



Annual General Meeting

14 November 2018



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Unless otherwise stated, references in this release to estimates of petroleum reserves and resources modified for production are as at 30 June 2018 and are based on the 31 August 2018 NYMEX strip oil price. Reserves are net to Elk net of any ORRIs or NPIs granted in connection with the Aneth and Grieve team loan financings. 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 Elk’s 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 COO, Elk Petroleum Limited who is a qualified person as defined under ASX Listing Rule 5.11 and has 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 Aneth Oil Field) and VSO Petroleum Consultants, Inc (“VSO” related to the Grieve CO₂ 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 US Securities and Exchange Commission guidelines and standards consistent with existing US 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 and Aneth Oil Field are based on an independent review and audit conducted by Netherland, Sewell & Associates, Inc. for Elk Petroleum Limited and fairly represent the information and supporting documentation reviewed. The review and audit of NSAI was carried out in accordance with the SPE Reserves Auditing Standards and the SPE-PRMS guidelines under the supervision of Mr CH Scott Rees III, Chairman and CEO and Mr Derek F Newton, a Director of Netherland, Sewell & Associates, Inc., (NSAI), an independent petroleum advisory firm.

Mr Rees has a BS in Mechanical Engineering, University of Florida, 1981. He has been with NSAI since 1988 and was made Chairman and CEO in 2008. Prior to NSAI, Mr Rees was a Supervising Reservoir Engineer with Exxon Company, USA He has been involved in hundreds of projects both domestically and around the world, including Latin America, Mexico, Australia and West Africa. His areas of specific expertise include coalbed methane property evaluations, probabilistic analysis, and interpretation/application of industry reserves definitions and guidelines. Mr Rees meets the requirements of a 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. Mr Newton is a Licensed Professional Engineer in the State of Texas, United States of America; and has more than 30 years of experience in petroleum engineering studies and evaluations. Mr Newton attended Strathclyde University in Scotland and graduated in 1986 with a Master of Science Degree in Petroleum Engineering. Mr Newton also attended University College in Cardiff, Wales and graduated in 1983 with a Bachelor of Science Degree in Mechanical Engineering. Mr Newton meets the requirements of a 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 Reserves and Contingent Resources in this announcement relating to the Grieve CO₂ EOR project, operated by Denbury Resources, are based on an independent review and audit conducted by VSO Petroleum Consultants, Inc. and fairly represent 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.

MEETING ADMINISTRATION:

- Chairman of Meeting
- Welcome/Registration/Webcast
- Quorum
- Notice of Meeting
- Meeting Procedures
- Introductions
- Business Agenda

INTRODUCTIONS

Board Of Directors

- Dr Neale Taylor
- Mr Bradley Lingo
- Mr Tim Hargreaves
- Mr Russell Krause
- Mr Jim Piccone

Non-Executive Chairman
Managing Director & CEO
Non-Executive Director
Non-Executive Director
Executive Director

Company Secretary

- Mr David Franks

Company Auditor’s Representatives

- Mr David Sinclair
- Ms Dana Patterson

KPMG Audit Review Partner
KPMG Audit Manager

Company Registrar’s Representative

- Ms Rebecca Heritage

Apologies

- Mr Andrew Bursill
- Mr Daniel Camilleri

Joint Company Secretary
KPMG Audit Partner

BUSINESS AGENDA

- Minutes
- Ordinary Business
 - Accounts
 - Non-binding Ordinary Resolution 1
 - Ordinary Resolutions 2 – 6
 - Any Polls, if required
- Special Business
 - None

TO BE FOLLOWED BY PRESENTATIONS FROM THE CHAIRMAN & MANAGING DIRECTOR
& GENERAL QUESTIONS AND DISCUSSION

MINUTES

- 29 June 2018 EGM Minutes are available for inspection from the Company Secretary



RETURN TO AGM ORDINARY BUSINESS

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

1. Tabling of the FY18 Financial Report, together with the Directors' Report and Auditor's Report
2. Questions on Reports
including questions to the Auditor's Representative, Mr David Sinclair

RESOLUTIONS

1. Adoption of the Remuneration Report
2. Re-election of Director, Mr Russell Krause
3. Re-election of Director, Mr James Piccone
4. Re-election of Auditor
5. Approval of Issue of Shares to Mr James Piccone
6. Approval of Potential Termination Benefits to Mr James Piccone

RESOLUTION 1

ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following Resolution, as a Non-Binding Ordinary Resolution:

“To adopt the Elk Remuneration Report for the year ended 30 June 2018.”

FURTHER INFORMATION:

- Voting exclusions & restrictions are set out in the NOM
- The Chairman will vote 1,145,851 open usable proxies, which he holds, in favour of Resolution 1
- Current and former members of the Key Management Personnel, whose details are in the Remuneration Report or who are a KMP as at the AGM, and Closely Related Parties will abstain from voting on Resolution 1
- The Remuneration Report forms part of the Directors’ Report, which was approved in accordance with a unanimous resolution of the Board.

RESOLUTION 2

RE-ELECTION OF DIRECTOR – MR RUSSELL KRAUSE

To consider and, if thought fit, to pass, with or without amendment, the following Resolution, as an Ordinary Resolution:

“That Mr Russell Krause, being a Director of the Company who retires by rotation in accordance with clause 69.2 of the Constitution and, being eligible for re-election, is re-elected as a Director of the Company.”

FURTHER INFORMATION:

- Voting exclusions & restrictions are set out in the NOM
- The Chairman will vote 329,000 open usable proxies, which he holds, in favour of Resolution 2
- The Directors (with Mr Krause abstaining) recommend that Shareholders vote for Resolution 2

RESOLUTION 3

RE-ELECTION OF DIRECTOR – MR JAMES PICONNE

To consider and, if thought fit, to pass, with or without amendment, the following Resolution, as an Ordinary Resolution:

“That Mr. James Piccone, being a Director of the Company elected in accordance with clause 68.1 of the Constitution to fill a casual vacancy, retires in accordance with clause 68.2 of the Constitution and, being eligible for re-election, is re-elected as a Director of the Company.”

FURTHER INFORMATION:

- Voting exclusions & restrictions are set out in the NOM
- The Chairman will vote 329,000 open usable proxies, which he holds, in favour of Resolution 3
- The Directors (with Mr Piccone abstaining) recommend that Shareholders vote for Resolution 3

RESOLUTION 4

RE-APPOINTMENT OF AUDITOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution, as an Ordinary Resolution:

“That, pursuant to and in accordance with section 327B of the Corporations Act and for all other purposes, KPMG having been nominated by a Member and consented in writing to act in the capacity of auditor, be re-appointed as auditor of the Company, as set out in the Explanatory Memorandum accompanying the Notice.”

FURTHER INFORMATION:

- Voting exclusions & restrictions are set out in the NOM
- The Chairman will vote 329,000 open usable proxies, which he holds, in favour of Resolution 4
- The Directors unanimously recommend that Shareholders vote for Resolution 4

RESOLUTION 5

APPROVAL OF ISSUE OF SHARES TO JAMES PICCONE

To consider and, if thought fit, to pass, with or without amendment, the following Resolution, as an Ordinary Resolution:

“That for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given to the issue by the Company of 4,500,000 Shares to Mr James Piccone and/or his nominee on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.”

FURTHER INFORMATION:

- Voting exclusions & restrictions are set out in the NOM
- The Chairman will vote 1,161,851 open usable proxies, which he holds, in favour of Resolution 5
- The Directors (with Mr Piccone abstaining) recommend that Shareholders vote for Resolution 5

RESOLUTION 6

APPROVAL OF POTENTIAL TERMINATION BENEFITS TO MR JAMES PICCONE, EXECUTIVE DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution, as an Ordinary Resolution:

“That approval be given for all purposes, including sections 200B and 200E of the Corporations Act, for the Company to provide termination benefits to Mr James Piccone, an Executive Director of the Company, in connection with Mr Piccone ceasing to hold a managerial or executive office with the Company or a related body corporate, on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”

FURTHER INFORMATION:

- Voting exclusions & restrictions are set out in the NOM
- The Chairman will vote 1,145,851 open usable proxies, which he holds, in favour of Resolution 6
- The Directors (with Mr Piccone abstaining) recommend that Shareholders vote for Resolution 6



CONDUCT POLLS - IF REQUIRED



CHAIRMAN'S INTRODUCTORY COMMENTS TO MD'S REVIEW

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14 November 2018



KEY MESSAGES:

- **Aneth Acquisition** > Transformational
 - Result = 2nd largest proved developed producing oil reserves on the ASX*
- **Offset: Involved significant bridging loan funds**
- **Currently, market is applying a value risk discount to our share price**
 - > Response to debt level/structure & Grieve
 - > Masking a much larger Enterprise Value
- **The Board understands this message**
 - > Focus on Improving the balance sheet
 - > Equity sensitivity
- **Plan: refinancing, hedging, Grieve oil production & Aneth development projects**



MANAGING DIRECTORS PRESENTATION

Annual General Meeting

14 November 2018



Disclaimers

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Summary information

This presentation has been prepared by Elk Petroleum Limited ABN 38 112 566 499 (Elk or the Company) and contains summary information about the current activities of Elk and its subsidiaries as at the date of this presentation. The information in this presentation is of a general nature and does not purport to be complete. This presentation does not purport to contain all of the information that an investor should consider when making an investment decision nor does it contain all of the information which would be required in a product disclosure statement or prospectus prepared in accordance with the requirements of the Corporations Act 2001(Cth) (Corporations Act).

This presentation should be read in conjunction with the periodic and continuous disclosure announcements made by Elk which are available at www.asx.com.au.

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Financial information

All dollar values contained in this document are expressed in U.S. dollars unless otherwise stated. Totals may vary slightly due to rounding.

Investors should also note that results are reported under Australian International Financial Reporting Standards (IFRS). Investors should be aware that certain financial data included in this presentation, including EBITDA, EBIT, EPS, gearing, net debt, UNPAT cash conversion, interest cover ratio and measures described as "normalized", are "non-IFRS financial information" under Regulatory Guide 230 (Disclosing non-IFRS financial information) published by the Australian Securities and Investments Commission (ASIC) and also "non-GAAP financial measures" within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended. The non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by IFRS or U.S. GAAP and therefore may not be comparable to similarly titled measures presented by other entities, nor should it be construed as an alternative to other financial measures determined in accordance with IFRS or U.S. GAAP. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial measures/non-GAAP financial measures included in this presentation.

Investment risk

An investment in Elk shares is subject to investment and other known and unknown risks, some of which are beyond the control of Elk, including possible loss of income and principal invested. Elk does not guarantee any particular rate of return or the performance of Elk, nor does it guarantee the repayment of capital from Elk or any particular tax treatment. In considering an investment in Elk shares, investors should have regard to (amongst other things) the section in this presentation when making their investment decision.

Industry data

Certain market and industry data used in connection with this presentation, including in relation to other companies in peer group, may have been obtained from public filings, research, surveys or studies conducted by third parties, including industry or general publications and other publicly available information. Neither Elk nor any of its subsidiaries or any of the respective directors, officers, employees, representatives, agents or advisers of Elk or its subsidiaries (Elk Related Persons) has independently verified any such market or industry data provided by third parties or industry or general publications.

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Past performance is no guarantee of future performance. Past performance given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the views on its future financial performance or condition.

Disclaimers

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The presentation includes certain forward-looking statements. Such forward-looking statements include statements relating to Elk's strategies and plans and any indication of, and guidance on, future events, future earnings and future financial performance. Forward-looking statements can generally be identified by the use of words such as "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance", or similar expressions.

The forward-looking statements in this presentation speak only as at the date of this presentation. Subject to any continuing obligations under applicable law or any relevant ASX listing rules, Elk disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this presentation. Any such forward-looking statements involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies and other factors. Such risks may be outside the control of and/or may be unknown to Elk and the Elk Related Persons. Any forward-looking statements included in this presentation, including projections, guidance on future revenues, earnings and estimates, and the future performance of Elk, are provided as a general guide only. Forward-looking statements are based on assumptions and contingencies which are subject to change without notice. Neither Elk nor any Elk Related Person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based.

Not an offer

This presentation is for information purposes only and is not a prospectus, product disclosure statement or other disclosure or offering document under Australian law or any other law. This presentation has not been, nor will it be, lodged with the Australia Securities & Investments Commission.

Each recipient of this presentation should make its own enquiries and investigations regarding all information included in this presentation including the assumptions, uncertainties and contingencies which may affect Elk's future operations and the values and the impact that future outcomes may have on Elk.

Competent Persons Statement

The Reserves and Contingent Resources contained in these materials follows the guidelines set forth by the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS).

The Reserves contained in these materials relating to the Aneth Oil Field and CO₂ EOR project are based (1) in part on independent reviews and audits conducted by Netherland, Sewell & Associates, Inc., an independent petroleum advisory firm and fairly represents the information and supporting documentation reviewed and (2) in part by internal engineering studies and reviews undertaken by the Company under the supervision of Mr. David Evans. The review and audit of Netherland, Sewell & Associates, Inc. was carried out in accordance with the SPE Reserves Auditing Standards and the SPE-PRMS guidelines under the supervision of Mr. Derek F. Newton, a Director of NSAI. Mr. Newton is a Licensed Professional Engineer in the State of Texas, United States of America; and I has in excess of 30 years of experience in petroleum engineering studies and evaluations. Mr. Newton, attended Strathclyde University in Scotland, and graduated in 1986 with a Masters of Science Degree in Petroleum Engineering. Mr. Newton also attended University College in Cardiff, Wales and graduated in 1983 with a Bachelor of Science Degree in Mechanical Engineering. Mr. Newton 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 Reserves and Contingent Resources contained in these materials relating to the Grieve CO₂ EOR project, operated by Denbury Resources, is based on an independent review and audit conducted by VSO Petroleum Consultants, Inc. (VSO), an independent petroleum advisory firm 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. 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 Reserves and Contingent Resources contained in these materials relating to the Madden Gas Field and Madden Deep Unit is based on an independent review and audit conducted by Netherland, Sewell & Associates, Inc., an independent petroleum advisory firm 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.. 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 contained in these materials have been compiled and prepared by Mr. David Evans, Chief Operating Officer of Elk Petroleum Ltd. And Elk Petroleum, Inc., who is a 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.

3 Key Points to start off with

- **Grieve is producing!**
 - Not yet at commercial rates – 100 BOPD and increasing
- **Elk is undertaking a debt refinancing – not an equity raise**
 - Competitive process in train
 - Multiple options/proposals on the table
- **Aneth expansion projects are happening right now**
 - MCU well projects now producing incremental 525 BOPD
 - McElmo Creek Unit (MCU) CO₂ compression expansion underway

FY 2018 – what did we set out to do?

ELK PETROLEUM LIMITED – AGM 20 November 2017

14

How are we going to deliver this?

Continuing focus on delivering continued growth in:

- **Active management of our existing assets**
 - Deliver on the Aneth growth
 - Deliver first oil from Grieve
- **Active management of the balance sheet**
 - Refinancing of the Grieve construction and Aneth acquisition financing
 - Increased free cash flow post refinancing can fund both growth & dividends
- **Continued focus on CO₂ EOR value chain consolidation**
 - Grow our ownership interest in existing assets
 - More attractive CO₂ EOR production acquisitions from distressed sellers



1. Forecast CY2018 operating cash flow is –USD 50 million – see Managing Directors EGM presentation – 27 Oct 2017

FY 2018 – what did we set out to do?

ELK PETROLEUM LIMITED – AGM 20 November 2017

14

How are we going to deliver this?

Continuing focus on delivering continued growth in:

- Active management of our existing assets

- ✓ Deliver on the Aneth growth
- ✓ Deliver first oil from Grieve

- Active management of the balance sheet



Refinancing of the Grieve construction and Aneth acquisition financing

Increased free cash flow post refinancing can fund both growth & dividends

- Continued focus on CO₂ EOR value chain consolidation

- Grow our ownership interest in existing assets
- ⚠ More attractive CO₂ EOR production acquisitions from distressed sellers



1. Forecast CY2018 operating cash flow is –USD 50 million – see Managing Directors EGM presentation – 27 Oct 2017

What have we achieved? - The Year in Review

- **Financial achievements**

- Total Revenues = US\$95.1m – up 1,835%
- Adjusted Gross Profit = US\$39.2m
- Gross Profit = US\$29.2m
- Adjusted EBITDAX = US\$13.5m

- **Production & Reserves achievements**

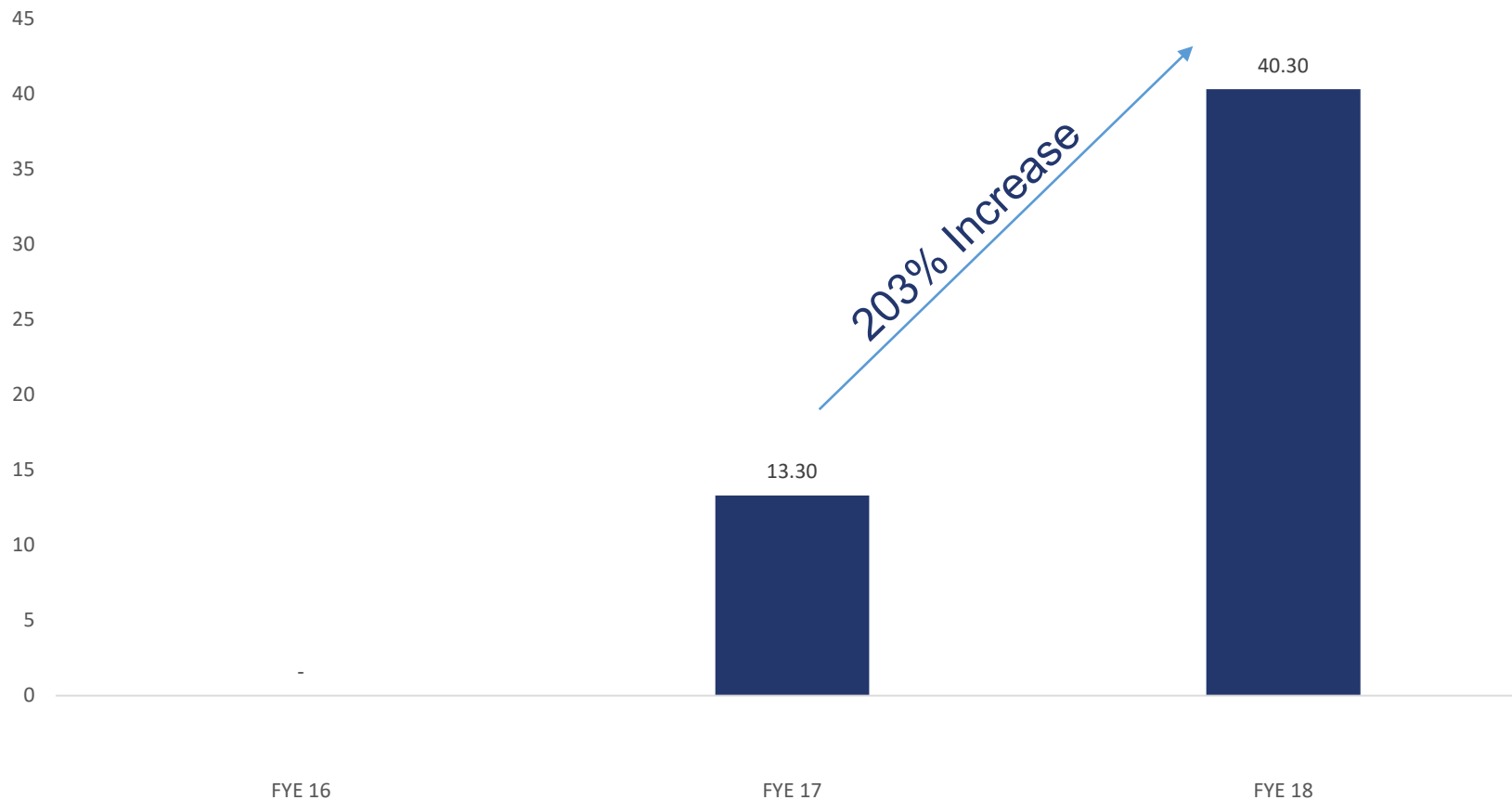
- Production reaches 2.6 mmboe – up 690%
- Total Proved Reserves reach 40.3 mmboe – up 333%
- Aneth Proved Reserves PV10 reached US\$354.5m – up 220% since acquisition
- Grieve 2P Reserves of 4.5 mmbbls confirmed in independent reserves report

- **Operational achievements**

- Aneth acquisition completed and successful takeover of full operatorship
- Grieve production facilities completed within budget
- Continuous first oil production at Grieve achieved

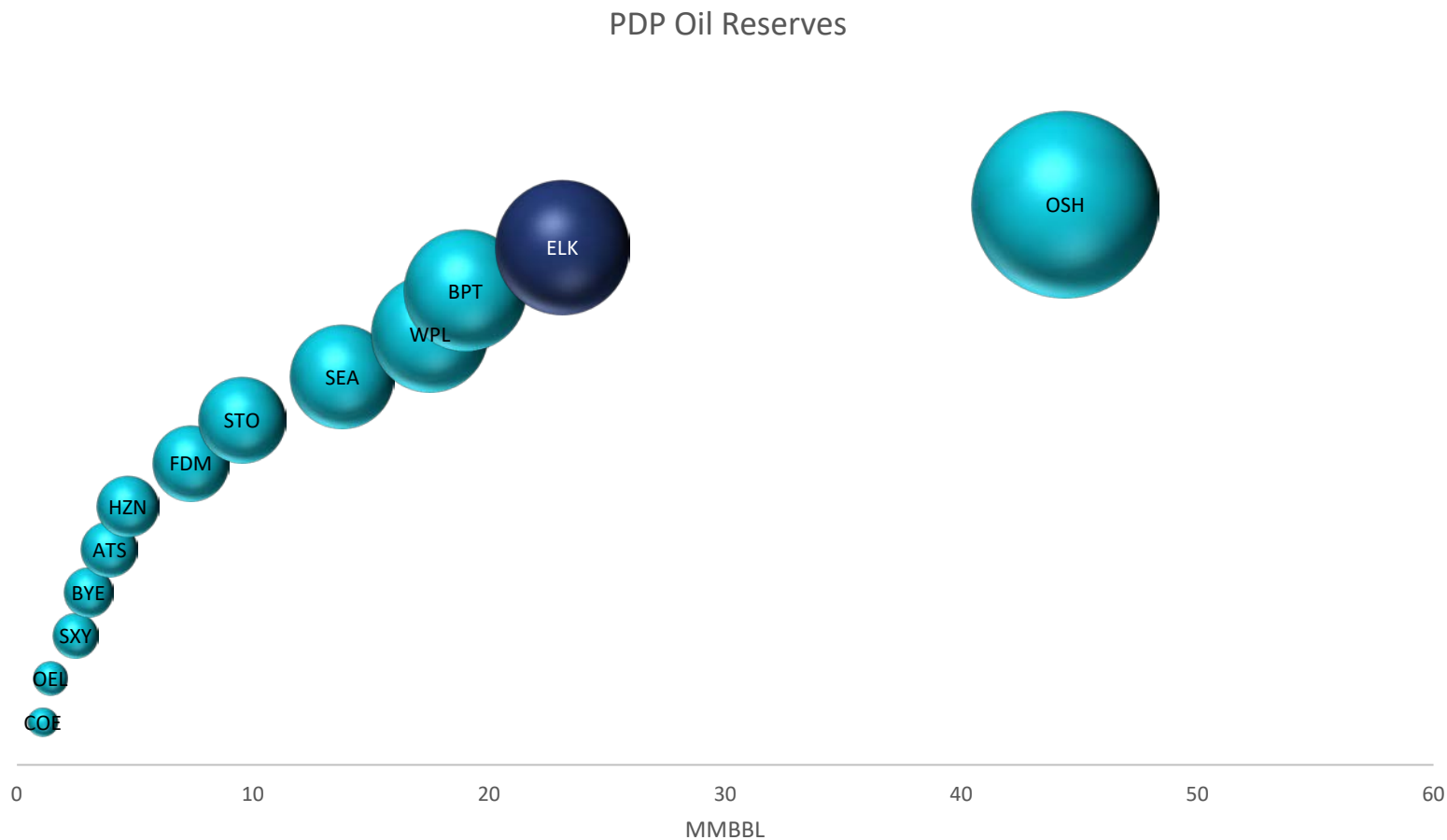
What have we achieved – reserves growth?

Total Proved Reserves



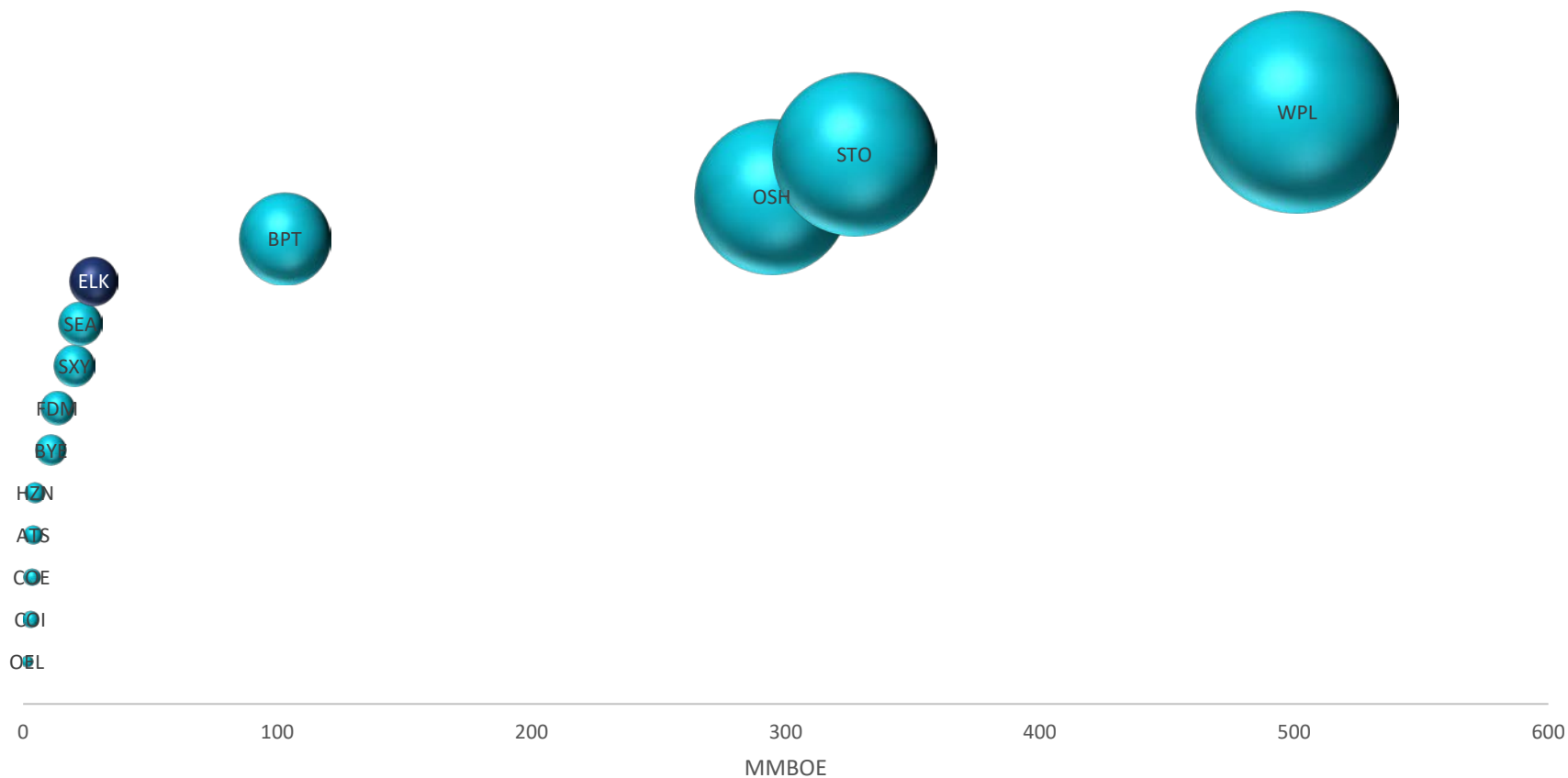
Excludes Sulphur

Reserves growth – where do we stand?

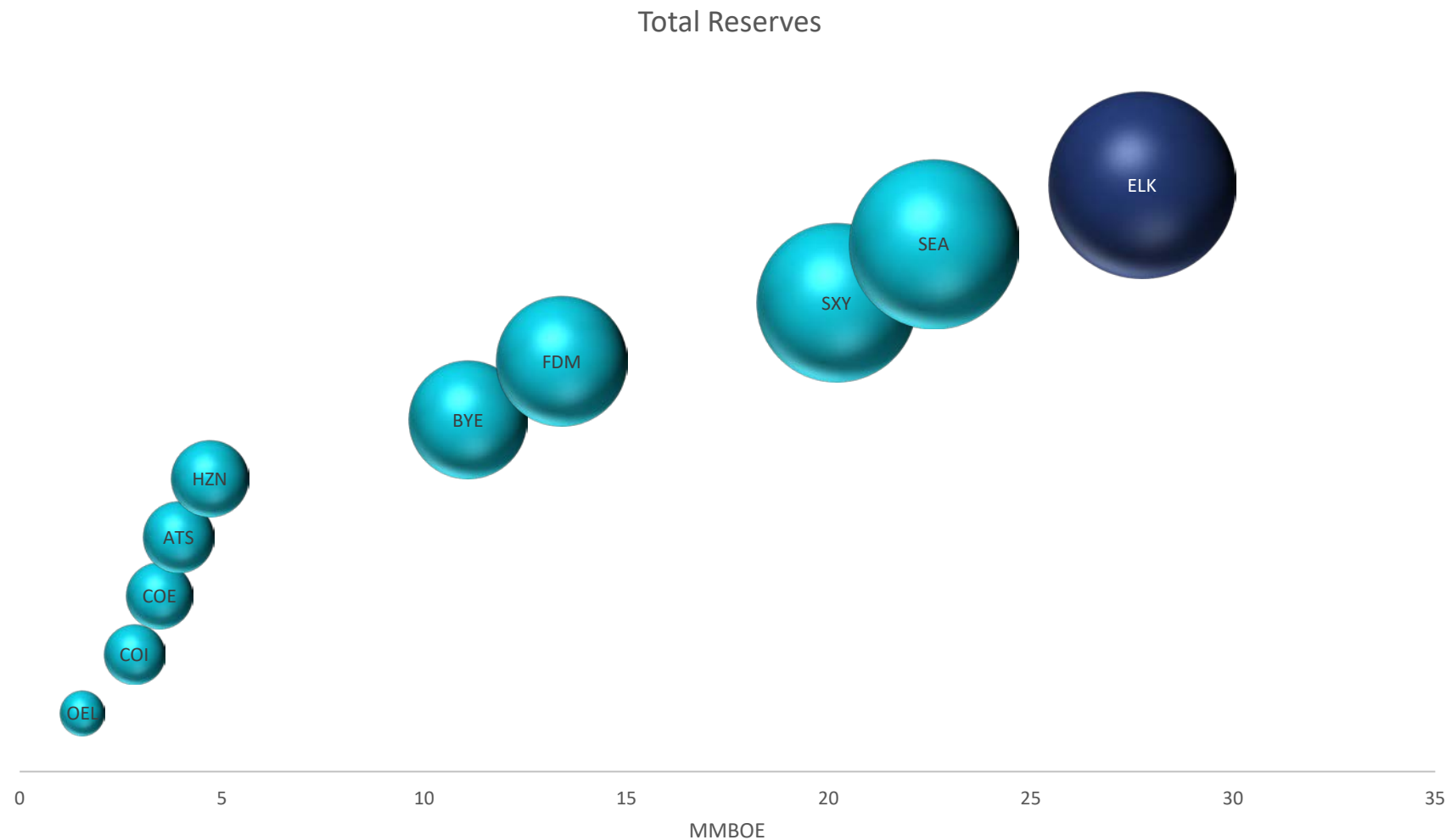


Reserves growth – where do we stand?

PDP Total Reserves

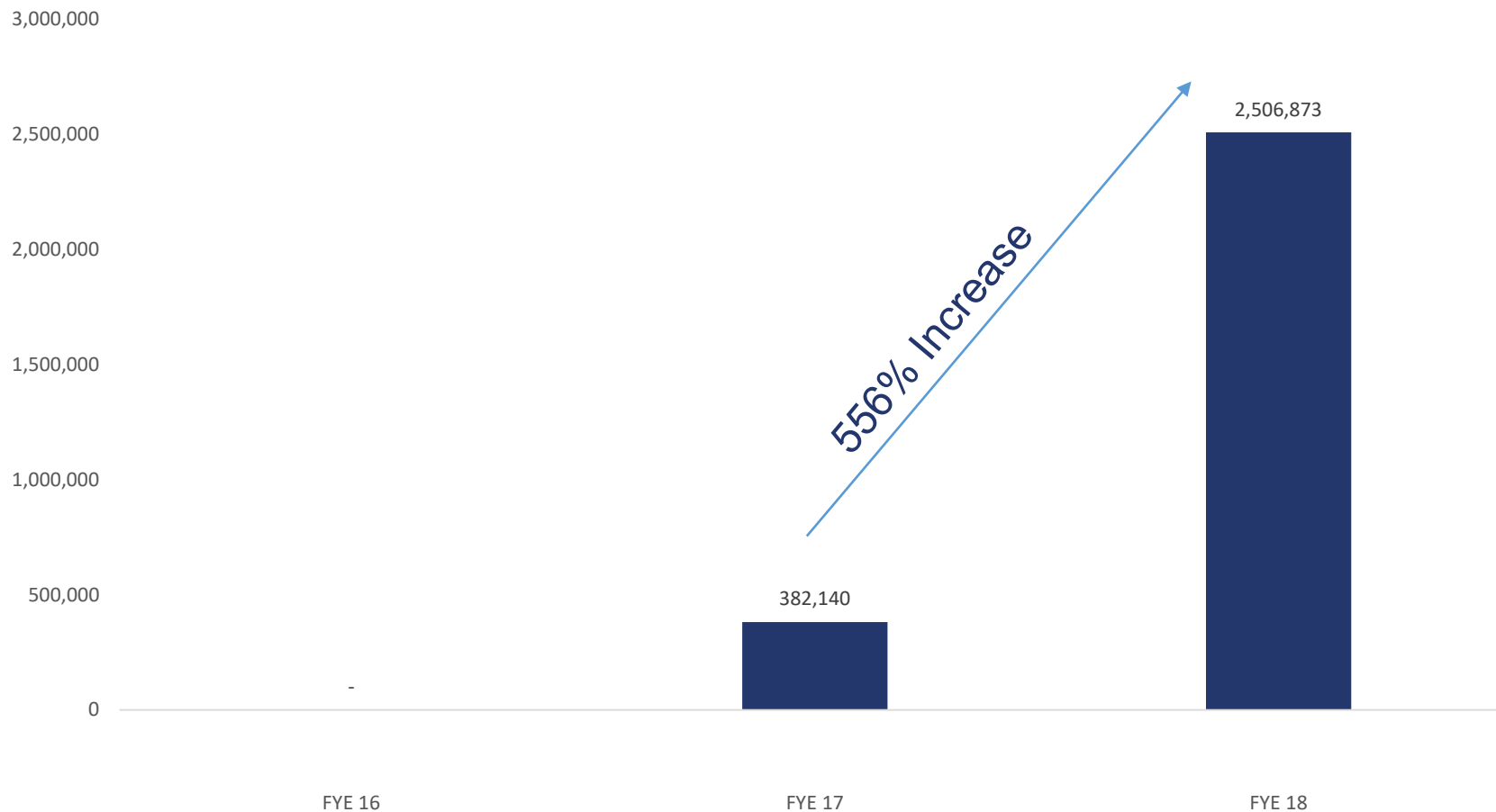


Reserves growth – where do we stand?



What have we achieved – production growth?

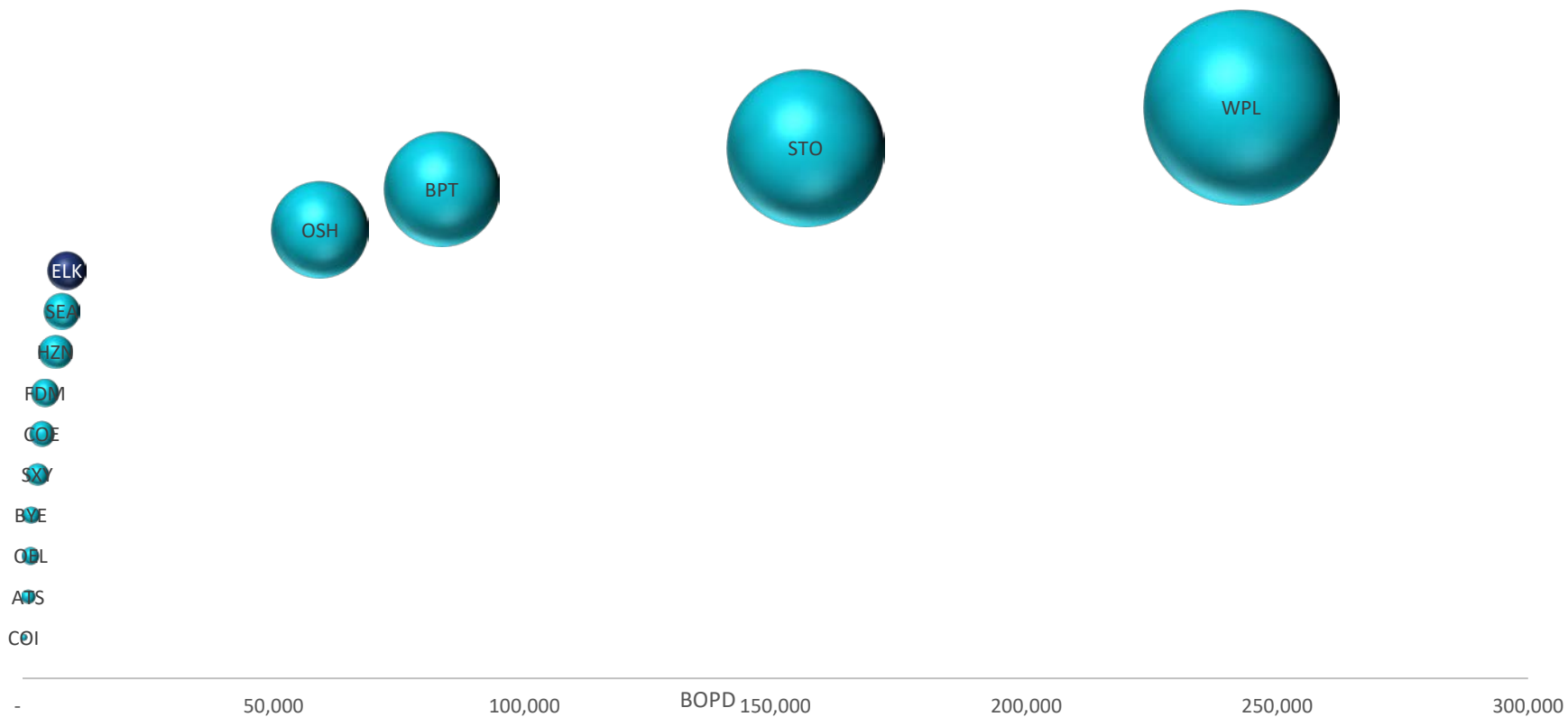
Production



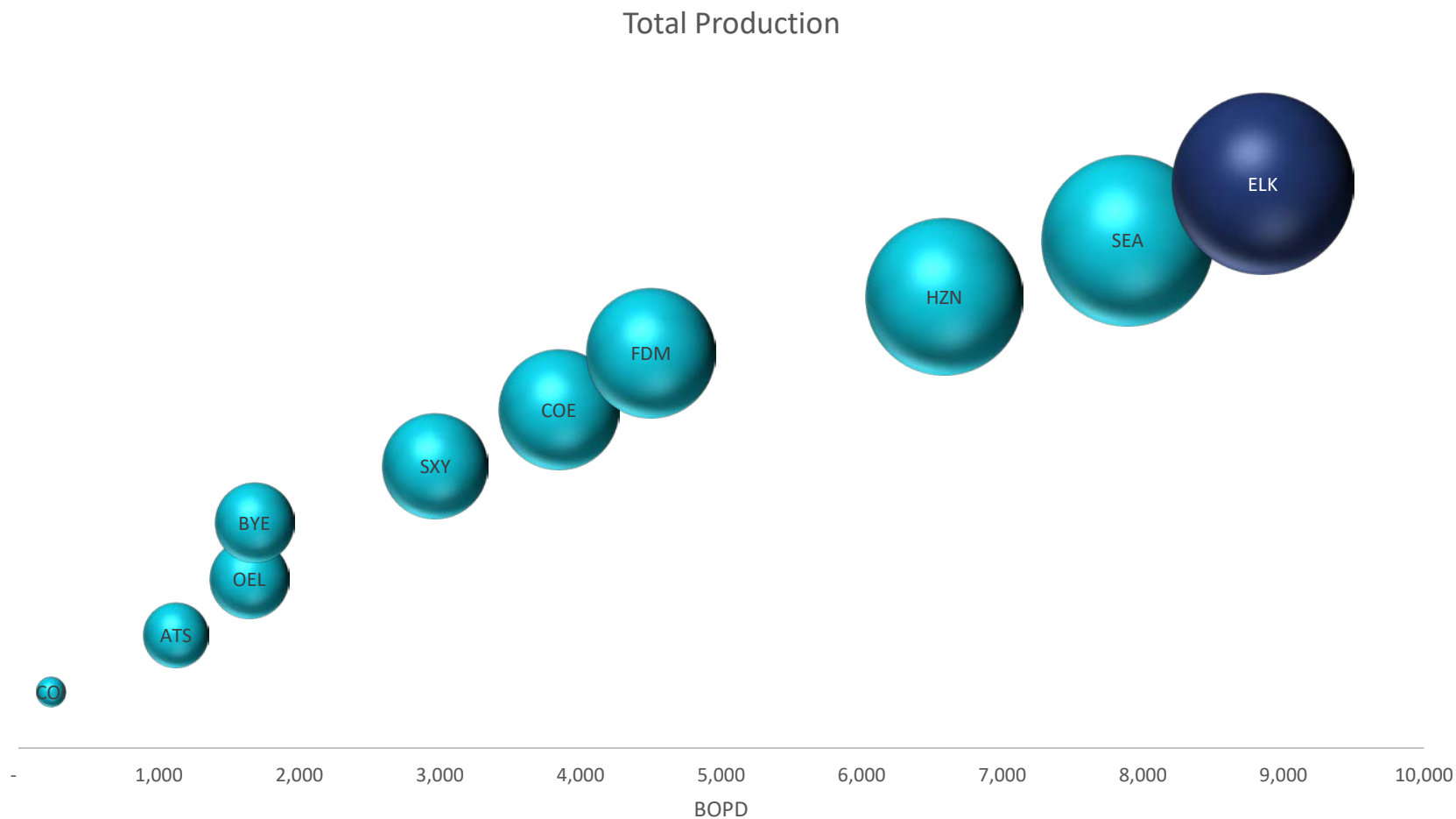
Excludes Sulphur

Production – where do we stand?

Total Production

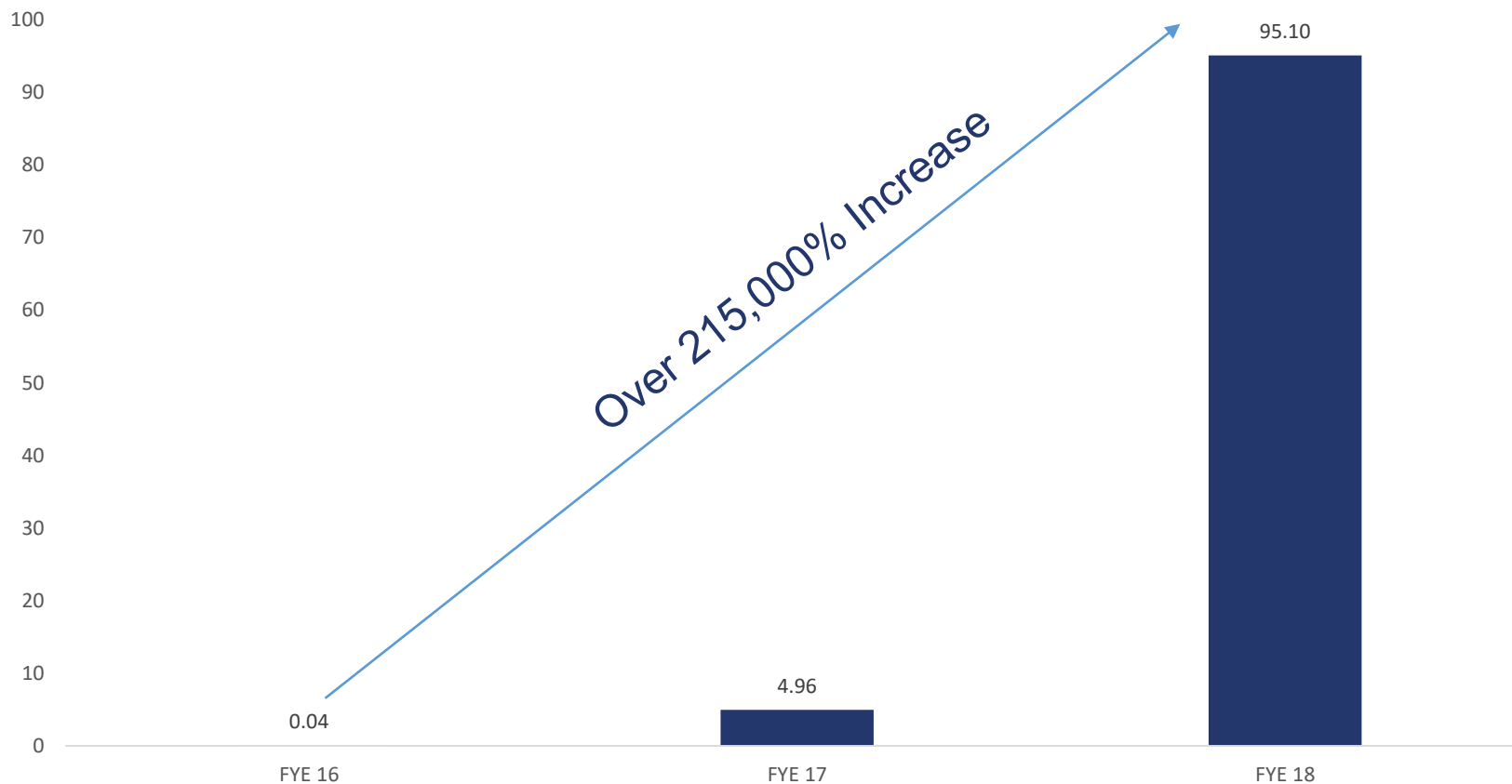


Production – where do we stand?



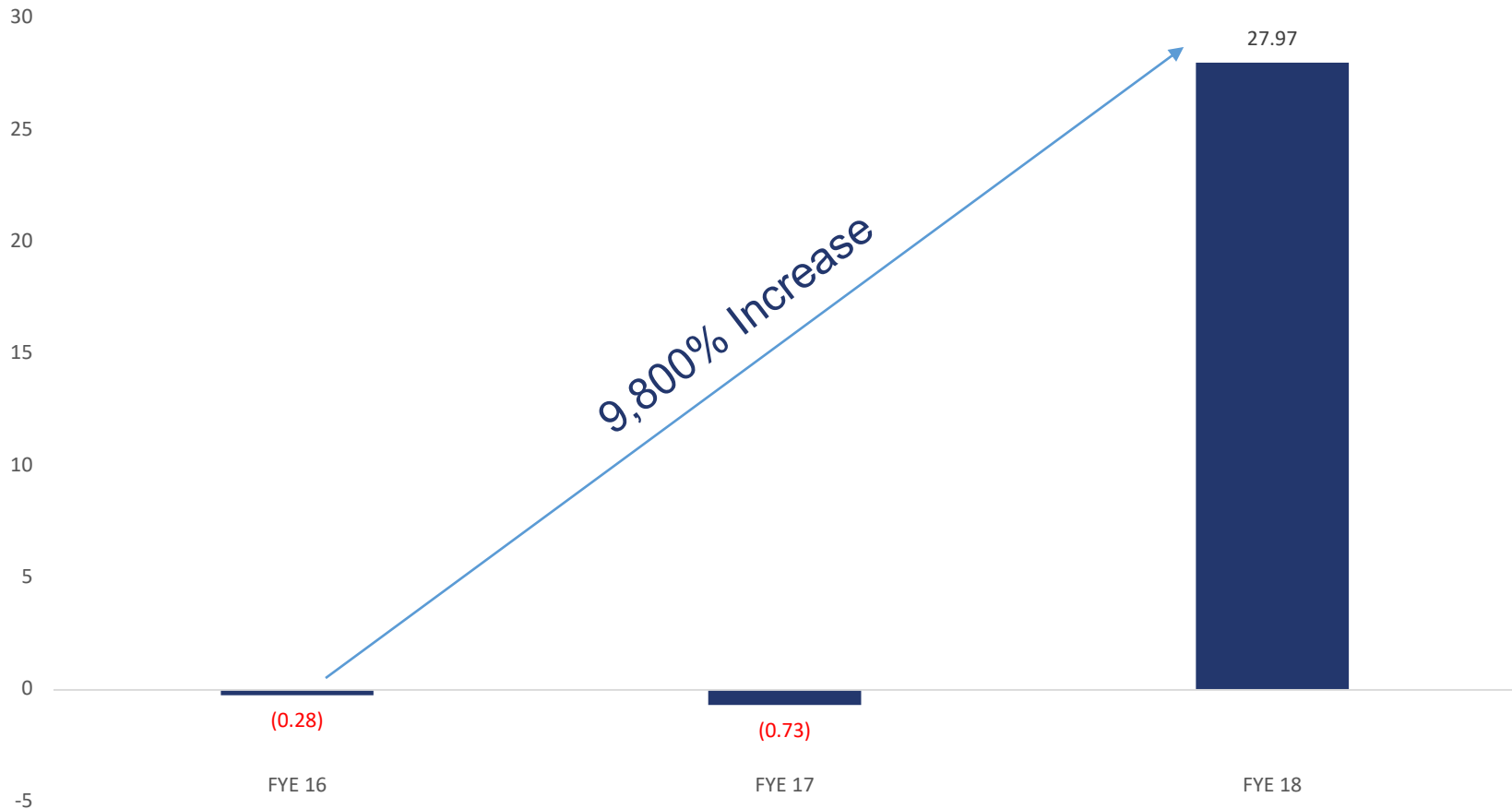
What have we achieved – financial growth?

Revenue



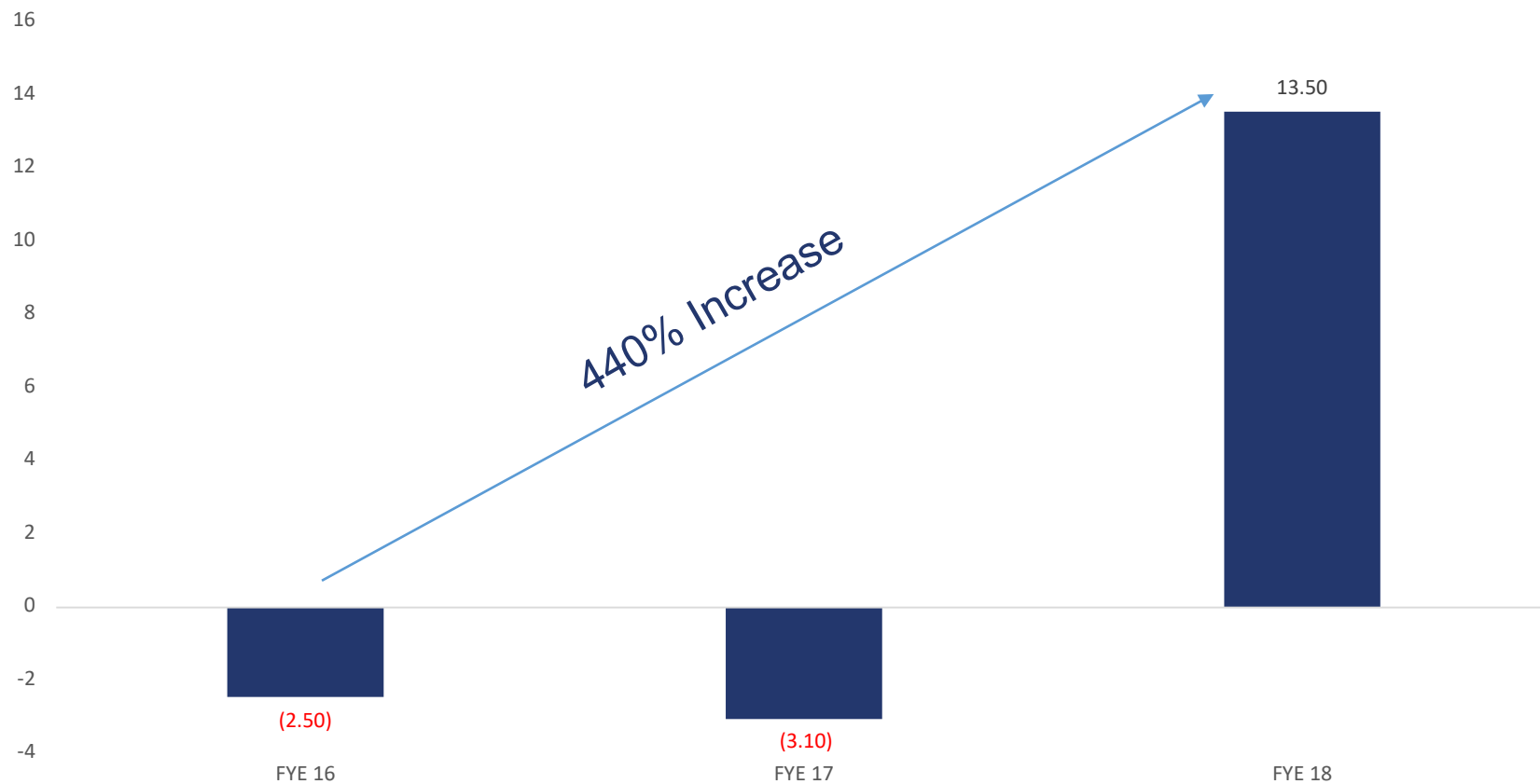
What have we achieved – financial growth?

Gross Profit



What have we achieved – financial growth?

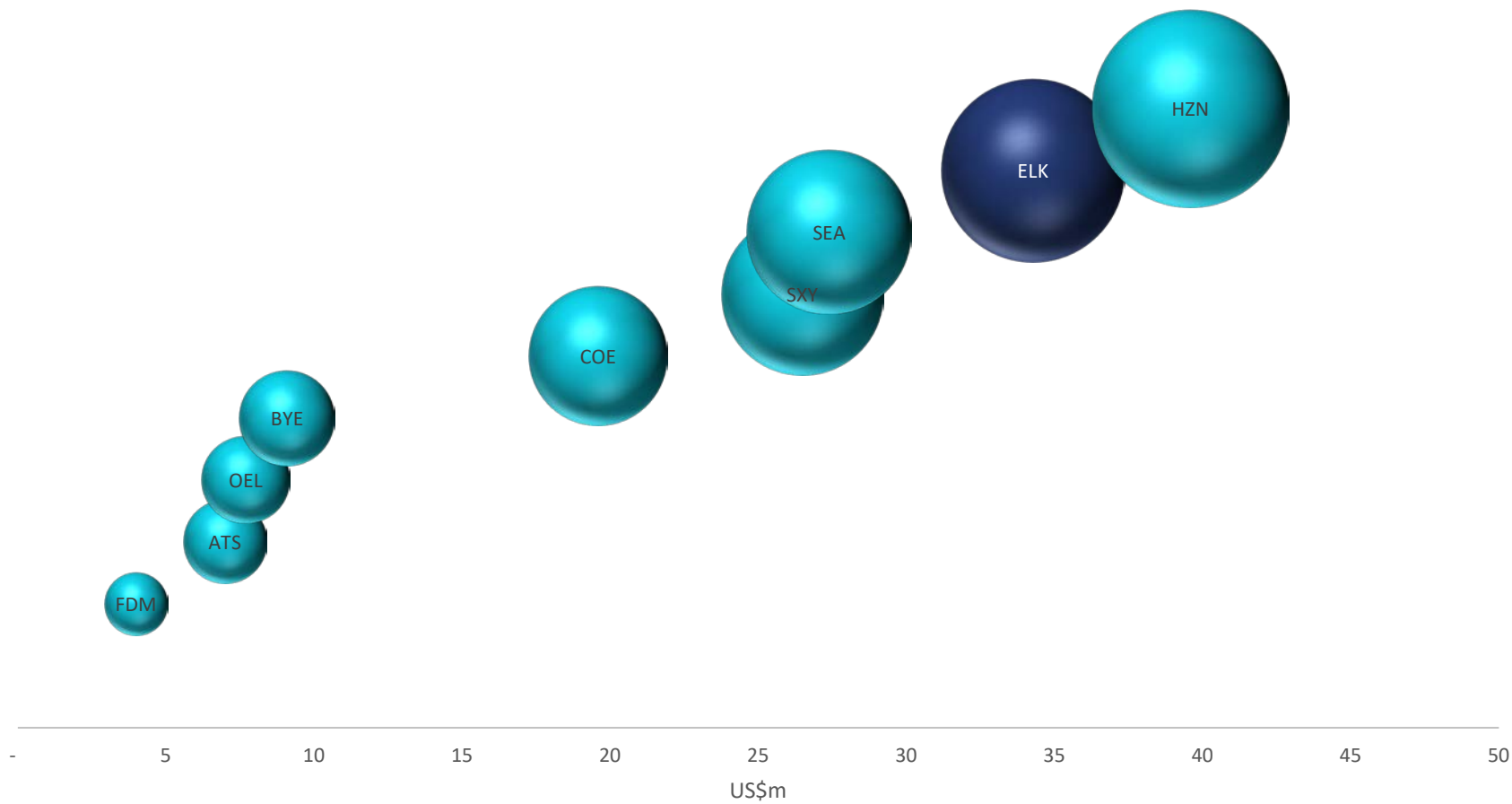
Adjusted EBITDAX



Excludes Amortisation

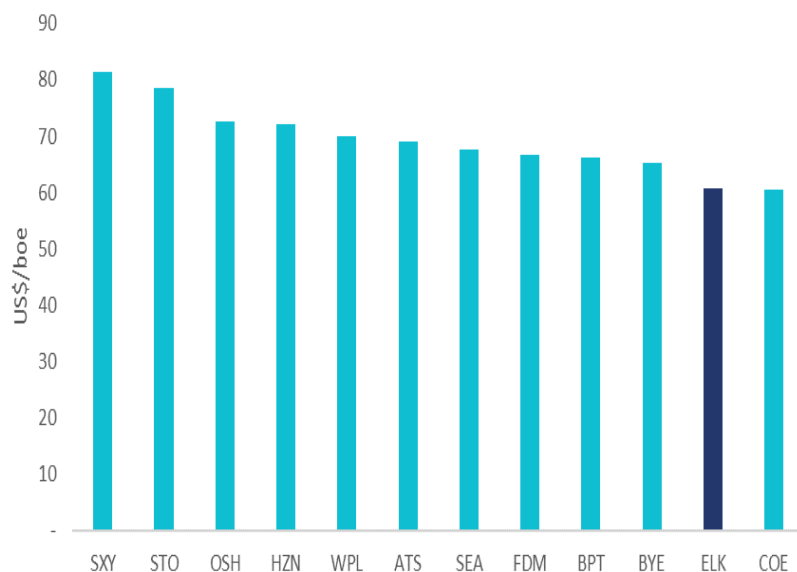
Financial growth – where do we stand?

Total Revenue

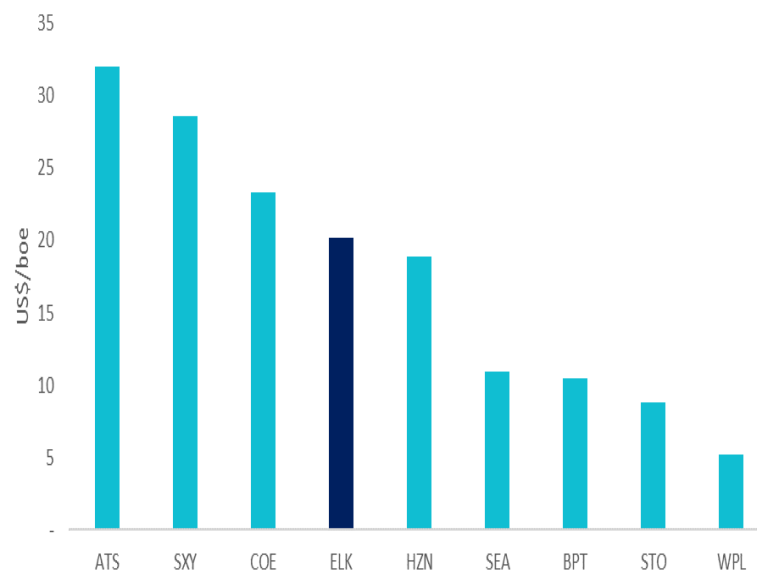


Oil price & operating expenses – where do we stand?

Realized Oil Prices*



Lease Operating Expenses/boe*



June quarter 2018, average WTI spot price US\$67.92/bbl & average Brent spot price US\$74.62/bbl

Grieve update – Producing oil

Production Highlights

- Total fluid production rate now 18,000+ BFPD and climbing to 20,000+ BFPD
- Oil production rate circa 100 BOPD and steadily – albeit slowly – increasing
- Operator closely monitoring CO₂ migration & breakthrough response
- Actively altering injection to accelerate migration to production wells
- Clear evidence of first CO₂ breakthrough into residual oil zone
- Grieve 7 & 9 wells now producing only oil and CO₂
- Water disposal well taking over 4,700 BWPD - considering need for additional water disposal wells

Oil Sales Highlights

- Grieve Oil Pipeline over 65% full – 7,000 bbls of Grieve oil loaded into the pipeline
- First oil sales anticipated on or about 1 December 2018
- Final step to first oil sale is wet commissioning of Enbridge's downstream pipeline oil receipt connection with Grieve Pipeline

Reserves Highlights

- Reserves audit confirm Grieve 2P Reserves @ 4.5 mmbbls (net of financing ORRIs) with PV-10 value of USD94.2 (net to Elk)
- With full knowledge of current water and fluid production rates, VSO has fully reconfirmed Grieve Reserves – unchanged from prior estimates going back to 2014*

Since most CO₂ floods are waterflooded first, a high initial water cut is normal

Frequently asked technical questions concerning Grieve development plan are addressed in Appendix slides

Refinancing update

Elk is doing a debt refinancing – not an equity raise

- Competitive process in train
- Multiple options/proposals on the table
- Refinancing is focussed on addressing current senior debt
- Seeking to free up more cash flow to fund Aneth development
- Also seeking to address current oil hedging to secure higher oil prices
- Grieve slow production ramp up does have an effect on the refinancing but will not prevent it
- Post-completion of refinancing, attention will turn to reduction of preferred equity to further free-up free cash flow to equity

Seeking an outcome the delivers a stronger, more mature balance sheet and greater internal capital to fund Aneth development projects and retire debt

The question of dividends

- Elk is already paying a quarterly dividend on its preferred stock of US\$10m p.a. (US\$8m cash + US\$2m PIK)
- Ability to pay a reasonable dividend to common equity holders once the Company redeems all or part of the preferred stock
- Our approach to future dividends needs to accommodate reasonable expansion CAPEX needs to invest in high return Aneth growth projects
- Paying a common equity cash dividend similar to the preferred equity would be equal to paying a 11% dividend p.a.

What have we set out to do?

ELK PETROLEUM LIMITED – AGM 29 November 2017

13

Where do we think we can get to?

Continuing focus on delivering continued growth in:

- **Reserves**

- Increase 1P PDP Reserves 100% - from 53.5 MMBOE to over 100 MMBOE

- **Production**

- Increase daily production 150% - from 10,000 BOEPD to over 25,000 BOEPD

- **Cash flow**

- Increase annual operating cash flow 100% - from USD 50 million¹ to over USD 100 million



1. Forecast CY2018 operating cash flow is –USD 50 million – see Managing Directors EGM presentation – 27 Oct 2017

Concluding remarks

- **Grieve is producing!**
- **Elk is undertaking a debt refinancing – not an equity raise**
- **Aneth expansion projects are happening right now**
- **Entire focus is on 3 things to deliver value to shareholders:**
 - **Seeing Grieve reach commercial production,**
 - **Delivering Aneth growth projects, and**
 - **Strengthening the balance sheet**

Appendix

Frequently asked technical questions

- Is Grieve being developed and modelled as a gravity stable CO₂ flood?

No, the combination of Grieve oil viscosity and reservoir permeability in conjunction with the pursuit of ROZ resource does not provide for gravity to have a material effect on the remaining oil in an economically perceived timeframe. A hybrid approach to CO₂ flood is the optimal way to exploit this stratigraphically trapped resource. WAG wells are being utilised in the crest of the field and along its base. A bottom up top down line drive WAG development. Water injection will be scaled back over time.

- What OOIP estimate(s) is being used for Grieve?

The VSO 30 June 2018 VSO reserves report assumes 67.7 MMBbl.

- What is the current reservoir pressure in Grieve since the start of production in April and what is the expected for the foreseeable future?

Current reservoir pressure is around 3400 psi. This pressure support and continued injection of CO₂ throughout the project life will enable the wells to long term free flow, thus reducing long term CAPEX/OPEX outlay for artificial lift.

- Was the need to de-water the formation anticipated from the start of production?

The potential need to dewater was identified and as such 2 existing wells not planned for active use in the development were already permitted with the BLM as water disposal wells and the first of these was in operation within 3-months of continuous production operations once the need to dispose of excess produced water was confirmed through production.

- What other de-watering options are available?

Grieve #1 has been converted to a water disposal well and on any given day is disposing of 3500-4500 bwpd. This well has a permit limit of 5000 bwpd and has been online for almost 3 months. Grieve #5 has also been permitted as water disposal well however it is currently considered more beneficial as an oil producer. Grieve #62 could be considered for water disposal but it is being considered for conversion to a water curtain well with the current Grieve #16 water curtain well to a WAG well. New BLM permits would also be required to convert Grieve #62 to water disposal.

- What are the CO₂ supply arrangements for the Grieve CO₂ Project?

The CO₂ supply arrangements for the Grieve Project are explained in detail in the Company's ASX releases dated 21 December 2015 and 5 August 2016. The original CO₂ supply arrangements that Elk secured directly with Exxon were assigned to the Operator of the Grieve Project when the Company formed the Grieve JV and were subsequently terminated and replaced with CO₂ supply arrangements with the Operator as released to the ASX on 9 January 2013. The CO₂ supply arrangements were subsequently recontracted as part of the full restructure of the Grieve JV arrangements concluded as announced in the ASX release of 5 August 2016.



TIME FOR SHAREHOLDER'S QUESTIONS ON PRESENTATIONS

CLOSE OF MEETING

- No other business
- Any poll results will be released to the ASX after the meeting
- Meeting closed
- Thank you for your attendance
- Refreshments in the foyer



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