

9 June 2016

ELK SENIOR LOAN FACILITY UPDATE

- **Financier has agreed to terms and is proceeding with diligence**
- **Loan facility initial availability expected to be in excess of US\$55,000,000**
- **Loan financing closing targeted for 30 June 2016**

Elk Petroleum Ltd (ASX: ELK) (“Elk” or the “Company”) is pleased to advise that the mandated lender for the Grieve CO₂ Enhanced Oil Recovery (EOR) Project (“Grieve Project”) Joint Venture (“Grieve JV”) is Benefit Street Partners L.L.C. (“Benefit Street Partners”).

Benefit Street Partners and affiliates manage over US\$11 billion in assets across a broad range of credit strategies. Benefit Street Partners is the credit arm of Providence Equity, a global asset management firm with US\$45 billion in assets under management across complimentary private equity and credit businesses.

After agreeing to the principal terms of the proposed senior debt facility and entering into the conditional mandate letter, Benefit Street Partners has advised that it is proceeding with diligence for the Grieve Project financing. Closing of the proposed senior debt facility is subject to, among other items, completion and satisfaction by Benefit Street Partners of due diligence items and definitive legal documentation, and is targeted for 30 June 2016.

As previously notified on 27 May 2016, Elk has agreed to the terms for restructuring the Grieve Project JV and the funding arrangements for the development of the Grieve Project. Under the terms for the restructuring of the Grieve Project JV, Elk is to provide US\$55 million – the final 1/3 of capex - necessary to complete the development of the Grieve Project. This funding requirement remains subject to execution of the Definitive Transaction Documents with the Grieve Project Operator, Denbury Resources and Elk securing the funding necessary for the Grieve Project restructuring.

Elk Managing Director, Mr. Lingo commented: “We have received strong interest and support from both debt and equity financiers for the Grieve Project and the restructure of the Grieve JV with Denbury Resources. We are very pleased to have agreed to the principal terms with Benefit Street Partners for the proposed senior secured loan facility. The quantum of the proposed senior loan facility is expected to provide the Company with all funds necessary to complete the Grieve Project and progress to first oil.”

Elk is being advised by Miro Advisors for the senior loan facility.

ELK PETROLEUM LIMITED

Exchange House
Suite 101, Level 1
10 Bridge Street
Sydney NSW 2000

Tel +61 2 9093 5400
Email IR@elkpet.com
Website www.elkpet.com

For further information, please contact:*Investor:*

Brad Lingo
Managing Director/CEO
P: +61 2 9093 5400
E: ir@elkpet.com

Media:

Rebecca Lawson
Media and Capital Partners
P: +61 433 216 269
E: rebecca.lawson@mcpartners.com.au

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).

ELK PETROLEUM LIMITED

Exchange House
Suite 101, Level 1
10 Bridge Street
Sydney NSW 2000

Tel +61 2 9093 5400
Email IR@elkpet.com
Website www.elkpet.com