
ELK PETROLEUM LIMITED

ABN 38 112 566 499

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT

PROXY FORM

TIME: 11 am (WST)

DATE: 25 November 2005

PLACE: Elk Petroleum Limited
Level 2, 675 Murray Street
WEST PERTH, WESTERN AUSTRALIA

This Notice of Annual General Meeting is an important document and requires your immediate attention. Please read it carefully. If you are in doubt as to what you should do, please consult your professional adviser.

CONTENTS PAGE

Notice of Annual General Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	5
Glossary	9
Proxy Form	11

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Elk Petroleum Limited which this Notice of Annual General Meeting relates to will be held at 11 am (WST) on 25 November 2005 at:

Level 2, 675 Murray Street
WEST PERTH, WESTERN AUSTRALIA

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and either:

- (a) deliver the proxy form by hand to the Company's registered office at Level 2, 675 Murray Street, West Perth, Western Australia;
- (b) mail the proxy form to the Company's registered office at PO Box 457 West Perth, Western Australia, 6872
- (c) send the proxy form by facsimile to the Company on facsimile number +61 8 9226 2027.

so that it is received not later than 11 am (WST) on 23 November 2005.

Proxy forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Elk Petroleum Limited will be held at Level 2, 675 Murray St West Perth, Western Australia at 11 am (WST) on 25 November 2005.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company on 23 November 2005 at 11 am (WST).

AGENDA

BUSINESS

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered at the Meeting.

ORDINARY BUSINESS

Reports and Accounts

To receive and consider the financial statements of the Company for the year ended 30 June 2005 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – REMUNERATION REPORT

To consider and if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:

"That for the purposes of Section 250R(2) of the Corporations Act, the Company adopt the Remuneration Report."

2. RESOLUTION 2 – ELECTION OF A DIRECTOR – RICHARD WOOD

To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, Richard Wood, being a Director of the Company who retires in accordance with clause 11.12 of the Constitution and, being eligible for re-election, is re-elected as a Director of the Company."

3. RESOLUTION 3 – ELECTION OF A DIRECTOR – ROBERT COOK

To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, Robert Cook, being a Director of the Company who retires in accordance with clause 11.12 of the Constitution and, being eligible for re-election, is re-elected as a Director of the Company."

4. RESOLUTION 4 – RE-ELECTION OF A DIRECTOR – MATTHEW WOOD

To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, Matthew Wood, being a Director of the Company who retires by rotation in accordance with clause 11.3 of the Constitution and, being eligible for re-election, is re-elected as a Director of the Company.”

5. RESOLUTION 5 – ELECTION OF A DIRECTOR – GLENDA MCLOUGHLIN

To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, Glenda McLoughlin, being a Director of the Company who retires in accordance with clause 11.12 of the Constitution and, being eligible for re-election, is re-elected as a Director of the Company.”

6. RESOLUTION 6 – RATIFICATION OF THE ALLOTMENT AND ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purpose of Listing Rule 7.4 of the Listing Rules of the Australian Stock Exchange Limited and for all other purposes, the Company ratifies the allotment and issue of 4,650,000 fully paid ordinary shares at 43 cents per share pursuant to the prospectus dated 6 September 2005 to clients of Hartleys Limited”

Short Explanation: Approval is sought under Listing Rule 7.4 to allow the Company to ratify the issue and allotment of these securities. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of those persons.

7. RESOLUTION 7 – APPOINTMENT OF AUDITOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 327B of the Corporations Act 2001 (Cth) and for all other purposes, Mack & Co having consented in writing to act as auditors of the Company, be appointed as auditors, effective immediately.”

Short Explanation: Section 327B of the Corporations Act provides that a public company must appoint an auditor at its first annual general meeting.

DATED: 17 OCTOBER 2005

BY ORDER OF THE BOARD

**MR TIM FLAVEL
COMPANY SECRETARY
ELK PETROLEUM LIMITED**

Voting Exclusion Note:

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting.

1. RESOLUTION 1– REMUNERATION REPORT

The Remuneration Report is set out in the Director's Report in the Company's 2005 Annual Report. It is also available on the Company's website at www.elkpet.com.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company at the Annual General Meeting. However, Shareholders should note that the vote on Resolution 1 is advisory only and is not binding on the Company or its Directors.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

2. RESOLUTION 2 – ELECTION OF RICHARD WOOD

Mr Richard Wood was appointed to fill a casual vacancy as a Director of the Company effective from 8 April 2005.

In accordance with Clause 11.12 of the Constitution and ASX Listing Rule 14.4, any director appointed to fill a casual vacancy or as an additional director holds office until the next annual general meeting of Shareholders and is then eligible for re-election.

Mr Wood therefore retires at the forthcoming Annual General Meeting in accordance with the Constitution and being eligible, has offered himself for re-election.

3. RESOLUTION 3 – ELECTION OF ROBERT COOK

Mr Robert Cook was appointed to fill a casual vacancy as a Director of the Company effective from 8 April 2005.

In accordance with Clause 11.12 of the Constitution and ASX Listing Rule 14.4, any director appointed to fill a casual vacancy or as an additional director holds office until the next annual general meeting of Shareholders and is then eligible for re-election.

Mr Cook therefore retires at the forthcoming Annual General Meeting in accordance with the Constitution and being eligible, has offered himself for re-election.

4. RESOLUTION 4 – RE-ELECTION OF MATTHEW WOOD

Clause 11.3 of the Constitution of the Company requires that one third of the Directors retire by rotation at each annual general meeting of the Company. Mr Matthew Wood retires in accordance with that clause and being eligible for re-election, offers himself for re-election at the Meeting.

5. RESOLUTION 5 – ELECTION OF GLENDA MCLOUGHLIN

Mrs Glenda McLoughlin was appointed to fill a casual vacancy as a Director of the Company effective from 19 April 2005.

In accordance with Clause 11.12 of the Constitution and ASX Listing Rule 14.4, any director appointed to fill a casual vacancy or as an additional director holds office until the next annual general meeting of Shareholders and is then eligible for re-election.

Mrs Glenda McLoughlin therefore retires at the forthcoming Annual General Meeting in accordance with the Constitution and being eligible, has offered herself for re-election.

6. RESOLUTION 6 – ISSUE OF SECURITIES

6.1 Background

Resolution 6 seeks Shareholder approval for the allotment of 4,650,000 Shares pursuant to the prospectus dated 6 September 2005 to clients of Hartleys Limited.

6.2 Regulatory Requirements – ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Ratification by the shareholders of the Company is now sought pursuant to ASX Listing Rule 7.4 in order to reinstate the Company's capacity to issue up to 15% of its issued capital, if required in the next 12 months without shareholder approval. Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) the maximum number of Shares issued by the Company was 4,650,000 Shares;
- (b) the Shares were issued at a price of 43 cents per Share;
- (c) the Shares were allotted to clients of Hartleys Limited;
- (d) the Shares allotted and issued were all fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (e) \$1,999,500 was raised by the issue of the Shares; and

- (f) the funds raised (being \$1,999,500 before costs) will be used firstly to replenish the Company's working capital following the Sand Draw South Acquisition (approximately \$1,000,000), the cost of which was not budgeted for in the May 2005 Prospectus. The remaining funds will be applied towards a redevelopment program of the Sand Draw South Oil Field, future acquisition opportunities, and expenses of the issue.

7. RESOLUTION 7 – APPOINTMENT OF AUDITOR

Section 327B of the Corporations Act provides that a public company must appoint an auditor at its first annual general meeting.

Upon listing on ASX, the Board appointed Mack & Co as the Company's auditor. Resolution 7 seeks shareholder approval to appoint Mack & Co as the auditors of the Company. A shareholder of the Company has nominated Mack & Co as auditor of the Company. A copy of this nomination is annexed to this Explanatory Statement.

Mack & Co has consented to act as the Company's auditor in accordance with the Corporations Act and has not withdrawn that consent.

The Board unanimously recommends that Shareholders vote in favour of Resolution 7.

8. ENQUIRIES

Shareholders are required to contact the Company Secretary on +61 8 9226 3270 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

Board means the board of directors of the Company.

Company means Elk Petroleum Limited (ABN 38 112 566 499).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company.

Explanatory Statement means the explanatory statement to the Notice.

Meeting means the meeting convened by the Notice.

Notice means the notice of annual general meeting accompanying this Explanatory Statement.

Share means a share in the Company.

Shareholder means a shareholder in the Company.

17 October 2005

The Company Secretary
Elk Petroleum Limited
Level 2, 675 Murray Street
WEST PERTH WA 6005

NOMINATION OF AUDITOR

I, Tim Flavel, a shareholder of Elk Petroleum Limited (ABN 38 112 566 499) (**Company**), hereby nominate pursuant to section 328B of the Corporations Act (Cth) 2001, Mack & Co of Level 2, 35 Havelock Street, West Perth, Western Australia for appointment as auditor of the Company at the next Annual General Meeting of the Company or any adjournment thereof.

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'Tim Flavel', written in a cursive style.

Tim Flavel

PROXY FORM

**APPOINTMENT OF PROXY
ELK PETROLEUM LIMITED
ABN 38 112 566 499**

I/We
being a Member of ELK PETROLEUM LIMITED entitled to attend and
vote at the Meeting, hereby
Appoint
Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at 11 am (WST) on 25 November 2005 at Level 2, 675 Murray Street, West Perth, Western Australian and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of a Director – Richard Wood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of a Director – Robert Cook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-Election of a Director – Matthew Wood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Election of a Director – Glenda McLoughlin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you do **not** wish to direct your proxy how to vote, please place a mark in this box

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. The Chairman will vote in favour of all of the resolutions if no directions are given.

YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

Signed this _____ day of _____ 2005

By:

Individuals and joint holders

<input type="text"/>
Signature
<input type="text"/>
Signature
<input type="text"/>
Signature

Companies (affix common seal if appropriate)

<input type="text"/>
Director
<input type="text"/>
Director/Company Secretary
<input type="text"/>
Sole Director and Sole Company Secretary

ELK PETROLEUM LIMITED
ABN 38 112 566 499

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the proxy form enclosed:
 - (a) deliver the proxy form by hand to the Company's registered office at Level 2, 675 Murray Street, West Perth, Western Australia;
 - (b) mail the proxy form to the Company's registered office at PO Box 457, West Perth, Western Australia, 6872
 - (c) send the proxy form by facsimile to the Company on facsimile number +61 8 9226 2027.

so that it is received not later than 11 am (WST) on 23 November 2005.

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