

CHAIRMAN'S COMMENTS

Annual General Meeting

20 November 2017



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Reserves and resources assessments follow the guidelines set forth by the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS).

The Reserves and Contingent Resources shown in this presentation and which relate to the Madden Gas Field and Madden Deep Unit recently acquired from Freeport McMoran Inc., are based on an independent review and audit, which were conducted by Netherlands, Sewell & Associates, Inc. and fairly represent the information and supporting documentation reviewed. The review and audit were 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 Netherlands, Sewell & Associates, Inc., an independent petroleum advisory firm. Both Mr. Howell and Mr. Cliver are Registered Professional Engineers in the State of Texas. Mr. Howell's qualifications include Master of Science Degree in Geological Sciences, San Diego State University and a Bachelor of Science Degree in Geological Sciences, San Diego State University. Mr. Howell has more than 10 years of relevant experience. Mr. Cliver's qualifications include a Master of Business Administration Degree from the University of Texas, Austin and a Bachelor of Science Degree 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 shown in this presentation and which relate to the Grieve Oil Field and Unit and CO2 EOR project, which is operated by Denbury Resources, and the Aneth Oil Field and Unit and associated CO2 EOR project, which was previously owned and operated by Resolute Energy Corporation, are based on independent reviews and audits conducted by VSO Petroleum Consultants, Inc. and fairly represent the information and supporting documentation reviewed. The reviews and audits were 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 Degrees (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 the Reserves and Contingent Resources estimates for the Company's interests in the Grieve Field and CO2 EOR project, the Madden Deep Gas Field and the Madden Deep Unit, the Singleton Unit and adjoining areas and possible CO2 EOR project, and the Aneth Oil Field and CO2 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 Degree 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 Degree, 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.





2 Key Opening Messages:

“ELK LEAPS TO TOP TIER”

OF ASX-LISTED SMALL & MID-CAP OIL & GAS COMPANIES

SINCE REORGANISING IN AUGUST 2015

November 2017:

- **PRODUCTION** = +10,000 BOE/D (60% Oil)
- **1P RESERVES** = +44 million BOE (71% Oil)
- **2P RESERVES** = +75 million BOE (80% Oil)
- **SHARE PRICE** = + 200% since 2015 reorganisation
- **MARKET CAP** = +1800% since 2015 reorganisation

“MORE COMING”

Add text here introducing opening statements and messages

KEYS TO SUCCESS SO FAR

- ✓ Expanded shareholder base
- ✓ Revitalised management
- ✓ Low oil price window of opportunity
- ✓ FOCUS & DELIVERY!

Elk now recognised as major player in CO₂-EOR industry



Expanded shareholder base

- Old S/H: ongoing support
- New S/H: provided major funds for recovery activity

Revitalised management

- Pre-investment in additional staffing & leadership to undertake revised strategic plan

Low oil price window of opportunity

- Unique once-in-a-cycle access window to asset sales from distressed companies

Focus & Delivery

3 Corporate transactions:

- Grieve Oil Field JV Restructure (49% WI; 2P Reserves = 5.3 mmbo)
 - Locked in timing and cost of project completion; increased equity and resolved JV disputes
 - 1st oil in late 2017/early 2018
- Madden gas field (14% WI; 2P Reserves = 15.0 mmboe)
 - 33rd largest gas field in US
 - Large by comparison to onshore gas fields in Australia
- Greater Aneth Oil Acquisition (63%WI; 2P Reserves= 43.7 mmbo)
 - 86th largest oil field in USA
 - Large by comparison to onshore oils fields in Australia

Major debt funding from US sources to minimise need for new equity

Early value enhancements

Retention of Elk's Grieve-Casper oil pipeline

Elk is 1 of only 2 CO₂-EOR producers with own sources of CO₂ in the US Rockies

KEYS TO FOLLOW-UP SUCCESS

- Improved relationship with Denbury
- Production/reserves enhancement planned at Aneth
- Revitalisation of Madden shallow & deep reservoirs
- Perform at institutional grade level

Refine FOCUS to DELIVER target outcome



Improved relationship with Denbury

Fund new CO₂ EOR JV's in northern Rockies
Apply more CO₂ to increase production/reserves at Grieve

Production/reserves enhancement **planned** at Aneth

Rate increases from 2018
Early development funding in place
Enhancements to relationship Navaho Nation
Evaluating deep CO₂ source at Aneth section

Revitalisation of Madden shallow & deep reservoirs

New workover, facility & compression projects
Leverage CO₂ supply for new CO₂-EOR project entry

Corporate

Risk management: hedging, **4** income sources, operatorship
Comprehensive debt refinancing simplifying capital structure & reducing costs
Oil price recovery boosting net income as will Grieve oil start-up
Increase US institutional shareholders, who apply higher value ratings

Zoom-in **FOCUS** to **DELIVER** at level expected by supporting institutions

Target: ASX market to apply US-value-rules to pricing of ELK

OUTLOOK FOR ELK's SHAREHOLDERS

Benefits will start to flow to shareholders from:

- **Elk's stature as major operator in CO₂-EOR industry**
- **US benchmark values applied by ASX market**
- **Increased scale, materiality & financial capacity**



- **Increased news flow & market awareness**
- **Increased research coverage in Australia and US**
- **Increased international shareholder diversity**
 - Australian, US and SE Asian institutions as shareholders
- **Boost production, reserves and net income with delivery of early development projects**
- **Early restructuring of debt**

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*What is potential size of benefits?
What is the target?*



- **What is potential size of benefits?**
- **What is the target?**
- ***Goal = ASX market reflecting US valuation benchmarks.***

Indication of US-benchmarking Benefits

Comparison with Evolution Petroleum (NYSE:EPM)

	ELK ^{1,5}	EPM ^{2,3,4,5}
Current Production, boe/d	10,000	2,100
1P Reserves, mmboe	43.7	10.1
2P Reserves, mmboe	78.6	15.3
Est. 2018 EBITDA	us\$ ~50 M ⁶	us\$ ~20 M ⁶
Net Debt/Cash	us\$ 170 M	us\$ 23 M
Market Cap	A\$ 85 M	A\$ 315 M
EV (after financing)	A\$ 370 M ⁷	A\$ 283 M
EV/Mkt Cap	4.4	0.9

Roth Capital ⁴ Industry Relative Value Range	
	EV/Mkt Cap
Minimum	0.8
Medium/Mean	1.2/ 2.0
Maximum	8.4

Sources/Dates/Data:

1. Elk Petroleum: Company announcements & presentations
2. EVM Reserves Report to 30 Jun 17
3. Roth Capital: 9 Nov 17 Research Report on EPM
4. Roth Capital: 13 Nov 17 E&P Industry Valuation Report
5. Assumed 10 Nov 17 forex = 0.7657AUD/USD; 1,310,164,698 shares on issue; share price = 0.065AUD share price
6. CY18 for Elk: in Presentation to IPAA OGIS Conference Chicago on 3 Oct 17; FY18 for EPM from 4. above and supported by recent EPM results
7. Based on PV10 post-Aneth of USD285M in Elk Presentation to IPAA OGIS Conference Chicago on 3 Oct 17



ELK has made previous comparisons to US-listed Evolution Petroleum

Using Evolution as a valuation analogue for Elk is a strong one

Evolution is a pure single CO2-EOR asset company

Evolution's sole producing asset is a CO2 EOR development with Denbury

Evolution has established CO2-EOR-oil production

Evolution historically had similar JV issues with Denbury leading to litigation

Evolution achieved production with Denbury sooner

Going forward ELK is bigger – production, reserves

Forward looking EBITDA outlook strong

- Aneth production = 6000+ bopd
- Madden production = 4000+ boepd
- Grieve production = est 2500 bopd coming online late 2017/early 2018
- Post-2018 delivery of Aneth production enhancements

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CONCLUSION: Drivers in place for rerating of ELK



DRIVERS:

- US benchmarks use by ASX market
- Increasing US representation on ELK share register
- Elk's level of de-risking
- Recognition of Elk's scale of oil production versus ASX peers

KEY UPCOMING EVENTS:

- 1st oil at Grieve: well primed with CO2 and long soak time
- Early simplification of Elk's corporate structure
- Debt refinancing > reduced costs

DESIRED OUTCOME:

- Close EV/Mkt Cap gap
- Achieve market valuation in line with typical industry ratios for low risk producers



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