

MEASURING OUR PROGRESS

EGM Investor Update

May 2017



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The reserves and resources assessment follows the guidelines set forth by the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS).

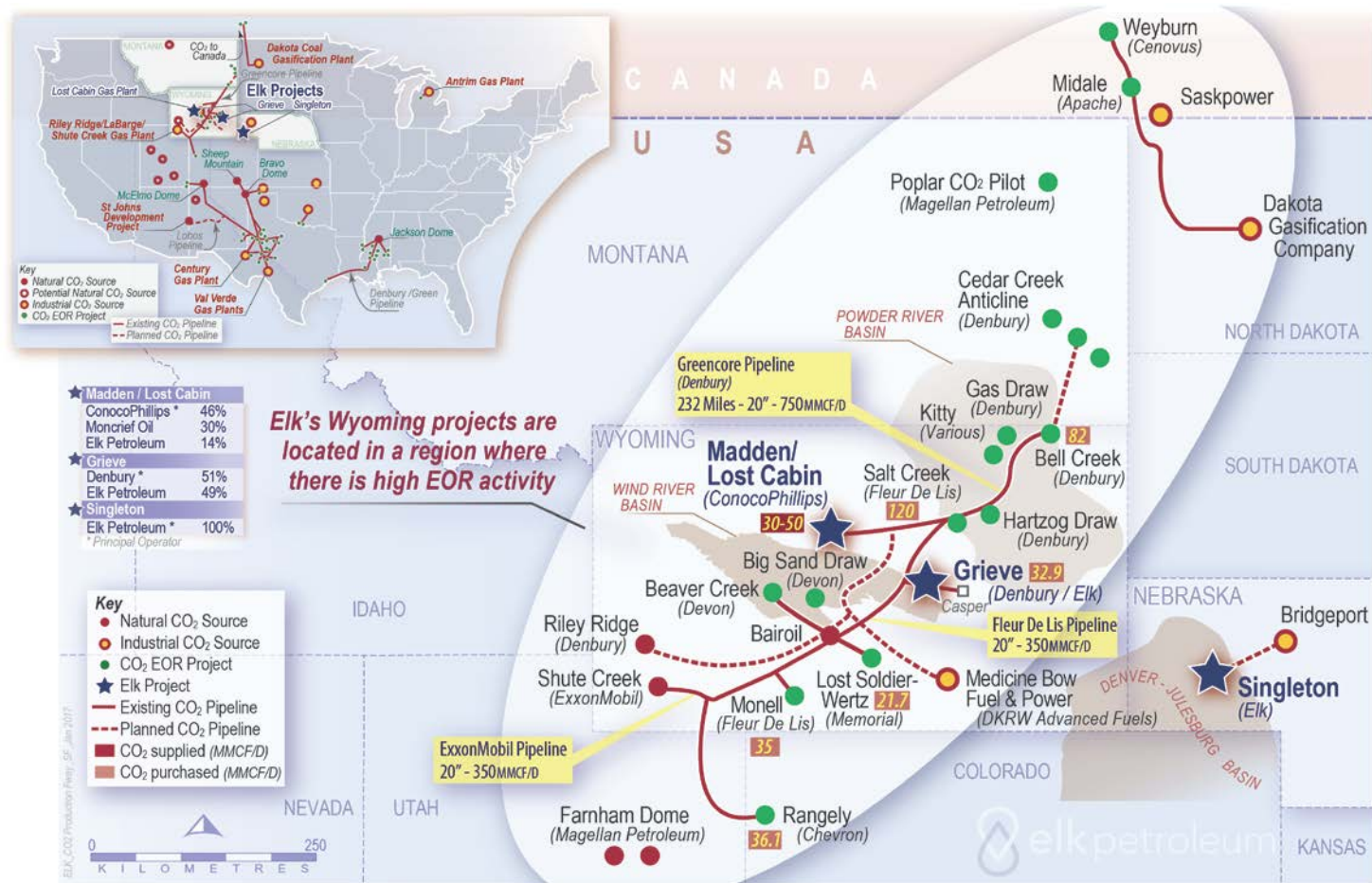
The Reserves and Contingent Resources in this announcement relating to the Grieve CO₂ EOR project, operated by Denbury Resources, is based on an independent review and audit conducted by VSO Petroleum Consultants, Inc. and fairly represents the information and supporting documentation reviewed. The review and audit was carried out in accordance with the SPE Reserves Auditing Standards and the SPE-PRMS guidelines under the supervision of Mr Grant Olsen, a Director of VSO Petroleum Consultants, Inc., an independent petroleum advisory firm. Mr Olsen is a Registered Professional Engineer in the State of Texas and his qualifications include a Bachelor of Science and Master of Science (both in Petroleum Engineering) from Texas A&M University. He has more than 10 years of relevant experience. Mr Olsen is a member of the Society of Petroleum Engineers (SPE) and an Associate Member of the Society of Petroleum Evaluation Engineers. Mr Olsen meets the requirements of Qualified Petroleum Reserve and Resource Evaluator as defined in Chapter 19 of the ASX Listing Rules and consents to the inclusion of this information in this report.

The information in this presentation that relates to Reserve and Contingent Resources estimates for the Grieve CO₂ EOR project and the Contingent Resource estimates for the Singleton CO₂ EOR project have been compiled and prepared by Mr. David Evans, COO and Mr. Brian Dolan, COO-USA and VP-Engineering of Elk Petroleum Inc. who are both qualified person as defined under the ASX Listing Rule 5.11 and both have consented to the use of the reserves figures in the form and context in which they appear in this presentation.

Mr. Evans is a full-time employee of the company. Mr. Evans earned a Bachelor of Science with Honours in Geology from the University of London, United Kingdom, a Post Graduate Diploma, Petroleum Exploration from Oxford Brookes University, United Kingdom and a Master of Applied Science, Geology from the University of Canberra and Australian National University in Canberra, ACT. Mr. Evans has more than 30 years of relevant experience. Mr. Evans has sufficient experience that is relevant to the company’s Reserves and Resources to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules. Mr. Evans consents to the inclusion in this presentation of the matters based on the information in the form and context in which it appears

Mr Dolan is a full-time employee of the company. Mr Dolan earned a degree in Mechanical Engineering from the University of Colorado at Boulder and has more than 23 years of relevant experience. Mr Dolan has sufficient experience that is relevant to the company’s Reserves and Resources to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules. Mr Dolan consents to the inclusion in this presentation of the matters based on the information in the form and context in which it appears

Wyoming, USA – Elk country



Vast CO₂ reserves, extensive CO₂ infrastructure, multiple CO₂ EOR operating projects and numerous new projects for development



Grieve CO₂ EOR Project

Project execution

Grieve Field development - Final construction activity imminent

Boots on the ground!

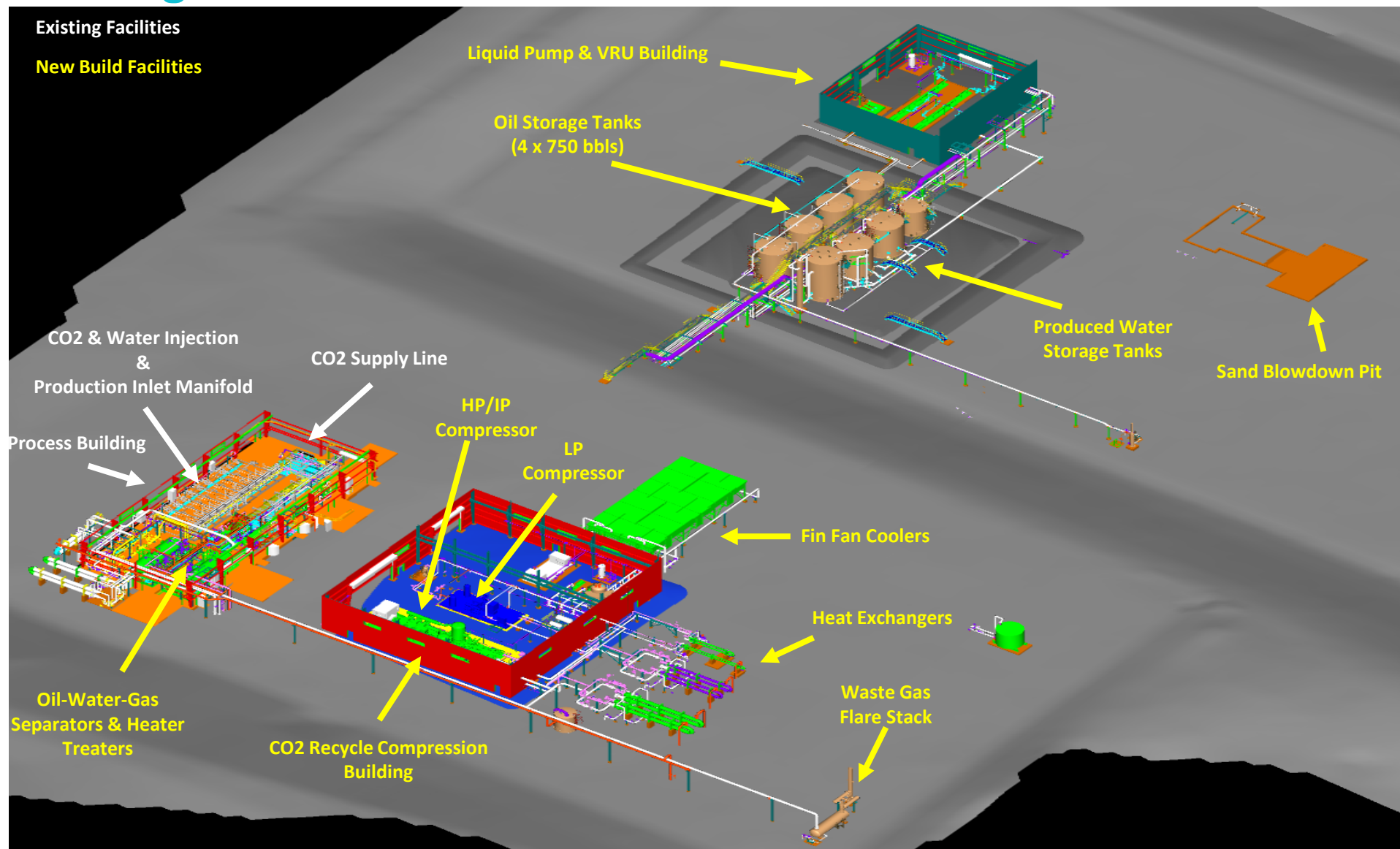
- Commencement of the final phase of in-the-field project construction and execution is imminent
- First “boots-on-the-ground” expected week of 22 May with mobilization of civil construction contractor
- All long-lead items have been purchased & process vessel fabrication work well advanced
- Full field repressurisation nearly complete – Bottom Hole Pressure 2900 PSI with 39.5 BCF CO₂ injected through April
- Pre-first oil field repressurisation target of 3000 PSI expected to be achieved by August
- Compression facilities installation to commence in June
- Expect all other facilities mechanical field installation to commence 1 July
- All remaining well workovers expected to commence May 2017 with all well completions and testing to be completed by August 2017
- Installation and testing of remaining flowlines to commence 1 July and be completed by 31 October

Grieve Field development – First oil production

Sense of urgency!

- Pressing to achieve as early as possible first oil production start date
- Mechanical completion of all balance-of-plant facilities expected to be complete by 30 November
- All other field work – well work, flow lines, field repressurisation, etc will be completed by end November 2017
- Final work stage to be completed before first oil production is installation and testing of central processing facilities control systems
- Control systems installation and testing to commence 1 December
- Until all remaining construction and installation contracts awarded target facility start-up and first oil production guidance remains late CYE2017 to early CY2018

What's being built



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Madden Gas & CO₂ Field Production & performance

Madden Gas Field – Full of positive surprises & upside

A big field gets bigger and production well ahead of forecast!

- Elk's share of gas production and sales running at 25 to 26 MMSCF/day - 40% ahead of initial projections
- March Quarter 2017 Elk net gas sales USD 6.35 million and net operating profit of USD 1.6 million
- April 2017 gas sales ~USD 2 million
- On track for CY2017 total gas sales of USD 24 million
- Operator forecasts commercial gas production for next 50-years through 2066
- Operator estimates 1.77 TCF of remaining recoverable raw gas from Deep Madison production zone
- Madden Shallow Reserves not yet included in Elk Reserve estimates plus 15,000 feet of behind-pipe identified additional resource
- Based on operator latest reserve and production forecasts, Elk has ~160 BCF of net sales gas – subject to independent audit
- Operator undertaking a minor 2017 CAPEX project to add 4.4 MMBOE to Elk's 1P Reserves at net cost to Elk of ~USD 300,000



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