

ASX Announcement / Media Release

18 September 2017

ELK PETROLEUM COMPLETES A\$27.5 MILLION CAPITAL RAISING

- A\$27.5 million placement strongly supported by existing shareholders and new investors
 - Proceeds will be used to fund Elk's US\$160m acquisition of the Aneth Oil Field, one of the largest CO₂ EOR projects in the Rocky Mountains, from Resolute Energy Corporation
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Elk Petroleum Ltd (ASX: ELK) ("Elk" or the "Company") has successfully completed a placement to institutional, professional and sophisticated investors to raise A\$27.5million.

The Placement was oversubscribed with strong support from existing shareholders and the introduction of new institutional investors to Elk's register.

The Placement price of \$0.062 per share represents a 22% discount to Elk's last closing share price on 14 September 2017 of \$0.079.

The funds raised will be used to support Elk's acquisition of the Greater Aneth Oil Field from Resolute Energy Corporation (NYSE:REN) for US\$160m (~A\$200million). For further details of the transaction see Elk's Aneth acquisition announcement and presentation released to the ASX on 15th September 2017.

The new shares will be issued in two tranches:

- The first tranche to raise approximately A\$12.1 million is unconditional and settlement is expected to occur on Wednesday, 20 September 2017 with normal trading to occur on Thursday, 21 September 2017 ("Initial Placement"). The first tranche will be issued in accordance with ASX listing rules as follows:
 - a) 109,614,818 of the Placement shares will be taken from the Company's 15% limit in accordance with ASX Listing Rule 7.1; and
 - b) 85,670,311 of the Placement shares will be taken from the 10% additional placement capacity under ASX Listing Rule 7.1A.
- The second tranche for the balance of approximately A\$15.4 million is subject to ASX Listing Rule 7.1 shareholder approval that is intended to be considered by shareholders at an Extraordinary General Meeting, which is expected to be held on Friday, 27 October 2017 ("Conditional Placement"). Settlement of the Conditional Placement is expected to occur on Wednesday, 1 November 2017 with normal trading to occur on Thursday, 2 November 2017.

RBC Capital Markets is acting as Global Coordinator and Lead Manager on the Placement.

More information regarding the capital raising and Aneth acquisition can be found in the market announcement and investor presentation released to the ASX on 15 September 2017.

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ABOUT ELK PETROLEUM

Elk Petroleum Limited (ASX: ELK) is an oil and gas company specializing in Enhanced Oil Recovery (EOR), with assets located in one of the richest onshore oil regions of the USA, the Rocky Mountains. 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.