



# ELK PETROLEUM L I M I T E D

## ASX Release

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10 January 2007

### ELK PETROLEUM LIMITED

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For the latest news:

<http://www.elkpet.com>

#### Directors / Officers:

Peter Power  
Richard Wood  
Robert Cook  
Matthew Wood  
Glenda McLoughlin  
Timothy Flavel  
Christopher Mullen

**Issued Capital:**  
60,710,503 shares

**ASX Symbol:** ELK

## Further Production Increases at Sand Draw South

### HIGHLIGHTS

- The company is pleased to advise that it has successfully completed the 2006 workover programme at the Sand Draw South Oil Field.
- During the last week, test production at the field has reached **340 barrels of oil per day (BOPD)** after completing the last well in the workover programme.
- The Company now has 5 oil producing wells at Sand Draw South.
- Current oil production levels will contribute significantly to the Company's cash flow and profitability.
- Re-processing of the Sand Draw South 3-D seismic is underway.
- Further well workovers to be conducted during the Northern Hemisphere Spring in 2007 are expected to add further to Sand Draw South production.

### Oil & Gas Production

The Company's current daily gross production rates are approximately 360 BOPD. This comprises 20 BOPD from Grieve and 340 BOPD from Sand Draw South. This is up from 80 BOPD prior to commencement of the workover programme.

### Sand Draw South Oil Field

The Company has significantly increased its daily production at Sand Draw South by completing three new well workovers and enhancing production from the two existing wells. Wells 6, 7 and 10 are producing from a combination of the Tensleep and Phosphoria Formations. Wells 3 and 11 are producing solely from the Lower Phosphoria Formation and are available for Tensleep production after this appraisal period.

Planning for the Spring workover program is underway with the identification already of several other abandoned wells suitable for re-entry. The aim of this program will be to increase production from the Tensleep and Lower Phosphoria Formations as well as test the potential of the Upper Phosphoria Formation in structurally attractive existing wells.

Re-processing of the purchased South Sand Draw 3-D seismic data is scheduled to be completed by late February. The re-processing using latest technology is expected to reveal further opportunities at Sand Draw South.

**Rick Wood**  
Chief Executive Officer