

11 January 2016

Elk raises \$2.52 million in private placement

- Private placement to professional and sophisticated investors
- Placement further strengthens Elk's existing cash reserves
- Provides working capital to progress the Grieve EOR Project and initial works on newly acquired projects

Elk Petroleum Ltd (ASX:ELK) (the 'Company' or 'Elk') is pleased to announce it has undertaken a private placement ("Placement") to sophisticated investors to raise a total of \$2.52 million, providing Elk with working capital to progress initial activities and discussions over the Grieve Enhanced Oil Recovery (EOR) Project and newly acquired projects.

The Placement comprises approximately 40 million fully paid ordinary shares at \$0.063 each, representing a discount to Elk's 10-day VWAP of 17.6%.

Taylor Collison acted as Lead Manager to the share placement bringing new institutional and sophisticated investors onto the Elk register. The equity placement was also well supported by existing major Elk shareholders and new sophisticated investors introduced to the company by Republic Investment Management, Pte. Ltd.

The Placement will further bolster the Company's cash balance, following the recent shareholder approval for a separate private placement to Managing Director and CEO Brad Lingo and two sophisticated investors that raised \$650,000.

Funds raised from the Placement will provide working capital for the Company as it continues negotiations with the wholly owned subsidiary of Denbury Resources Inc. regarding the ownership structure of the Grieve EOR Project in Wyoming. Funds will also be applied to early stage works on new oil properties adjacent to Elk's Singleton EOR Project that were recently acquired from Devon Energy Inc. (see ASX announcement 23 November 2015).

Elk Managing Director and CEO Brad Lingo commented: "We are very pleased to welcome the new investors to the Company. Their support of the private placement is a clear endorsement of Elk's enhanced oil recovery strategy and its ambition to carve a specialist path with the application of the EOR technology to mature oil reservoirs in the US and in time, Australasia."

\$2.235m of the Placement will be allotted today, with the remaining \$285,000 expected to be completed this week.

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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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