

9 April, 2009

The Manager, Companies
Australian Securities Exchange Ltd
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SUCCESSFUL EQUITY RAISING FOR KEY DEVELOPMENT PROJECT

Elk Petroleum Limited (ASX code: ELK) is pleased to announce that it has successfully completed the first tranche of a three stage Capital Raising process to assist with the funding of its future business plans. The first tranche involves the placement of 9,300,000 ordinary shares at A\$0.09 per share to raise A\$ 837,000 (before payment of issue expenses). The second tranche of the Capital Raising involves the placement of a further minimum 2.8 million shares at A\$0.09 to raise a minimum of A\$250,000.

Patersons Securities Limited, which has been appointed by the Company as Lead Manager to the capital raising, has arranged for the shares to be placed with a range of new and existing sophisticated shareholders complying with S708 of the Corporations Act.

As the placement comprising the second tranche involves both the issue of shares in excess of the maximum number that may be issued by the Company under the ASX Listing Rules in any 12 month period without shareholder approval (ie 15% of the Company's share capital) and also the issue of shares to Directors of the Company, the issue of the second tranche is conditional upon shareholder approval. The Company intends to convene a meeting of its shareholders in mid- May 2009 for that purpose.

The third tranche of the capital raising involves an offer to all shareholders under a Share Purchase Plan (SPP). The offer of shares under a SPP will facilitate all shareholders having the opportunity to subscribe for further shares in the Company at the same price (A\$0.09 per share) as the participants in the first and second tranches of the capital raising. The record date for the SPP is Wednesday 22 April 2009. Shareholders will be able to apply for up to A\$10,000 of new ELK ordinary shares without paying any brokerage. Further details of the SPP will be announced shortly.

The funds raised by the capital raising will be used as follows:

- Grieve Chemical Flood Feasibility Study (refer to the announcement made on Wednesday 8 April at www.elkpet.com) including
 - the drilling a new well and obtaining fresh core material; this well will be used as a future injection well in the chemical flood Phase 1 development. This well will also target the undiscovered oil potential of the Grieve shallow sands which were the subject of previous exploration drilling by the Company.
 - the accurate surveying of existing production wells that are in the Phase 1 development area
 - the remaining Surtek Inc and other independent expert studies including
 - Final laboratory testing of core and fluids (final chemical flood characteristics and residual oil saturation)
 - Reservoir simulation for the chemical flood
 - Facilities design and
 - Independent reserves verification
- Working capital

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DIRECTORS / OFFICERS
Peter Power
Tony Strasser
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Issued Capital: 62.2m shares ASX Symbol: ELK
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The Board is delighted to have the support of many of the Company's major shareholders and appreciates the on going support of all investors in extremely difficult economic conditions. The Company has a significant oil development project in the Grieve Field which has the potential to transform the Company into a significant oil producer in a relatively short timeframe. We look forward to reporting to you as the relevant milestones are achieved over the next 12 months.

Regards,



Andy Rigg
MD/CEO

DIRECTORS / OFFICERS

Peter Power
Tony Strasser
Chris Mullen

Andy Rigg
Bob Cook
Jo Bourke