

## \$3.6 million Convertible Loans Convert

Elk Petroleum Ltd (ASX: ELK) ("Elk" or the "Company") is pleased to announce that all of the lenders under the \$3.6 million Convertible Loan Facility maturing on 15 April 2016 have given notice to the Company electing to convert the full principal balance and accrued interest of the loan into ordinary shares in the Company.

Under the Convertible Loan Facility, the lenders hold the option to elect repayment of the principal and accrued interest of the loan in newly issued shares of the Company at a price of \$0.038 per share. The current share price of the Company at the close of trading on 13 April 2016 was \$0.082 per share.

The total outstanding balance of the Convertible Loans including accrued interest is \$4,071,538.26 and with the election to convert this loan balance into shares, the Company will issue 107,145,743 new ordinary shares in full repayment and satisfaction of the outstanding Convertible Loans. Upon the issuance of the new shares the Company will have 384,149,643 shares outstanding. The shares are expected to be issued on 18 April 2016.

This conversion option under the Convertible Loan Facility was approved by shareholders at the Company's Annual General Meeting held on 27 November 2015. These conversion option resolutions were unanimously approved by shareholders on a show of hands at the Annual General Meeting, noting proxies held in favour of these resolutions ranged between 93.5% and 97.0% of votes cast by proxy.

Elk's Managing Director Brad Lingo commented: "We are glad to see the 2015 Convertible Loan Facility convert into ordinary shares of the Company. It is a real validation of the support that the Company has from Republic Investment Management Pte. Ltd and other major shareholders of the Company. It is great to see Republic and other major shareholders step up early last year and support the Company when the outlook wasn't as bright as it is now. It is even more satisfying being able to deliver on that support with significant share price appreciation since August 2015 with new 52-week highs that makes the Convertible Loan conversion possible."

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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 CO<sub>2</sub>-based EOR project at the Singleton oil field in Nebraska (Elk – 100% WI & operator).