

Investor Presentation

Uluru-biogenic gas exploration play, Montana

Thin laminated sandstones encased in black shale



January 2009

Presentation Outline

- Company background; corporate strategy
- January 2009 company outline, assets and asset pipeline
- 2008 in review
 - Production, revenue, development and exploration assets
- Future plans
 - Development and Appraisal
 - Exploration
- Strategy revisited
- Supporting slides

Company Background

- Listed on the ASX on **17th June 2005**
- Initial strategy to acquire and redevelop mature oil fields in the USA using both conventional and new extraction techniques
 - First acquisition, prior to listing, was 100% working interest (WI) in the producing **Grieve Oil Field** in the Wind River Basin, Wyoming. Plans were
 - Re-completions, Enhanced Oil Recovery (initial plans for using CO₂) and shallow reservoirs
 - In **July 2005**, second acquisition was 100% WI in the producing **Sand Draw South Oil Field** also in the Wind River Basin. Plans were
 - Shallow reservoir re-completions
 - In **late 2006**, third acquisition was 50% WI in the abandoned **Ash Creek Oil Field** in the Powder River Basin; acquisition of the remaining 50% interest in **May 2008**. Plans were
 - Shallow sands untested potential and infill development and possible EOR
- Sand Draw South revenues produced positive cash flows during 2007 and most of 2008 enabling the Company to acquire an impressive **exploration acreage portfolio** at
 - Uluru and Kakadu/Didgeridoo in Montana, and
 - Outback in Wyoming.

Corporate Strategy

1. To acquire large equity in historic producing and/or non-producing oil/gas fields in the Rocky Mountains region
 - Mature basins and fields with significant remaining reserve potential
2. To enhance productivity through forensic integration of field engineering and geology, and the application of modern oil extraction techniques
 - e.g. EOR of Grieve Muddy reservoir; re-completions at SDS; infill, attic oil assessments and EOR at Ash Creek
3. To form JVs for development and exploration; extract value and share risk
 - e.g. for EOR development at Grieve, Outback drilling
4. To apply in house knowledge and expertise through acquisition of high potential offset acreage with unevaluated exploration potential
 - Seek farm outs to reduce risk and provide exploration funding

to advance from recent financial self sufficiency to profitability

January 2009 Company Outline

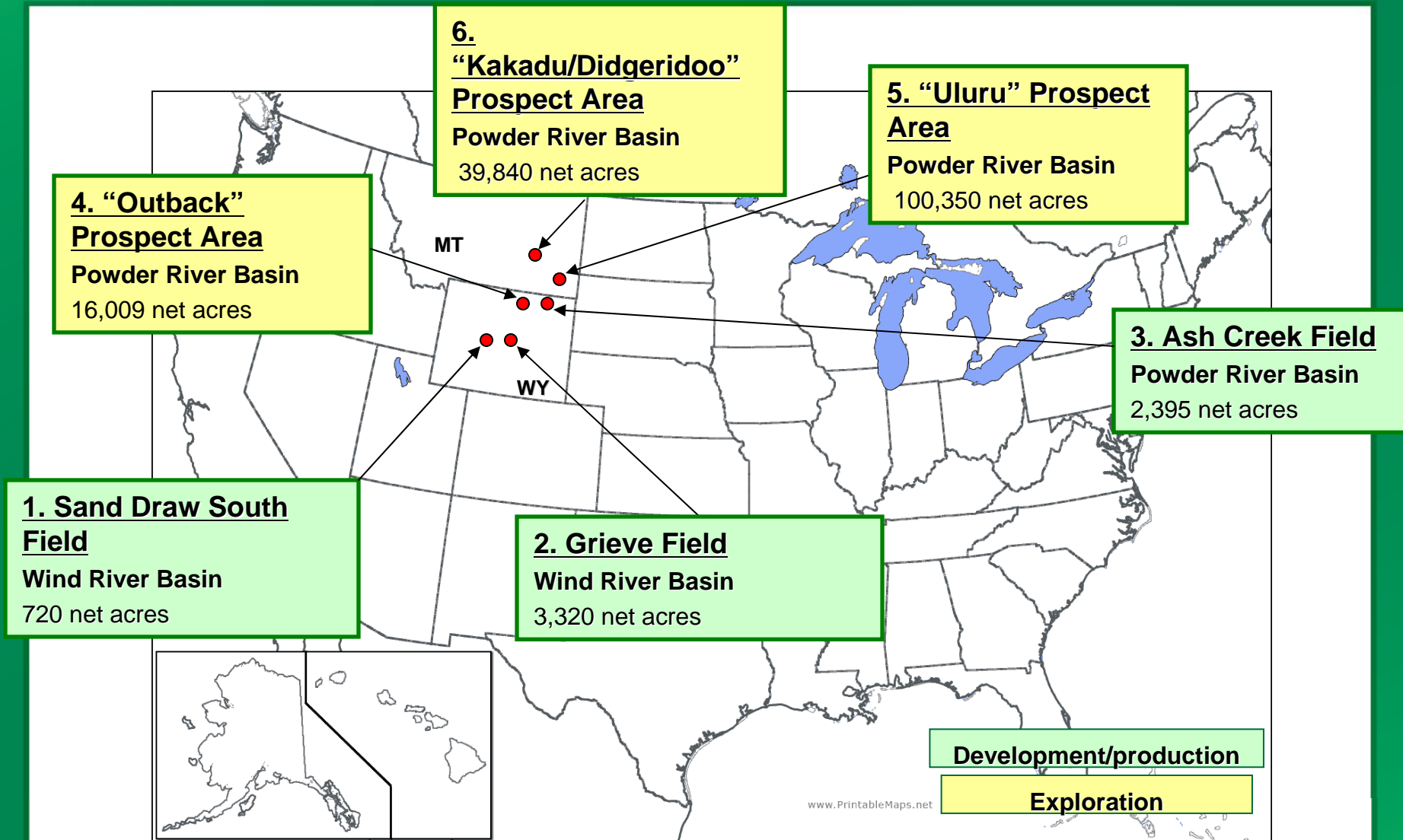
GENERAL

- Share price: **\$0.175**
(17/01/09)
- 1 Year Price range: **\$0.15 - \$0.73**
- Shares on issue: **62.2 MM**
- Board and Employee options;
6.475 million
- Market cap: **\$10.9 MM**
(17/01/09)
- Cash on hand: **\$2.098 MM**
(end December 2008)
- Debt: **none**
- Last capital raising; **March 2006**
(\$11.7 million)



2008 Average Daily Production.: 200 BOPD
2008 Net Sales Revenue : A\$5.842 MM

January 2009 Assets



January 2009 Asset Pipeline

Production/Development	Appraisal	Exploration
Sand Draw South Phosphoria Tensleep	Sand Draw South Upper Phosphoria Frontier-Shallow Gas*	
Grieve Muddy-EOR (CO₂ and Chemical)*		Grieve Frontier plus other shallow sands
Ash Creek Upper Shannon-EOR Lower Shannon-infill, attic, water flood, EOR		Ash Creek/Woomera Eagle Teapot
		Uluru Shallow biogenic gas* Deeper oil/gas (Tensleep)
		Kakadu/Didgeridoo Shallow biogenic gas* Deeper oil/gas*
		Outback Area Parkman, Teapot, Eagle

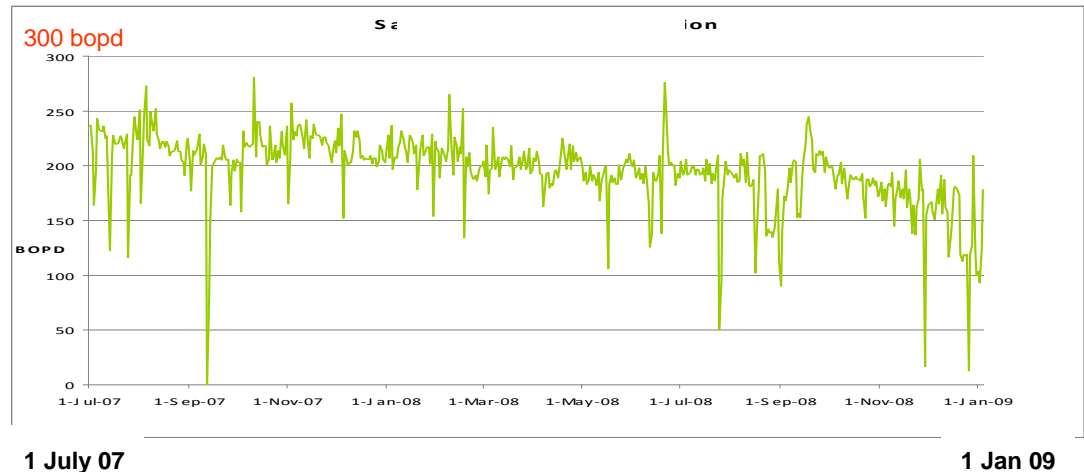
2008 Highlights

- **Production**; to September, maximised Sand Draw South and Grieve oil production; with lower oil prices, shut-in uneconomic SDS well
- **Revenue**; maximised revenue; contained operating costs; utilised free cash flow for exploration asset growth; with lower revenues, accelerate process of farming out exploration acreage (cash and carry)
- **Assets**; built a strong asset base for the future
 - **Development**
 - reviewed SDS shallow gas and deep/shallow oil potential
 - addressed Grieve EOR alternatives to using CO₂
 - identified Ash Creek Shannon redevelopment potential
 - **Exploration**
 - acquired multi-target trend acreage at Kakadu and Didgeridoo
 - At year end, finalising substantial acreage acquisition at Uluru with Crow Nation
 - evaluated shallow reservoir potential at Ash Creek (low cost)
 - undertook JV drilling at Outback (fully carried on well)

2008-Gross Production

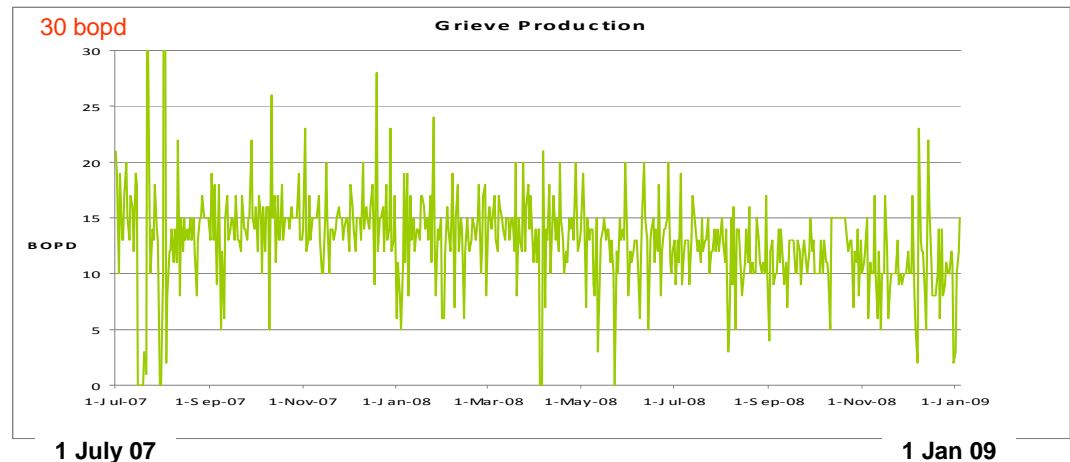
Sand Draw South

- Oil from Tensleep and Lower Phosphoria
- Production disruptions mainly due to power outages and pump changes
- Since July 2007, around 10% decline; since October 2008 pump changes and well shut-in



Grieve

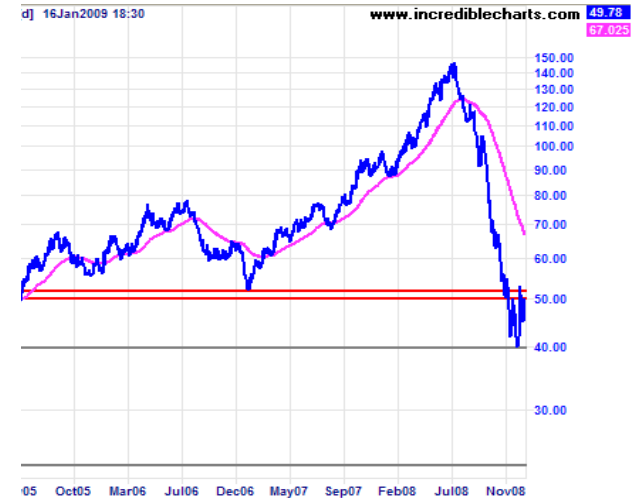
- Oil from Muddy Sandstone
- 1 well only; lease held by production (HBP)
- Holding lease until EOR project decided (expected April-May 2009)
- Decline rate of about 15%



2005-09 Oil Prices and Net Revenues

Oil Prices

- Since December 2006, prices moved from US\$50/barrel to greater than US\$140/barrel
- In October 2008 back to around US\$60/barrel
- Currently oil price trend appears to be stabilising around \$40 barrel but significant uncertainty remains as to direction and price

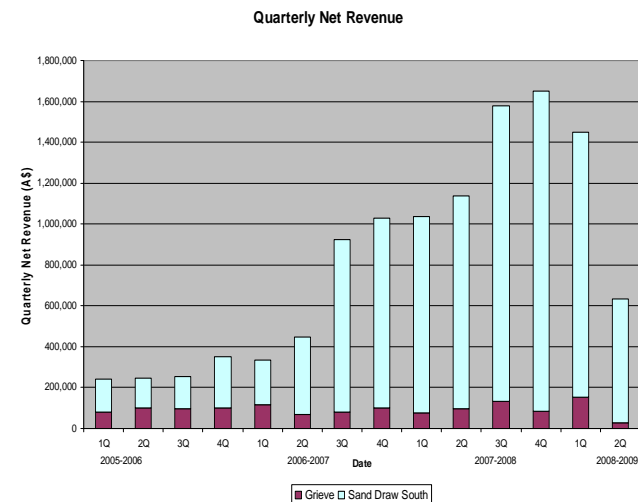


Elk Net Revenue

- Elk's production increase from SDS fortuitously coincided with increase in price
- 1Q 2008-2009 (September 2008) quarterly revenue a record for the Company
- Calendar 2007 and 2008 Net Revenues allowed corporate growth into high-value exploration acreage,

BUT

- 2nd Quarter 2008-2009 revenues declined significantly triggering strategy to extract value from exploration acreage portfolio



2008-Development

Sand Draw South

- Optimised production from existing wells by changing pump configuration
- Evaluated in-fill drilling locations and shallow and deeper re-completions in Phosphoria and Tensleep
- Commenced study on Frontier shallow gas sands
- Managed operating costs

Grieve-EOR

- Ryder Scott independent reserves verification of 18.6 mmbbls 3P reserves for CO₂ gravity flood development
- Progressed discussions re CO₂ supply with current and future producers, and existing CO₂ contract holders
- Started work on chemical flood studies with University of Oklahoma; preliminary generic work encouraging
- Decided to instigate Surtek chemical flood simulation based on Nitec reservoir model and Grieve fluids; preliminary report expected April 2009 prior to possible pilot project

Ash Creek

- Commenced studies of Shannon OIP and cumulative production

2008-Exploration

Uluru

- Finalising land titles with Crow Nation for 88,421 acres; signed lease
- Plays are shallow biogenic gas and deeper gas and oil (Tensleep).
- Staked locations for first 4 wells
- **Kakadu-Didgeridoo**
- Increased acreage holding
- Plays are shallow biogenic gas, and deeper gas (Lakota/Dakota) and oil (Tensleep)
- Acquired, reprocessed and interpreted seismic

Grieve-shallow sands

- Finalised Frontier sands study
- Decided to defer shallow drilling until EOR project drilling

Ash Creek-shallow sands

- Increased acreage holding in area around field
- Evaluated high resistivity sands in Teapot, Parkman and Eagle
- Selected Eagle in Trussler#8 for low cost re-entry, logging and testing; unsuccessful

Outback

- Finalised acreage acquisition; formed JV with Paladin for a 25% interest; acreage payment equivalent to full carry on well
- Drilled Wilson#41-29 well to Parkman; despite shows, all formations dry

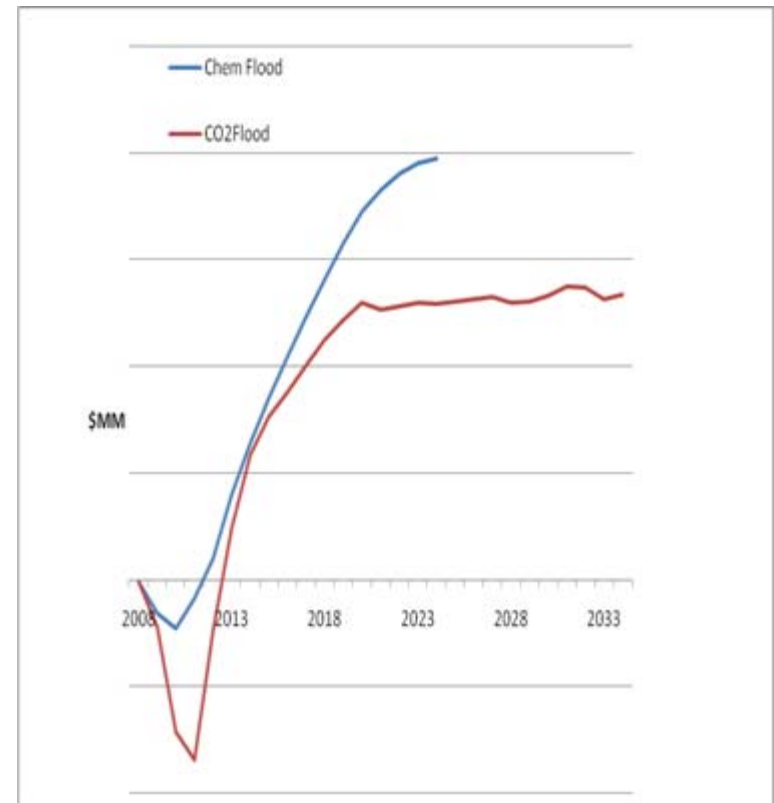
Future Plans-Development (1)

Grieve-CO₂

- Attempts to secure appropriate CO₂ contracts (post 2010, long-term, continuous, attractively priced) have to date been unsuccessful
- Elk has engaged in negotiations with those producers who currently emit or sell CO₂; only contracts available are discontinuous supply contracts not suitable as primary contract for Grieve
- Elk has bid alone or with others for new CO₂ contracts
- Elk has engaged in negotiations with parties who have future (post 2010) CO₂ contracts
- Currently in renewed discussions

Grieve-Chemical

- Alternative and viable solvent/chemical technology
- Technology is new and evolving (see Elk Sept newsletter article)
- Although previously assumed oil recovery factor lower than for CO₂, this may now not be the case
- CAPEX much lower; no pipeline, pre-purchase CO₂
- Requires matching of reservoir rocks and fluids
- University of Oklahoma preliminary results encouraging for Grieve rocks/fluids
- Engaged Surtek to undertake simulations pre possible pilot project
- Generic economics comparable with CO₂ based on current knowledge



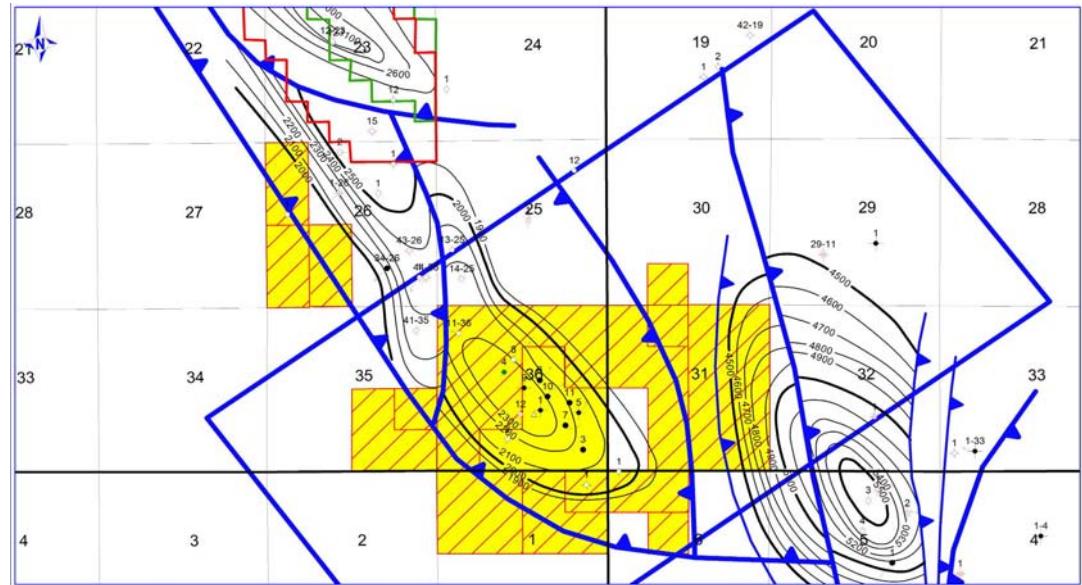
Generic economic comparison

Future Plans - Development (2)

Sand Draw South

- All other structures in region have previously produced gas from Frontier
- SDS has produced around 4bcf in 1970's to 90's
- Around 4bcf recoverable assessed to remain in field area
- Currently facilities under-utilised for gas; pipelines exist in field area
- Frontier, Muddy and Dakota all tested gas in field; possible re-completion of uneconomic Tensleep well to test gas potential
- Also further oil production optimisation (depending on economics) including
 - possible one well re-completion back to Tensleep, and
 - likely new one well completion of Upper Phosphoria

Sand Draw South-Frontier Structure

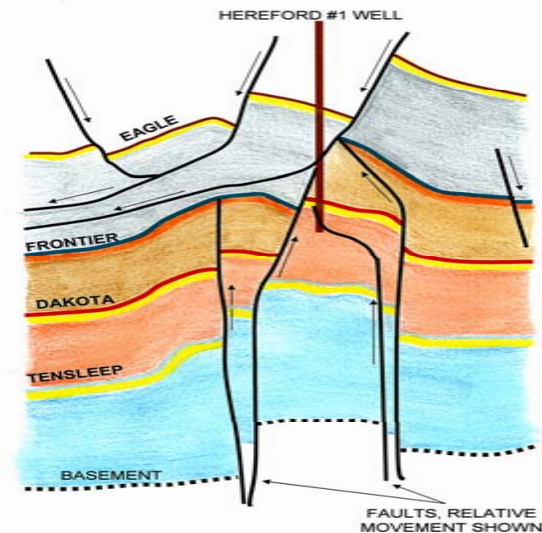
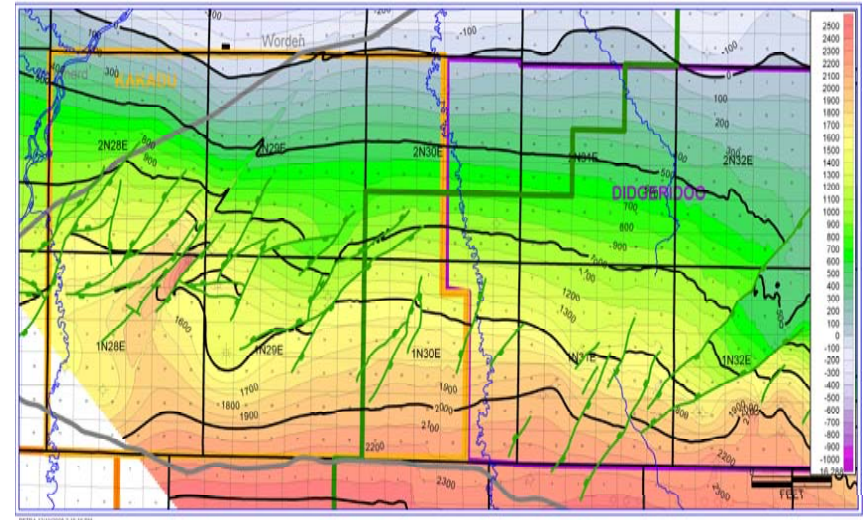


Future Plans-Exploration (1)

Kakadu and Didgeridoo

Greenhorn Structure

- Elk has nearly 39,000 net acres in this east-west structural trend in south central Montana overlying major left lateral shear fault
- Shallow structural trends clearly seen by surface faulting trends
- Seismic data shows multiple phases of faulting with numerous offset and untested structural highs throughout section
- Exploration plays are shallow biogenic gas (seen to east at Hardin and Toluca fields), as well as conventional gas (Lakota/Dakota-Turquoise seismic horizon) and deeper oil (Tensleep)
- 1950's Hereford#1 well (2500') tested 4-7 mmscfgpd on DST from Lakota
- Retested in 1960's with flow of 46 mmscfgpd from Lakota and 35mmscfgpd from Dakota
- Question remains as to exact gas composition (nitrogen content?)
- Wells expected 2Q 2009
- If not farmed out beforehand, will be taken to NAPE February 2009

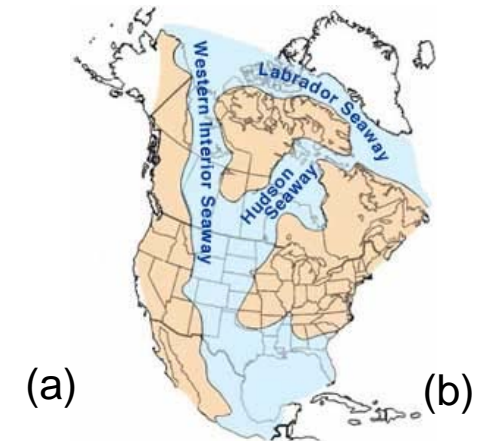
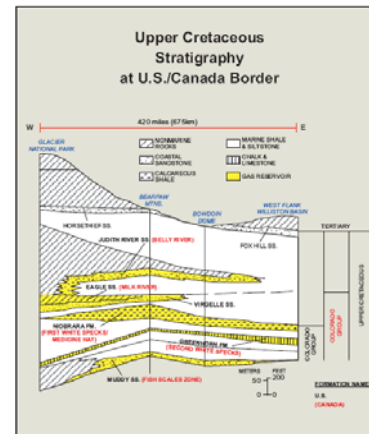


Kakadu seismic line interpretation

Future Plans-Exploration (2)

Uluru

- Elk has over 100,000 net acres in this western Powder River Basin area in south central Montana
- Shallow biogenic gas play is an extension of a shallow gas development program developing in Canada and northern Montana for the last 15 years.
- In Alberta and Saskatchewan the play consists of thousands of wells drilled to the shallow Cretaceous sands in the thick black shale sequences; the same stratigraphy and basin setting exists at Uluru (a) and (b).
- Encana describes this shallow gas play in Alberta as; *"The Shallow Gas resource play is the oldest, largest, and most profitable in our portfolio. In 2004, our cumulative gas production from the Suffield area within this prolific play surpassed two trillion cubic feet"*.
- Areas to the north of Uluru already being developed by others for shallow biogenic gas
- Many wells exist on Uluru leases which have encountered shallow gas
- Wells expected 2Q 2009
- If not farmed out beforehand, will be taken to NAPE February 2009



Uluru lease area shallow gas well 16

Corporate Strategy

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 - Mature basins and fields with significant remaining reserve potential
- ✓ To enhance productivity through forensic integration of field engineering and geology, and the application of modern oil extraction techniques
 - e.g. EOR of Grieve Muddy reservoir; re-completions at SDS; infill, attic oil assessments, EOR at Ash Creek
- ✓ To form JVs for development and exploration; extract value and share risk
 - e.g. EOR Grieve, Outback drilling
- ✓ To apply in house knowledge and expertise through acquisition of high potential offset acreage with unevaluated exploration potential
 - e.g. Uluru, Kakadu

- To advance from recent financial self sufficiency to profitability

Disclaimer

- This presentation contains forward-looking statements which involves subjective judgement and are subject to significant uncertainties, risks and contingencies; these include risks associated with the oil and gas industry in general, many of which are completely beyond the control of Elk Petroleum Limited.
- This presentation should not be considered as an invitation or recommendation to purchase securities in Elk.
- You should not act or refrain from acting in reliance on this presentation material. This overview of Elk does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of Elk's prospects.
- You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation and making any investment decision.

Supporting Slides



Board and Management

- **Dr Peter Power – Non-Executive Chairman**

Over 50 years' experience in hydrocarbon exploration worldwide in senior management positions with major international companies. Former Managing Director of Ampolex. Past Chairman of APPEA. Currently non-executive Director with Petsec and Chairman of Metgasco and Austex

- **Tony Strasser – Non-Executive Director**

Qualified accountant with extensive experience in corporate finance and advisory services over 16 years. Most recent role was as CFO and Company Secretary at Anzon Australia where he spent 5 years.

- **Andy Rigg – CEO and Managing Director**

Over 35 years' experience in international oil exploration and development with senior exploration management positions in Esso, Santos and Ampolex. He is a Distinguished Member of PESA and also Deputy Chairman of Mosaic and an adviser to the Australian Coal Industry on CO₂ storage

- **Bob Cook – Executive Director Operations**

Over 40 years experience in energy and petroleum industry with senior engineering and operating management positions at Esso and Ampolex.

- **Chris Mullen – President, Elk Inc**

Over 21 years experience as a senior geologist operating in the Rocky Mountains region. Vice President- Exploration at Tom Brown Inc and senior positions with Unocal.

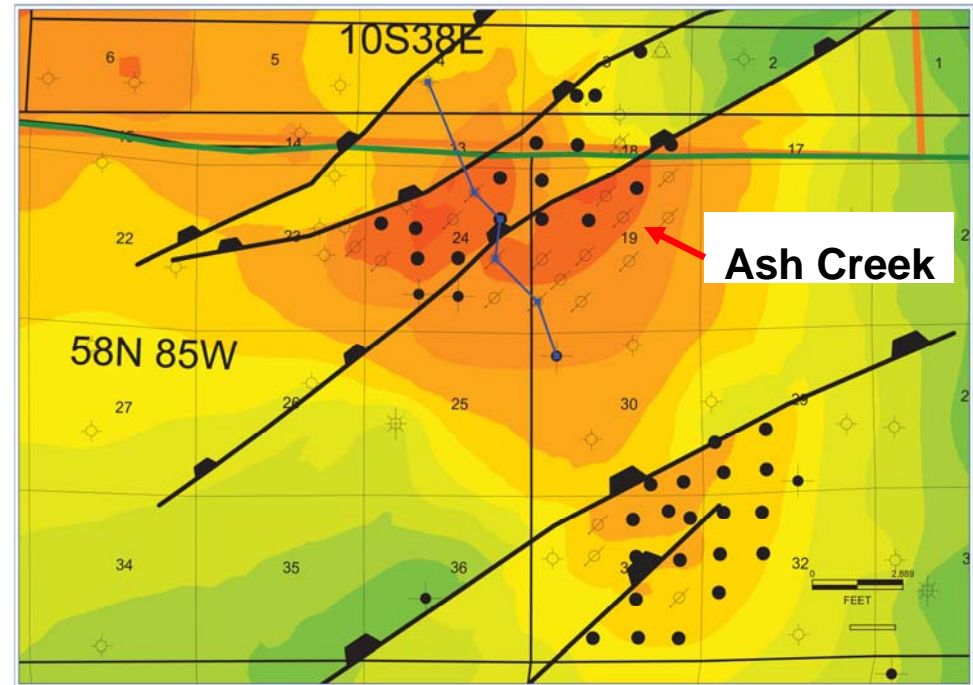


Development

Ash Creek

- All reservoirs <5000'
- Upper and Lower Shannon Produced > 6 mmbbls oil
- OIP for Upper and Lower Shannon 24.5 mmbbls
- Production history complex with mix of Upper/Lower Shannon separate and co-mingled wells
- Only Upper Shannon water-flooded
- Likely attic and by-passed oil in Lower Shannon; water flood also possible
- Chemical flood possible for both Shannon reservoirs
- Follow-up small volume Parkman oil test in #12

Ash Creek-Shannon Structure



Exploration (1)

Uluru; Elk acreage map

Grieve-shallow sands

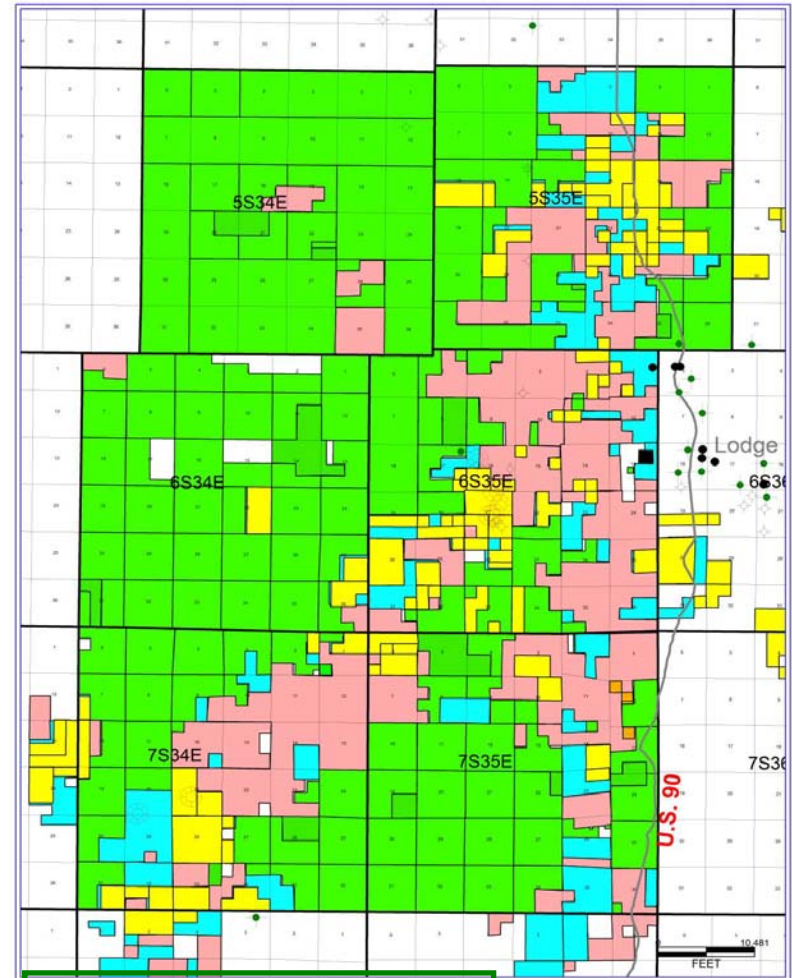
- To be addressed simultaneously with EOR project

Ash Creek-shallow sands

- Re-entry of Trussler#8 determined future program for Eagle, Parkman and Teapot put on hold
- Play extends north into Montana (Woomera)

Uluru

- Process to secure unique and immense acreage position takes long time; relationships are critical
- Obligations; 6 shallow wells in Year 1 (post July 2008); 6 shallow and 1 deep well in Year 2
- 4 locations already staked in northern 2/3 townships; 2 more to go in southern 1/3 townships
- Drilling expected March/April 2009 with Joint Venture Participants
- Taking project to NAPE 2009 if not farmed out beforehand



Green; Elk Tribal; Yellow; Elk fee; Pink; Tribal allottee; Blue; other

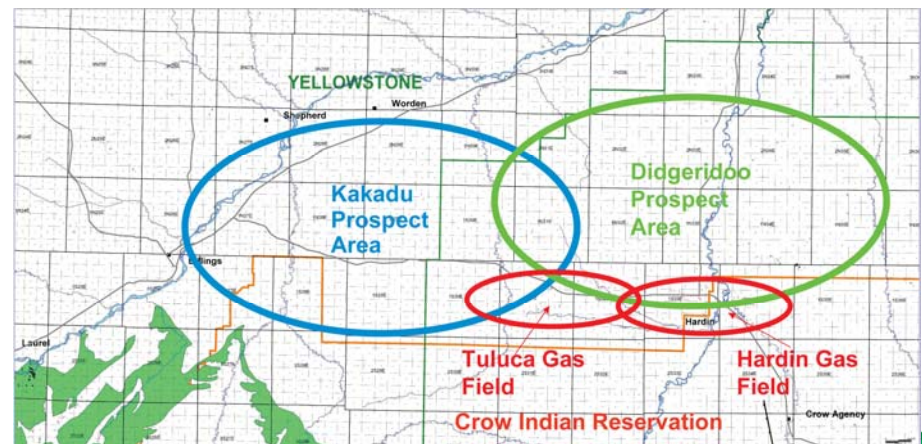
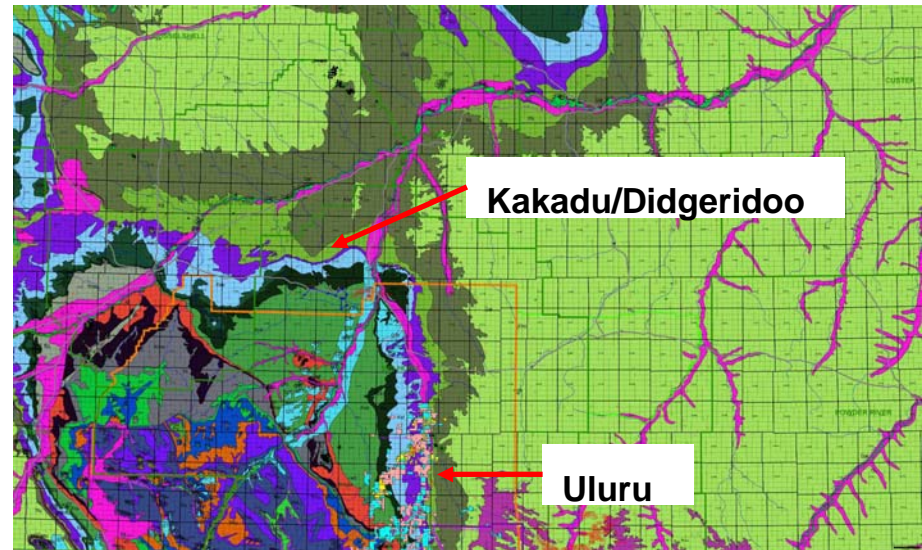
Exploration (2)

Kakadu-Didgeridoo

- Followed surface geology, depth to reservoir objectives north from Uluru
- Plays; shallow, low pressure biogenic gas and deeper gas and oil
- Analogs for shallow gas are from Hardin gas field (1920s); and more recent Highline development (Toluca Gas Field)
 - 32 wells; late 2007, all successful
 - All wells currently on production
 - Total production 1.3 mmscfd
 - Av. Well 40,000 ft³gpd production
- Additional deep gas and oil plays
 - 1950's well tested 4-7 mmscfd on DST from
 - Retested in 1960s with AOF 35-45 mmscfd in Lakota and Dakota
 - Question as to gas composition
 - Complex structural play, have seismic

Outback

- Follow-up to Wilson well delayed after Ash Creek Eagle test disappointing



Future Plans-Acquisition

Production/Development

- Mature field assessment is a core competency for the company
- Elk continues to evaluate opportunities in mature oil field acquisition; with declining oil prices these are becoming available more frequently
- Elk pre-requisites for such properties
 - Large Original Oil in Place (> 15 mmbbls)
 - Low recovery efficiency from primary production (<15-25%)
 - No previous pressure maintenance or programme considered to have been poorly applied
 - Opportunity for both Improved Oil Recovery (IOR) initially and subsequently Enhanced Oil Recovery (EOR) using Chemical Flood or CO₂

Exploration

- Elk has team with extensive Rocky Mountains basins experience (focus)
- Recognition of unevaluated plays and un-tested reservoirs (experience)
- Ability to persevere with long-term acreage negotiations (patience)