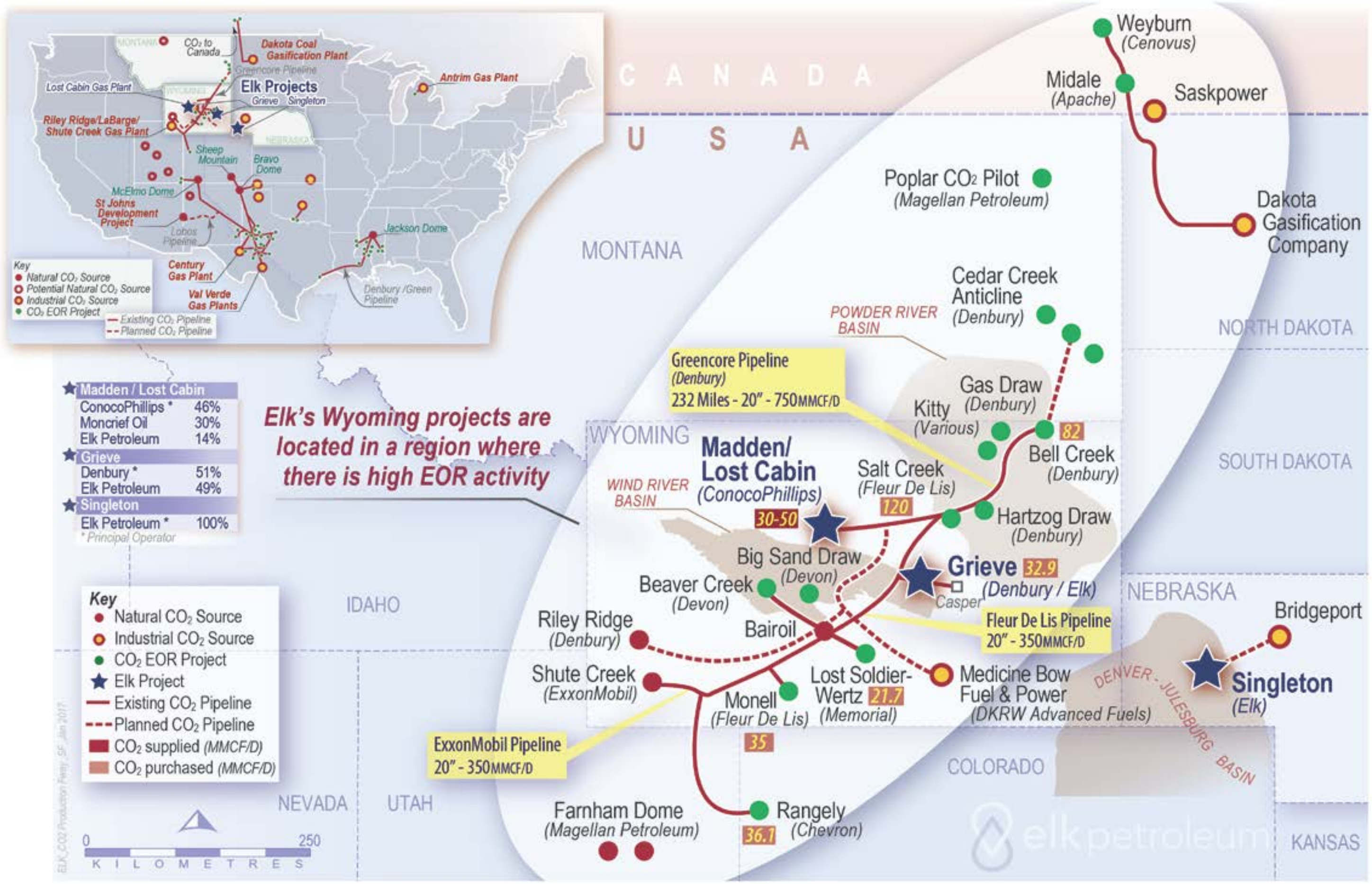
Elk Production (Madden/Lost Cabin)	MMCF/Day	BOE/Day
MarQ2017	24.6	4,100
JunQ2017 *(production lower due to scheduled plant maintenance in May17)*	21.3	3,600
YTD 30 June 2017 (6 months)	22.9	3,800



Capital Structure	
Ordinary Shares	854.7m
52-week Low-High (A$/share)	0.056 - 0.085
Market cap @ $0.071/share	A$56 m
Unrestricted cash (31 Mar 2017)	A$0.76 m
Restricted cash (31 Mar 2017)	A$11.3 m

Major shareholders	
Republic Investment Management	19.3%
Rich Trend Ventures	5.6%
Robert Anthony Healy	6.3%
Begley Superannuation	2.7%
Ms Tracey Leanne Marshall	2.0%
Brad Lingo	1.5%

Key Projects in Wyoming, USA



Vast CO_2 reserves, extensive CO_2 infrastructure, multiple CO_2 EOR operating projects and numerous new projects for development

Grieve CO_2 EOR Project

Grieve Project Overview

Asset overview and ownership

- Elk 49% working interest and ~60% economic interest
- Denbury Resources 51% owner and operator

Project construction nearing completion

- Significant construction progress during Wyoming summer
- Project construction over 85% complete, production expected late 2017/early 2018
- Fixed time and cost construction contract with Denbury
- ELK funding US$55m remaining construction works
- Completed senior debt and equity financing in mid 2016

Favourable economics

- Elk to receive 75% of the operating profit from 1st million barrels and 65% from 2nd million barrels
- Enhanced revenue stream from 100% Grieve Oil Pipeline
- Forecast annual project free cash flow for first 5-years averages US$17-21 million pa[1,2,3]

Grieve Project Economics (US$)	
Project life	20 years
Capex invested to date	$168.5m
Remaining capex spend	$5.5m
Development cost	$7-10/bbl
Operating cost (First 5 years, excluding royalties and production taxes, real)	$10-13/bbl
Profit margin (First 5 years, real)[1,2,3]	$24-32/bbl
Total projected revenue (Project life, post royalties and production taxes)[1,2,3]	$245-310m
First 5 years annual project free cash flow[1,2,3]	$17-21m p.a.

Grieve CO_2 EOR Project Reserves & Resources

Scenario	(MMbbl)	
	Gross	Net
2P (Proved + Probable Reserves)	12.3	5.3
3P (Proved + Probable + Possible)	16.4	7.0
3C (Contingent Resources)	16.3	7.0

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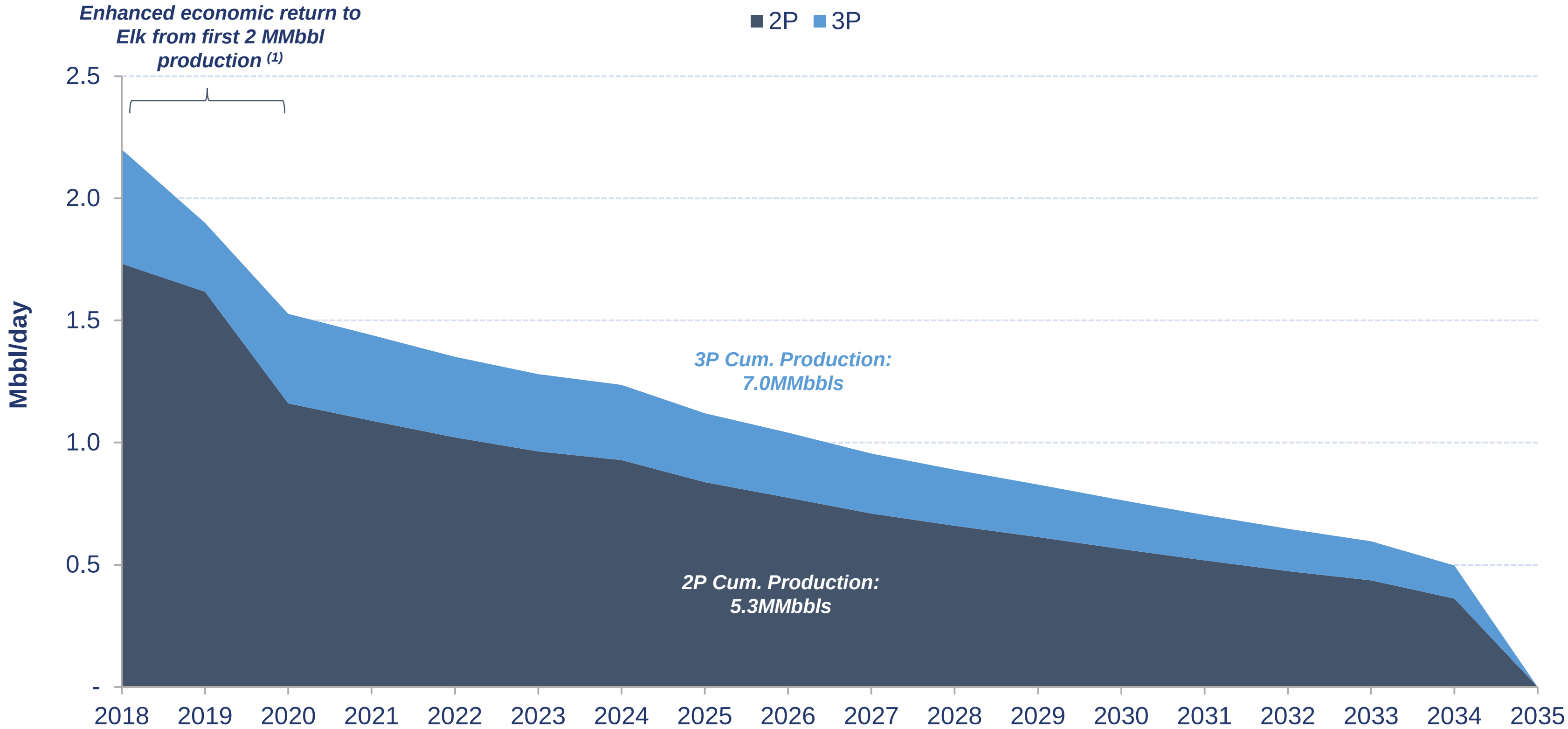
(1) Range: Futures to Bloomberg Consensus (31 March 2017) for 2P production profile
(2) Inclusive of Grieve Oil pipeline revenue, royalties and productions taxes
(3) Net to Elk

Grieve Production Rate

Elk's net share of average production over the first 5 years is estimated to be between 1,300 and 1,700 bbl/day

Daily Production: 2P & 3P (Net to Elk, Post Royalties)(1,2,3)



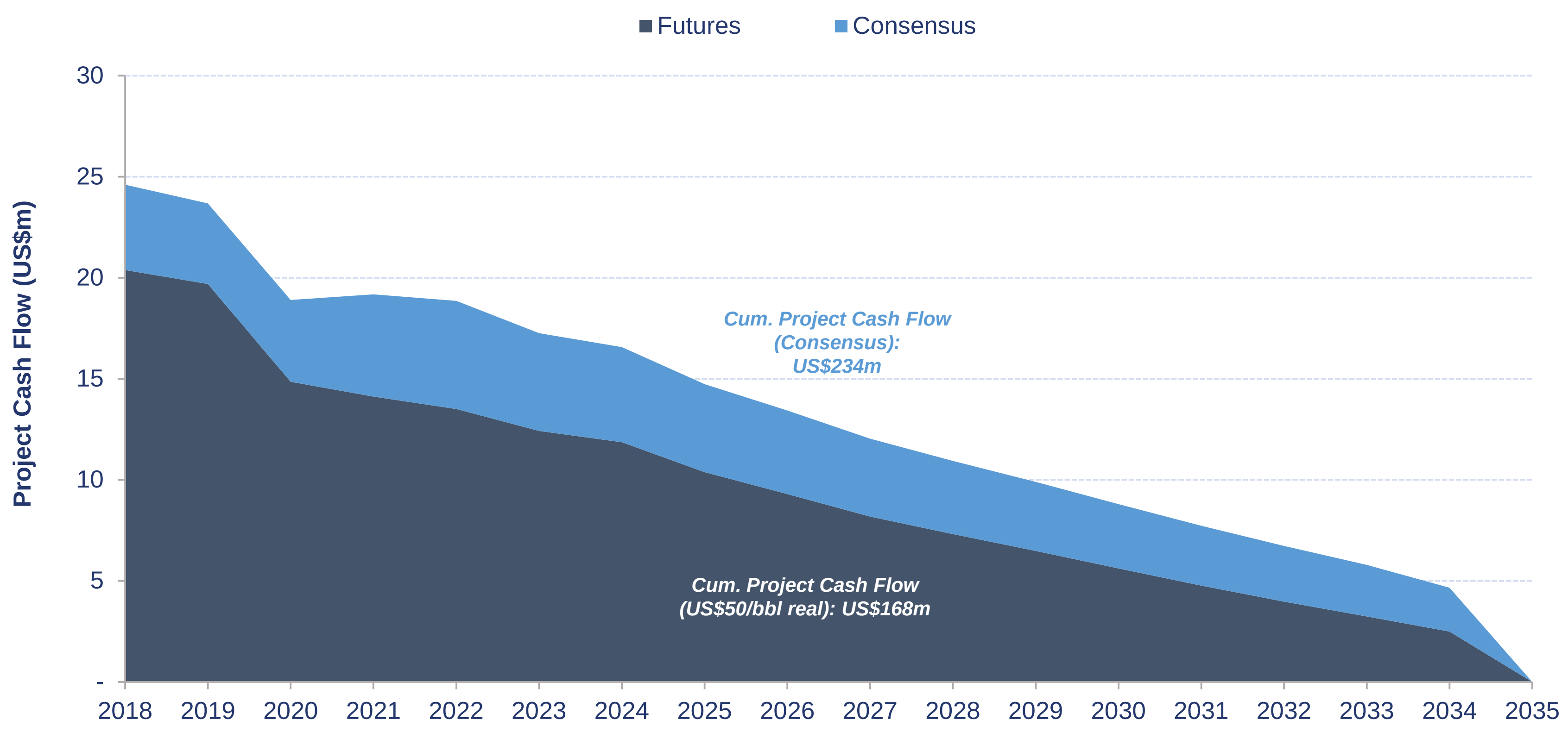
(1) Refer to Elk announcement dated 05 August 2016 for more detailed JV re-structure information
(2) Economic cut-off based on Bloomberg Consensus Pricing (30 June 2017)
(3) Net to Elk inclusive of the production sweep arrangement

Grieve Project Free Cash Flow

The Grieve Project will generate strong and stable cash flows from first oil

Project Cash Flow (Net to Elk, US$m, Nominal) (1,2)

Post Royalties, Production Taxes, Opex and Capex



(1) Bloomberg Futures and Consensus Pricing as at 30 June 2017 (Source: Bloomberg)
(2) 2P Case; includes tariff payable to Elk

Madden/Lost Cabin
Natural Gas & CO_2 Project

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Madden/Lost Cabin Project Overview

Asset overview and ownership

- Madden/Lost Cabin is a conventional natural gas production asset with CO_2 and sulphur by-products
- Elk ~14% working interest
- 46% owned and operated by Conoco Philips

Profitable production

- Elk's current production (30 June) ~25.4 MMSCF/day (4,240 BOE/day). YTD 30Jun17 production 22.9 MCF/d (3,800 boe/d).
- Acquisition completed, US$6m credit facility in place
- 24 month Henry Hub gas price hedging in place
- Lower production during May 2017 due to scheduled plant shut down and maintenance
- Forecast 2017 project free cash flow of ~US$6 million
- Reserves independently certified by Netherland Sewell & Associates
- Favourable operating costs of $10/boe ($1.6/mcf) and capital costs of $1.6/boe ($0.3/mcf)
- Moderate production maintenance capex through 2021 covered by operating cash flows

Madden/Lost Cabin Project Economics (US$)		
Project life (PDP Reserves)	25 years	
2017-2021 capex (5 years)	$1.6/boe	$0.3/mcf
2017-2021 operating cost (5 years, including royalties, including production taxes, real)	$10/boe	$1.6/mcf
Profit margin 2017-2021 (5 years, real)	$3-6/boe	$0.6-0.8/mcf
Avg realised gas price 2017-21[1]	$16-18/boe	$2.7-2.9/mcf
Total projected revenue (Project life, post royalties and production taxes) (PDP consensus)	$207-229m	
First 5 years annual project free cash flow[1,2]	$3-7m p.a.	

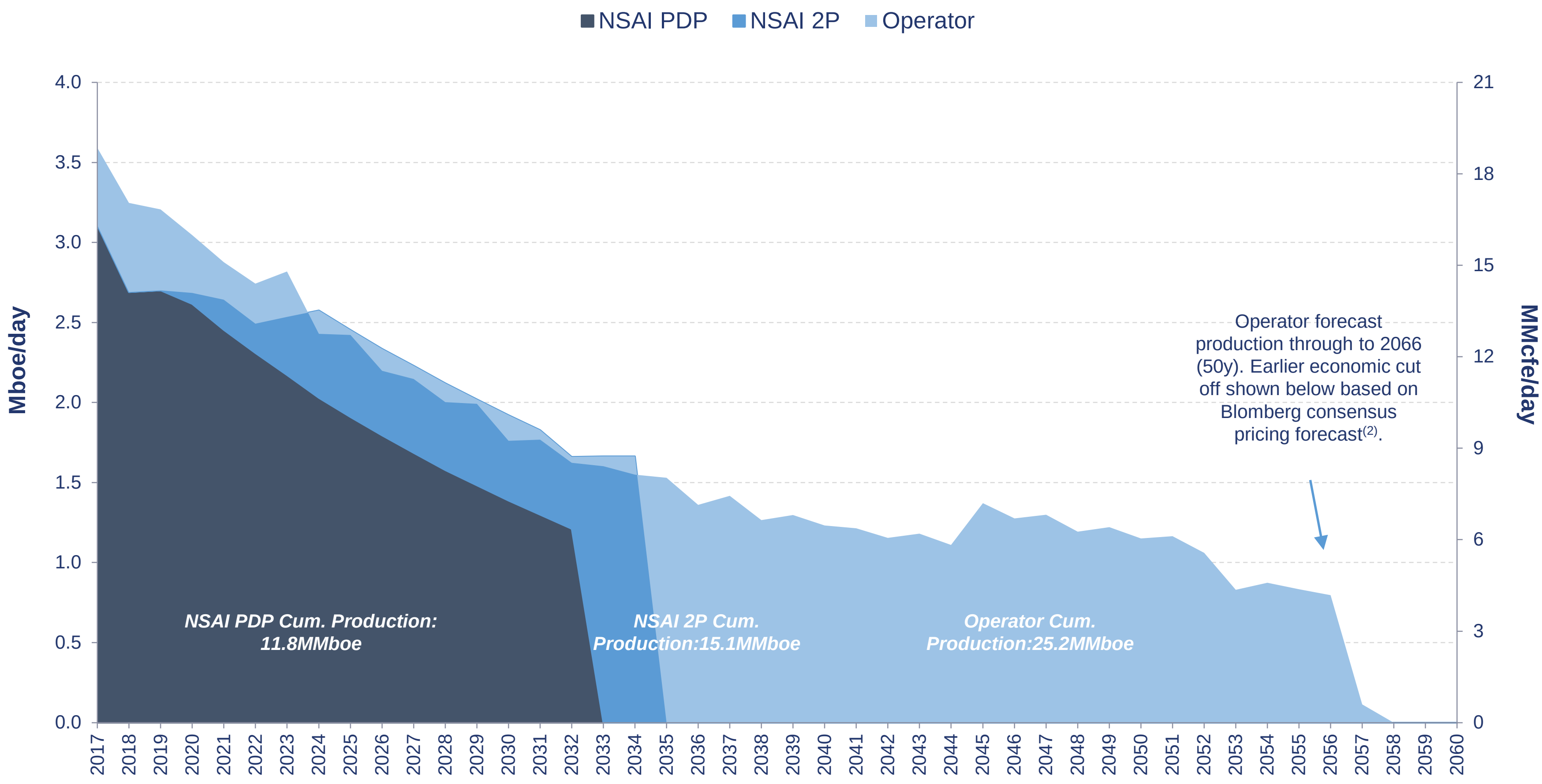
Madden/Lost Cabin Project Reserves & Resources (Net to Elk)

	BCF	MMBOE
PDP (Proved Developed Producing)	71.3	11.9
1P (Proved Reserves)	79.5	13.3
2P (Proved + Probable Reserves)	91.3	15.2
3P (Proved + Probable + Possible)	103	17.2

(1) Range: Futures to Bloomberg Consensus (30 June 2017) for PDP production profile
(2) Includes bi-product economics and royalty credits

Madden/Lost Cabin Production Rate

Daily Production Rate by Production Profile (Net to Elk, Post-royalty)(1,2)

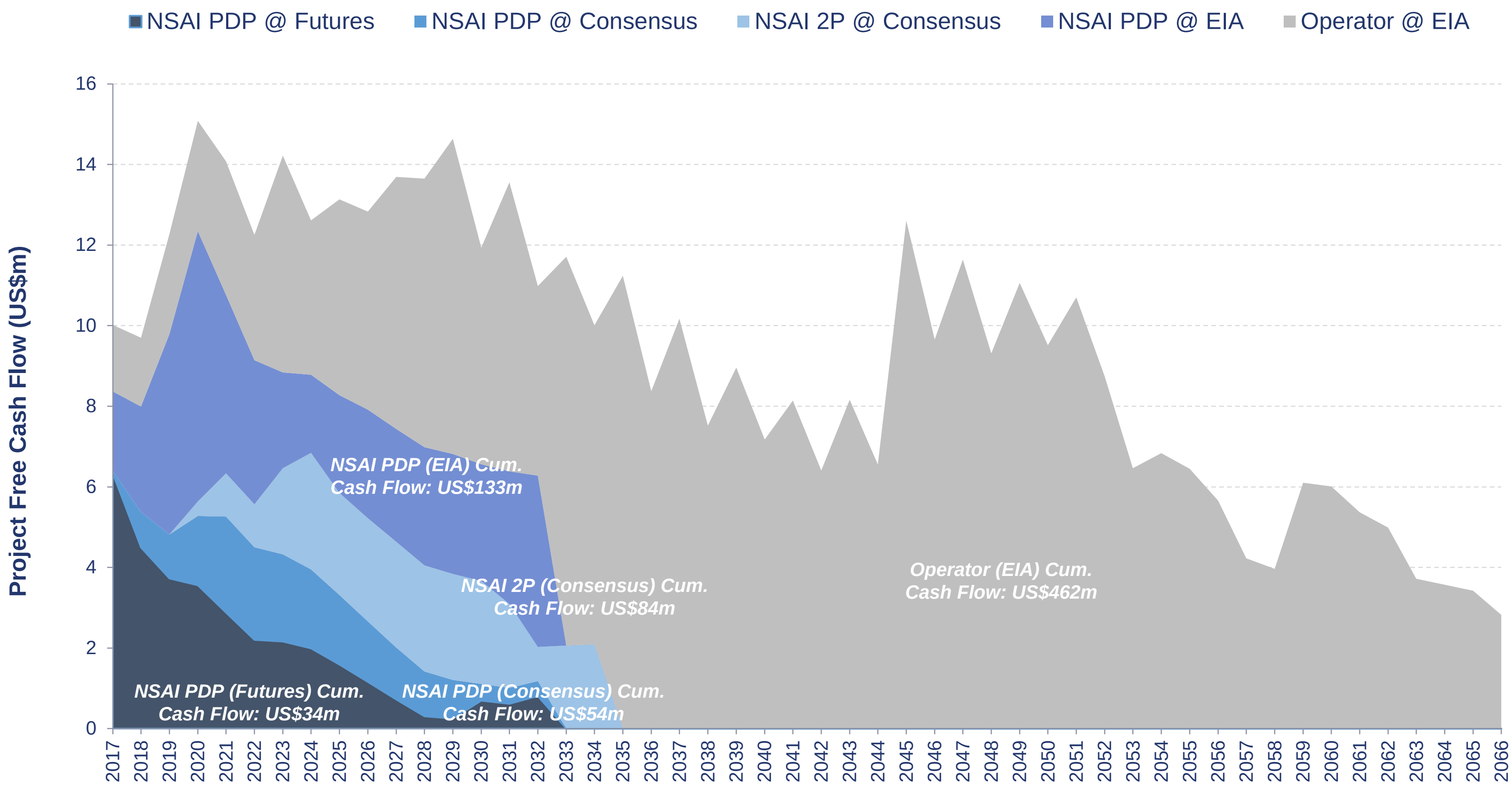


(1) Oil equivalent volumes are expressed in thousands of barrels of oil equivalent per day (MBOED) determined using the ratio of 6 Mcf of gas to 1 barrel of oil
(2) Economic cut-off assumes Bloomberg Consensus Pricing (30 June 2017)
Source: NSAI Reserves Report (March 2017), CoP WI Operator Meeting (April 2017), Bloomberg (June 2017)

Madden/Lost Cabin Project Free Cash Flow

Annual Project Cash Flow by Pricing and Production Profile (Net to Elk)[1,2]

Post Royalties, Production Taxes, Opex and Capex.

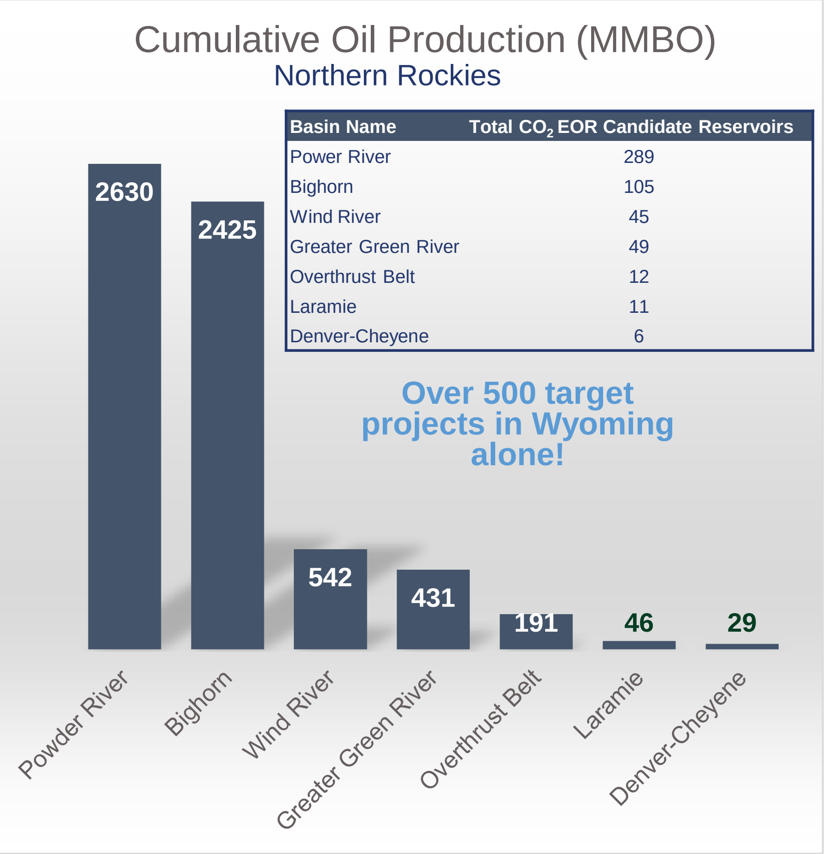


(1) Includes bi-product economics and royalty credits
Source: NSAI Reserves Report (March 2017), CoP WI Operator Meeting (April 2016), Madden Financial Model (June 2017), Bloomberg (30 June 2017), EIA (Jan 2017), CRU Tampa (FOB, Dec 2016)

Elk Strategy

CO_2 EOR – Material Energy Sector Business in USA and Rockies

- Wyoming is the 4th largest gas producing state and the 10th largest oil producing state in the USA
- Wyoming contains one of largest proven developed CO_2 reserves - 10 TCF - in US with resource potential of 100 TCF
- Favourable regulatory environment
- Over 500 target CO_2 EOR projects have been identified in Wyoming alone



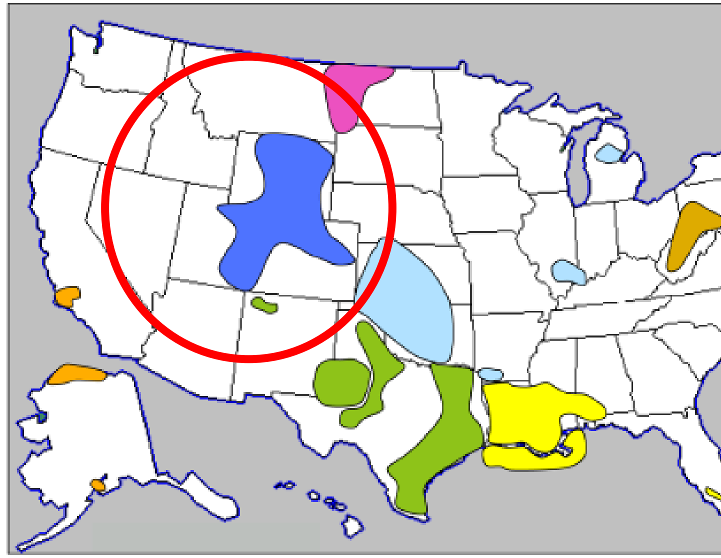
Basin Name	Total CO_2 EOR Candidate Reservoirs
Power River	289
Bighorn	105
Wind River	45
Greater Green River	49
Overthrust Belt	12
Laramie	11
Denver-Cheyene	6

Source: SPE-122921-MS-Estimates of Potential CO_2 Demand for CO_2 EOR in Wyoming Basins

Significant growth potential with deep pipeline of attractive projects

Remaining recoverable oil is Elk's opportunity

- 3.9 <u>Billion</u> barrels of oil technically recoverable in Rocky Mountain region *(NETL)*
- Elk is focussed on:
  - o CO_2 EOR oil production,
  - o CO_2 sources and infrastructure opportunities
- Grieve and Madden/Lost Cabin are the foundation assets that will allow Elk to capitalise on existing opportunities
- Significant opportunities presently exist to acquire Rockies CO_2 EOR oil production projects and CO_2 production assets



Source: ARI, February 2009

Remaining Oil in Place and Technically Recoverable Oil (BBls)

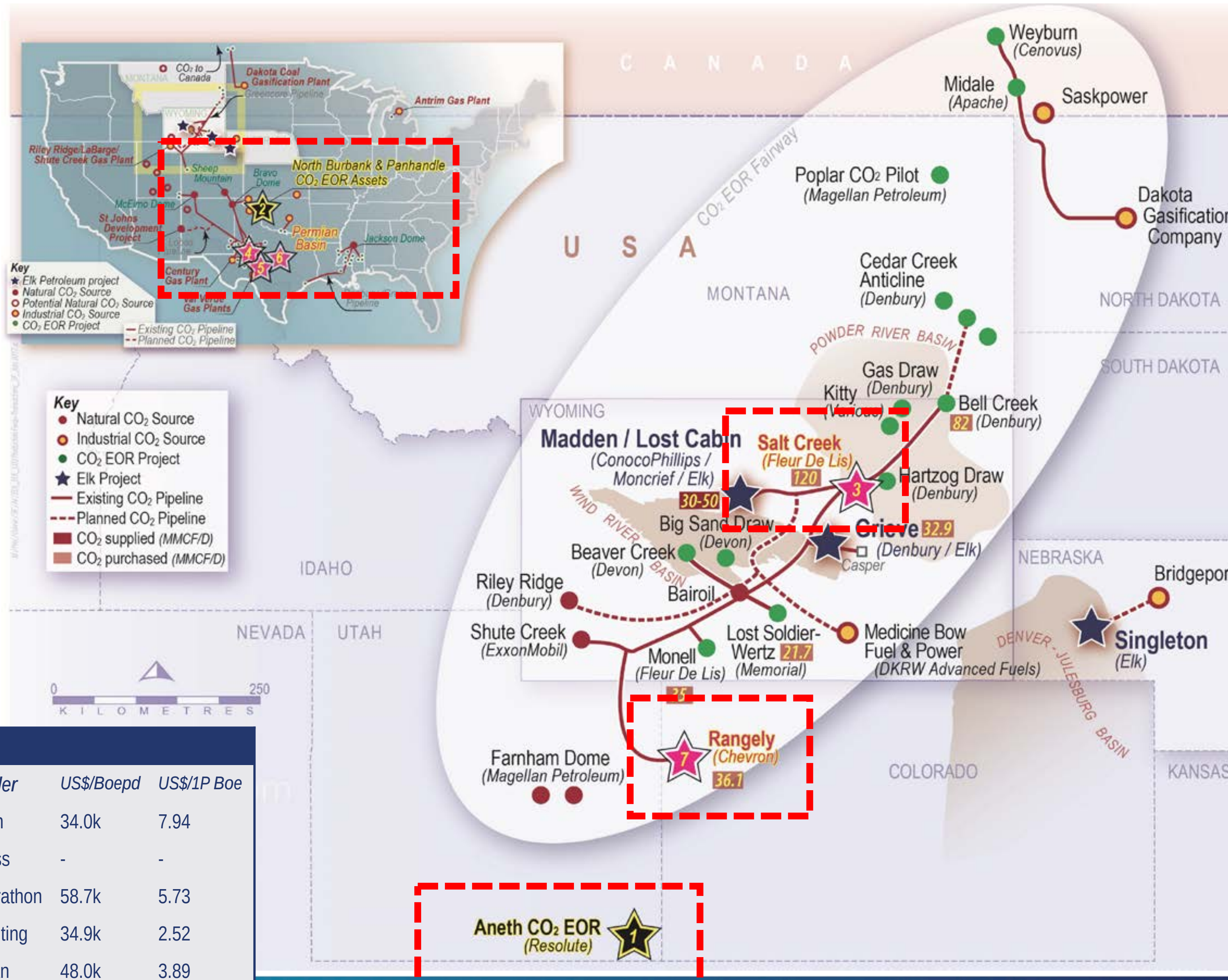
Region	ROIP*	Technically Recoverable
Alaska	45.0	12.4
California	57.3	6.3
Mid-Cont.	65.6	10.6
IL and MI	11.5	1.2
Rocky Mts.	22.6	3.9
Permian Basin	61.7	15.9
East/Cent. Texas	73.6	17.6
Williston Basin	9.4	2.5
Gulf Coast	27.5	7.0
LA Offshore	15.7	5.8
Appalachia	10.1	1.6
Total	**400**	**84.8**

* Remaining Oil in Place

Producible if costs, oil price and risks justify investment

Source: National Energy Technology Laboratory (NETL) 2010

Rockies CO2 EOR opportunities



CO2 EOR projects-under sale process

		Asset	Seller
★	1	Aneth	Resolute
	2	Burbank	Chaparral

CO2 EOR projects-recent transactions

		Asset	Buyer	Seller	US$/Boepd	US$/1P Boe
★	3	Salt Creek	Denbury	Linn	34.0k	7.94
	4	Permian	Occidental	Hess	-	-
	5	Permian	Occidental	Marathon	58.7k	5.73
	6	Permian	Four Corners	Whiting	34.9k	2.52
	7	Rangely	Undisclosed	Titan	48.0k	3.89

Foundations For Further Growth

CO_2 Sources

- Direct investment in CO_2 supplies
- Control of CO_2 essential
- Competitive advantage
- Potential profit as 3rd party supplier
- Core focus moving forward

EOR Project Fields

- Ownership & development of CO_2 EOR Projects
- Main financial engine room
- Small club of competitors
- Already a recognized player
- Long-term, low risk cash flows

CO_2 & Production Infrastructure

- Oil & CO_2 pipelines, gas processing
- Grieve Oil Pipeline shows value of 3rd party revenues
- Potential additional value in CCS

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