

ASX Announcement

14 January 2019

CORPORATE UPDATE

Elk Petroleum Limited (ASX Code: ELK) (“Elk” or the “Company”) is pleased to announce that it has reached an agreement with AB Energy Opportunities Group (“AB EOG”), a unit of AllianceBernstein, on a comprehensive refinancing package (subject to definitive documentation which the Company and AB EOG are currently negotiating). This refinancing package will provide a clear pathway for the Company to improve overall liquidity and free cash flow and reduce overall financing expense during CY2019 and beyond.

This refinancing package is being led by AB EOG.

Under the refinancing package, the parties have agreed to a plan to effect a comprehensive restructuring of the Aneth Term Loan and the existing preferred equity holdings to be completed by the end of January. As part of the refinancing package, the Company plans to secure a lower cost conventional reserve-based credit facility which will replace the current facility. The parties are targeting having this completed by the end of the first quarter of 2019. The Company will provide a further comprehensive update on the detailed terms of the refinancing package upon agreement on definitive documentation.

In parallel with this refinancing package, the Company plans to implement an overall US Corporate and Aneth operating cost reduction program to improve the overall profitability of the Aneth Oil Field operations and free cash flow generation. To assist the Company in the overall cost reduction and financial restructuring of Aneth, the Company has engaged Ankura Consulting Group as the Company’s operations restructuring advisor, which will include the appointment of Mr. Scott Pinsonnault as the Company’s Chief Restructuring Officer.

For further information, please contact:

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ABOUT ELK PETROLEUM

Elk Petroleum Limited (ASX: ELK) is an oil and gas company specializing in Enhanced Oil Recovery (EOR), with assets located in one of the richest onshore oil regions of the USA, the Rocky Mountains. Elk’s strategy is focused on applying proven EOR technologies to mature oil fields, which significantly de-risks the Company’s strategy of finding and exploiting oil field reserves.