

3 September 2015

FINANCIAL ADVISOR APPOINTED FOR POTENTIAL GRIEVE PROJECT ACQUISITION

- Grieve CO₂ EOR Project ~70% complete - first oil production targeted for Q1 CY2017
- Potential sale of 65% operating working interest in Grieve Project by JV operator
- Miro Advisors appointed to assist ELK with good faith negotiations with JV operator to acquire outstanding working interest in the Grieve Project on mutually agreeable terms.
- Miro also to assist ELK with securing necessary Grieve Project acquisition and development funding

Elk Petroleum Limited (ASX: ELK) (“Elk” or the “Company”) is pleased to announce the appointment of Miro Advisors Pty. Ltd. (“Miro”), an independent corporate advisory firm, to assist the Company with the potential acquisition of the JV operator’s 65% working interest in the Grieve CO₂ Enhanced Oil Recovery (EOR) Project and the associated funding for the acquisition and development of the project.

The Company currently holds a 35% non-operated working interest in the Grieve CO₂ Project in Wyoming, USA located the heart of the Northern Rocky Mountains CO₂ EOR Project Fairway. ELK originally acquired a 100% operated working interest in the Grieve Field as a mature oil field production asset in June 2005 for the purposes of redeveloping the field as a CO₂ EOR Project.

In June 2011, ELK divested a 65% operating working interest in the Grieve CO₂ EOR Project to Denbury Resources Inc., a highly-experienced CO₂ EOR field development and operating company, which became Operator of the Project for the purpose of jointly developing the CO₂ EOR Project. Since forming the Joint Venture, Denbury and ELK have substantially progressed the redevelopment of the Grieve Project as an enhanced oil recovery project. As previously announced in the Company’s Investor Presentation released on 9 August 2015, the Grieve Project is approximately 70% complete and first oil production is targeted to commence in the first quarter of CY 2017.

Among other things, Miro will assist the Company in assessing the merits of acquiring the 65% operating interest in the Grieve Project it does not already own and in conducting good faith negotiations with the Operator for the acquisition of its majority operating working interest in the Grieve Project.

As outlined in the ASX announcement dated 16 July 2015, Elk is currently assessing a number of options in relation to the potential sale of its JV Partner’s 65% interest and operatorship of the Project. Elk currently holds a 35% interest in the Project and the appointment of Miro will assist the Company to evaluate its options, including:

- A potential acquisition by Elk of the 65% interest and potential full ownership and operatorship of Grieve;

- Potential associated capital raising options for debt and/or equity for the acquisition of the JV interest and continued development of the Grieve Project; and
- Soliciting interest from potential financiers for exposure to a quality, near-term production project.

Miro has a strong track record in advising Australian and International Independent oil and gas companies in connection with acquisition and divestiture transactions and has extensive experience with structuring oil and gas project acquisition and development funding solutions.

Elk Managing Director & Chief Executive, Brad Lingo, said:

“The Grieve Project is a high quality asset and Elk is assessing all its options to ensure shareholder value is restored and a solid foundation for growth is built that will deliver shareholder value well into the future. If Elk were to secure full ownership of Grieve, the Company’s 2P reserves could increase from the current 3.5 million barrels to over 12 million barrels depending on how extensive the CO₂ flooding of the Grieve Field is implemented.”

Mr. Lingo continued:

“CO₂ EOR is the most efficient form on enhanced oil recovery and the Grieve Field is an excellent project for ELK to cut its teeth on. Beyond Grieve, we see substantial room to grow through a focus on CO₂ and other forms of EOR field redevelopments in the Northern Rocky Mountain CO₂ EOR Project Fairway and have already identified other complimentary CO₂ EOR projects to build off the solid foundation of the Grieve Project. Miro will also be assisting the Company with pursuing these additional growth opportunities.”

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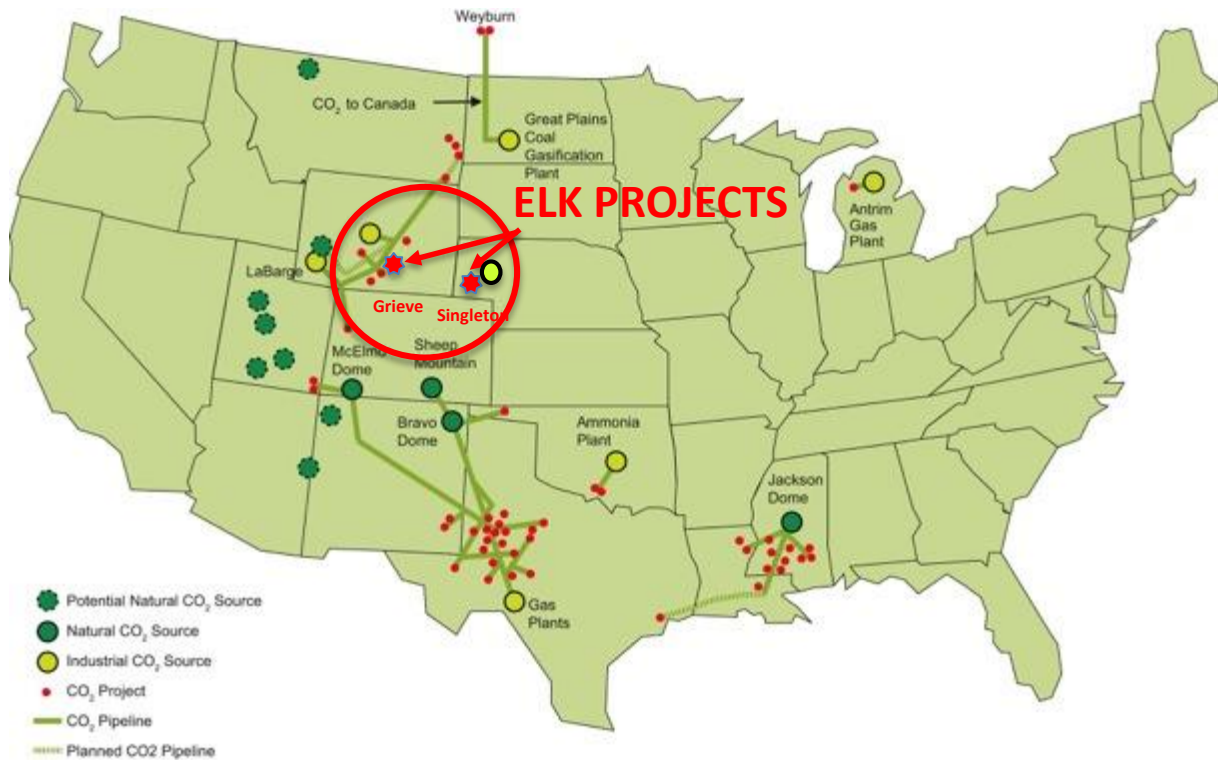
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ABOUT ELK PETROLEUM

Elk Petroleum Limited (ASX: ELK) is an oil and gas company specialising in Enhanced Oil Recovery (EOR), 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 proven EOR technologies to mature oil fields, which significantly de-risks the Company's strategy of finding and exploiting oil field reserves.

Leveraging proven EOR technology and Company expertise and experience, Elk is currently developing the Grieve oil field in Wyoming (Elk – 35% WI) and is planning for a CO₂-based EOR project at the Singleton oil field in Nebraska (Elk – 100% WI & operator).



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