

17th November, 2009

The Manager, Companies
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EQUITY RAISING

Elk Petroleum Limited (ASX code: ELK) is pleased to announce that it has successfully completed a Capital Raising ("Raising") process to assist with the funding of its future development and appraisal plans. The raising involves the placement of 9,447,059 ordinary shares at A\$0.17 per share to raise A\$ 1,606,000 (before payment of issue expenses).

The funds raised by the capital raising will be used for

- the initial field and administrative work required for the pre-drilling part of the Phase 1 Grieve Chemical Flood development in Wyoming. This largely consists of surveying the exact bottom-hole locations for the existing wells, which will be used for either injection or production during the Phase 1 field development. These exact locations are required to finalise the Surtek history matching for the field. It also consists of preparing applications for 13 new drilling locations (10 injectors and 3 producers), and preliminary site preparation for the drilling pad to be used for all the new wells.
- the final facilities design to be used in the Phase 1 Grieve Chemical Flood development.
- the finalisation of Joint Venture and/or funding negotiations for the Phase 1 Grieve development
- the evaluation of alternatives, and most likely installation of a replacement pump for the Sand Draw South (SDS) #11 production well
- the development and appraisal planning, and gas marketing for the Hereford gas discovery in Montana
- the acquisition of additional acreage on trend with the Hereford gas discovery, and
- working capital

The Board is very pleased with the results of the equity raising and is delighted to have the support of both new institutional and sophisticated investors for the Company's development and appraisal plans. The Company has a significant oil development project in the Grieve Field and also a confirmed gas discovery at Hereford. We can now move forward with the commitments that need to be made before the onset of winter for the Grieve Chemical EOR development work program and look forward to reporting to investors as the key milestones are achieved. .

Regards,



Andy Rigg
MD/CEO

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