

30 May 2018

## Elk Petroleum Limited – Share Purchase Plan Offer

### Highlights:

- Elk Petroleum Limited (**Elk** or **Company**) to proceed with a Share Purchase Plan to allow all shareholders to subscribe for up to an additional A\$15,000 worth of shares at an issue price of the lower of A\$0.073 per share and the 5 day volume weighted average price before the close of the offer (**Offer Closing VWAP Price**). The amount of A\$0.073 is the same price as the capital raising placement announced on 9 May 2018 (**Placement**).
- The Share Purchase Plan was first noted in an ASX release on 9 May 2018. The Directors have implemented this Share Purchase Plan so that all eligible Shareholders can have the opportunity to subscribe for shares on the same terms as the Placement.
- The Share Purchase Plan will be to raise a maximum of \$7 million (and subject to a cap of 452,466,820 Shares). No oversubscription will be accepted. The Share Purchase Plan is underwritten up to \$5 million in excess of the total Elk shareholder subscriptions (up to the \$7 million maximum in total), subject to shareholders approving this underwriting at a meeting expected to be held around 29 June 2018.
- The issue price of the shares under the Share Purchase Plan will represent a discount of at least 5.2% to the closing price of Elk shares on 21 May 2018 (A\$0.077) or a discount of at least 0.8% to the average closing price over the 5 days before the Share Purchase Plan announcement (A\$0.074). This data is based on share trading on the Australian Securities Exchange (ASX) and excluding the trading days the Company was in trading halt.
- Funds raised from the Share Purchase Plan and the Placement will be used to provide funding support for development projects in the Aneth Oil Field and to support the Aneth contingent purchase price oil payment, as set out in the ASX release dated 9 May 2018, as well as to finance the continued rollout of the Company's business plan and general working capital purposes.
- The following directors who are eligible shareholders, Neale Taylor, Brad Lingo and Tim Hargreaves, intend to subscribe for some of their entitlement under the Share Purchase Plan.

### Invitation to Participate in Share Purchase Plan

The Board of Directors of Elk has approved the introduction of a Share Purchase Plan (**Plan**).

### Shareholders Eligible to Participate in the Plan

The right to participate in the Plan is available exclusively to shareholders who are registered holders of ordinary shares in Elk (**Shares**) at 7pm (Sydney time) on the Record Date of 8 May 2018 and whose registered address is in Australia, New Zealand or Singapore (**Eligible Shareholders**).

### Share Purchase Plan

The Board is pleased to offer to all Eligible Shareholders an opportunity to participate in the Plan. Details of the offer are set out in this letter and the enclosed Terms and Conditions together with an Application Form.

The Plan entitles Eligible Shareholders in the Company, irrespective of the size of their shareholding, to purchase up to A\$15,000 worth of Shares (**Offer**).

The issue price for the Shares will be the lower of A\$0.073 per share and the 5 day volume weighted average price before the close of the offer (**Offer Closing VWAP Price**). The amount of A\$0.073 is the same price as the capital raising placement Elk announced on 9 May 2018 (**Placement**).

In determining the issue price for the Offer, the Directors elected to proceed with a price that represents a discount to the recent trading price of the shares on ASX prior to the Record Date and the same price as the Placement.

The average closing market price of the Shares on Australian Securities Exchange (**ASX**) during the 5 trading days immediately prior to the announcement date of this Offer (excluding the trading days the Company was in trading halt) was A\$0.074.

### **Option and Rights Holders in Elk**

Elk currently has a number of options and performance rights on issue. Options and performance rights do not entitle their holder to participate in the Plan. Options must have been exercised and performance rights vested, and their holder must have received Shares before the Record Date in order to be an Eligible Shareholder.

### **Current Projects and Use of Funds**

Details of the Company's current activities are set out in the announcements made by Elk to the ASX and are available from the ASX.

The funds raised under the Plan and the Placement will be used to provide funding support for development projects in the Aneth Oil Field and to support the Aneth contingent purchase price oil payment, as set out in the ASX release dated 9 May 2018, as well as to finance the continued rollout of the Company's business plan and for general working capital purposes.

### **Subscription and Application Procedure**

A copy of this Plan documentation, along with a personalised Application Form, will be posted to Eligible Shareholders on or around 30 May 2018. If you would like to participate in the Offer, please:

- complete and return the accompanying Application Form, together with payment via cheque, bank draft or money order to Computershare; or
- make a BPAY® payment by using the specific Biller Code and unique Customer Reference Number (CRN) shown on the accompanying Application Form.

By applying, whether by using the Application Form or making an electronic payment, you will be representing to Elk that at the time of your application that the total issue price does not exceed A\$15,000 for the Shares that are the subject of your application any other Shares you have received under the Plan or any similar arrangement in the 12 months before the application (excluding shares applied for but not issued).

You must apply on or before 5pm (Sydney time) on 22 June 2018 (**Closing Date**). Please follow the instructions on the Application Form. No late applications will be accepted.

The minimum investment per Eligible Shareholder is A\$2,500, with additional investment possible in increments of A\$2,500 up to the maximum investment per Eligible Shareholder of A\$15,000.

The maximum investment any shareholder may apply for will remain at A\$15,000 even if an Eligible Shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding).

## **Additional Information and Important Dates**

The Offer cannot be transferred. Shares allotted under the Plan will be issued no later than 10 business days after the Closing Date of the Offer.

Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The Share Purchase Plan will be to raise a maximum of \$7 million (and subject to a cap of 452,466,820 Shares). No oversubscription will be accepted. In the event of an oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back all applications on a pro-rata basis.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

## **Singapore Residents**

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with the exemption in section 273(1)(cd) of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of Shares. In the event that you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## **Acceptance of Risk Factors**

On the trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was A\$0.073. There is a risk that the market price may change between the date of the Offer and the date when the Shares are issued.

By applying for Shares under the Offer, each Shareholder will be acknowledging that Shares are a speculative investment and the price of Shares on ASX may change between the date of the Offer and the date of issue of Shares under that Offer and that the value of the Shares received under the Plan may rise or fall accordingly. Even though the issue price for the Offer will be the lower of A\$0.073 per share and Offer Closing VWAP Price, it is still possible that when received the value of the Shares issued under the Plan may be less than the issue price.

The Board of Directors of Elk recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to applying under the Offer.

## **Shortfall Placement**

The Plan is underwritten up to \$5 million (in excess of the total Elk shareholder subscriptions) by a consortium of investors, with the Share Purchase Plan to raise a maximum of \$7 million (including underwritten amounts).

Where the amount underwritten is less than the maximum amount that may be raised under the Plan, the shortfall may be placed at the discretion of the Directors. The placement of any Shares to the underwriter and any shortfall investors will be subject to shareholder approval at a meeting expected to be held around 29 June 2018.

### Indicative Timetable

Key dates for the Plan are as follows:

Record Date for eligibility to participate in the SPP	8 May 2018
Initial Announcement of the SPP	9 May 2018
Dispatch of SPP Documents	30 May 2018
SPP opens	30 May 2018
SPP closes	22 June 2018
Notification of shortfall to underwriters and ASX (if any)	29 June 2018
General Meeting to approve allotment of underwriting shares	29 June 2018
Settlement of shortfall by underwriters (if any)	3 July 2018
Allotment of Securities to shareholders and underwriters via Manual Allotment	6 July 2018
Despatch of Holding Statements	13 July 2018

These dates are indicative only and are subject to change. The Company reserves the right to amend this indicative timetable without notice. In particular, the Company reserves the right, subject to the Corporations Act and the Listing Rules, to close the Offer early, to extend the Closing Date or to withdraw the Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the allotment of new Shares.

Should you wish to discuss any information contained in this letter further, please contact Mr David Franks (Joint Company Secretary) on (612) 9299 9690.

Yours faithfully



Neale Taylor  
Chairman  
Elk Petroleum Limited

## Share Purchase Plan – Terms and Conditions

### Purpose

The purpose of the Shareholder Share Purchase Plan (**the Plan**) is to offer shareholders of Elk Petroleum Limited (**Elk** or **Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Elk Shares**) up to a maximum of A\$15,000 in any 12 month period, through one or more Plans in a 12 month period, at potentially, a discount to the market price of Elk Shares on the financial market operated by ASX Limited (**ASX**) without the need to pay brokerage costs and without the need for Elk to issue a prospectus, upon such terms and conditions as the board of directors of Elk, in its absolute discretion, sees fit.

### Shareholders Eligible to Participate

Eligible shareholders of Elk Shares that are registered with an Australian, New Zealand or Singapore addresses at the relevant record date may participate in the Plan. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these terms and conditions. Offers made under the Plan are non-renounceable (i.e. eligible shareholders may not transfer their rights to any Elk Shares offered under the Plan).

An offer may, at the discretion of the directors of Elk, be made under the Plan once a year or more than once a year if approved by the relevant authorities. The maximum amount, which any shareholder may subscribe for in any consecutive 12 month period, is A\$15,000. The directors of Elk may also determine in their discretion the minimum amount for participation, the multiple of Elk Shares to be offered under the Plan and the period the offer is available to eligible shareholders.

### Issue Price and Applications in Increments of A\$2,500

The price of Elk Shares to be issued under the Plan will be the lower of A\$0.073 per share and the 5 day volume weighted average price before the close of the offer. The issue price will be determined on the business day after the close of the offer.

The minimum investment per Eligible Shareholder is A\$2,500, with additional investment possible in increments of A\$2,500 up to the maximum investment per Eligible Shareholder of A\$15,000.

### Right to Reject Applications

The Company reserves the right, and in certain circumstances may be required under ASIC Class Order [CO 09/425], to reject an application for Shares under the Plan to the extent it considers, or is reasonably satisfied, that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

No interest will be payable on application money held or returned by the Company.

### Applications and Notices

At the discretion of the directors of the Company, Elk will send eligible shareholders a letter of offer and acceptance procedures, inviting them to subscribe for Elk Shares under the Plan, and accompanied by the terms and conditions of the Plan and an application form. Applications will not be accepted after the closing date of an offer. Over subscriptions to an offer may be refunded without interest by cheque.

Notices and statements made by Elk to participants may be given in any manner prescribed by its Constitution.

### Underwriting

An Offer may be underwritten and the underwriters and/or sub-underwriters may be issued with Shares pursuant to the Plan where one or more of the eligible shareholders fail to subscribe for the maximum number of shares available to them under the Offer. The Directors may pay a broker's fee to Underwriters.

## Issue of Elk Shares

Elk Shares to be issued under the Plan will be issued as soon as reasonably practicable after the closing date specified by the Directors of Elk in the relevant offer.

Elk Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in Elk from the date of issue.

Shareholding statements or CHESSE notification will be issued in respect of all Elk Shares issued under the Plan. The Company will, promptly after the issue of Elk Shares under the Plan, apply for those Elk Shares to be listed for quotation on the official list of ASX.

## Custodians

If an Eligible Shareholder is a 'custodian' within the meaning in paragraph 14(a) of ASIC Class Order [CO 09/425] (**Custodian**), and holds Shares on behalf of one or more persons (each a **Participating Beneficiary**) that are not custodians, or a 'downstream custodian' within the paragraph 9(a)(ii) of ASIC Class Order [CO 09/425] (**Downstream Custodian**) holds beneficial interests in Shares on behalf of one or more persons (also each a **Participating Beneficiary**) and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian, it may apply for up to a maximum of A\$15,000 worth of Shares for each Participating Beneficiary, subject to providing a certificate in writing to the Company (**Custodian Certificate**) certifying the matters specified in ASIC Class Order [CO 09/425].

If an Eligible Shareholder holds Shares as a custodian, trustee or nominee for another person, but is not a Custodian, it cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings apply.

Custodians can obtain a copy of a pro-forma Custodian Certificate by contacting the Company on (612) 9299 9690.

## Modification and Termination of the Plan

Elk may modify or terminate the Plan at any time.

Elk will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, Elk may issue to any person fewer Elk Shares than the person applied for under the Plan if the issue of the Elk Shares applied for would contravene any applicable law or the Listing Rules of ASX.

## Dispute Resolution


Elk may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or Elk Shares.

The decision of Elk in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

Elk reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of Elk under these conditions may be exercised by the directors of Elk or any delegate of the directors of Elk.

## Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or Joint Company Secretary, Mr David Franks on (612) 9299 9690.


**For all enquiries:****Phone:**  
 Elk Petroleum +61 2 9299 9690

ELK

MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000**Make your payment:**

See overleaf for details of the Offer and how to make your payment

## Share Purchase Plan Application Form

 **Your payment must be received by 5:00pm (Sydney time) Friday 22 June 2018**

This is an important document that requires your immediate attention.

It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

By making payment you agree to be bound by the Constitution of Elk Petroleum Limited and that the submission of this payment constitutes an irrevocable offer by you to subscribe for Elk Petroleum Limited shares on the terms of the Share Purchase Plan (SPP).

In addition, by making payment you certify that the aggregate of the application price paid by you for:

- the New Shares the subject of the payment slip overleaf; and
- any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of the payment, does not exceed \$15,000.

Elk Petroleum Limited may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.

Any determinations by Elk Petroleum Limited will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. Elk Petroleum Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all Eligible Shareholders even where Elk Petroleum Limited does not notify you of that event.

### Step 1: Registration Name & Offer Details

Details of the shareholding and the Offer are shown overleaf.

Please check the details provided and update your address via [www.investorcentre.com](http://www.investorcentre.com) if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

### Step 2: Make Your Payment

Note that shares may be purchased in increments of \$2,500 subject to purchase of the minimum value and not exceeding the maximum value. Your payment must correspond to one of the options detailed overleaf. You may choose one option only. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.

Choose one of the payment methods shown below.

**BPAY®:** See overleaf. Do not return the payment slip with BPAY payment.

**By Mail:** Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Elk Petroleum Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Elk Petroleum Limited Share Purchase Plan Application Form  
Payment must be received by 5:00pm (Sydney time) Friday 22 June 2018

© Registered to BPAY Pty Limited ABN 69 079 137 518


**Turn over for details of the Offer →**

# Share Purchase Plan Application Form

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## STEP 1 Registration Name & Offer Details

 For your security keep your SRN/  
HIN confidential.

Registration Name: MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000


Entitlement No: 12345678

Offer Details: Record date: **7pm (Sydney time) 8 May 2018**

Minimum value available to purchase: **\$2,500**

Maximum value available to purchase: **\$15,000**

## STEP 2 Make Your Payment

	Bill Code: 999999
	Ref No: 1234 5678 9123 4567 89

### Pay by Mail:



Make your cheque, bank draft or money order payable to "Elk Petroleum Limited" and cross "Not Negotiable".

Return your cheque with the below payment slip to:  
**Computershare Investor Services Pty Limited**  
**GPO BOX 505 Melbourne Victoria 3001 Australia**

Contact your financial institution to make your payment from your cheque or savings account.

### Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (Sydney time) Friday 22 June 2018. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Elk Petroleum Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (Sydney time) Friday 22 June 2018. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Elk Petroleum Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

### Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

## Purchase Details for Elk Petroleum Limited (choose one option)

<input type="checkbox"/> \$2,500 worth of securities	OR	<input type="checkbox"/> \$5,000 worth of securities	OR	<input type="checkbox"/> \$7,500 worth of securities
<input type="checkbox"/> \$10,000 worth of securities	OR	<input type="checkbox"/> \$12,500 worth of securities	OR	<input type="checkbox"/> \$15,000 worth of securities



Entitlement No: 12345678

Payment must be received by 5pm (Sydney time) Friday 22 June 2018

MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

## Contact Details

Contact Name \_\_\_\_\_ Daytime Telephone \_\_\_\_\_

## Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$

123456789123456789+000000001-3051+14