

THIS LETTER OF TRANSMITTAL IS FOR USE ONLY IN CONJUNCTION WITH THE PLAN OF ARRANGEMENT INVOLVING XTRACT ENERGY PLC, XTRACT INTERNATIONAL LIMITED, ELKO ENERGY INC. AND THE SHAREHOLDERS OF ELKO ENERGY INC.

THIS LETTER OF TRANSMITTAL MUST BE VALIDLY COMPLETED, DULY EXECUTED AND RETURNED TO THE DEPOSITARY, EQUITY FINANCIAL TRUST COMPANY.



ELKO ENERGY Inc.

**LETTER OF TRANSMITTAL
FOR HOLDERS OF COMMON SHARES OF ELKO ENERGY INC.**

Please read the Instructions beginning on page 4 of this Letter of Transmittal carefully before completing this Letter of Transmittal.

TO: ELKO ENERGY INC.
AND TO: EQUITY FINANCIAL TRUST COMPANY, AS DEPOSITARY

This Letter of Transmittal is for use by registered holders (“**Elko Shareholders**”) of common shares (“**Elko Shares**”) of Elko Energy Inc. (the “**Corporation**”) in connection with the plan of arrangement (the “**Arrangement**”) involving the Corporation, Xtract International Limited, Xtract Energy plc (“**Xtract**”), and the shareholders of the Corporation pursuant to an Amended and Restated Arrangement Agreement dated as of June 29, 2011, as it may be amended, modified or supplemented from time to time, as described in the Management Information Circular of the Corporation dated July 7, 2011 (the “**Information Circular**”). Pursuant to the Arrangement, Elko Shareholders will receive, for each Elko Share held by them on the effective date of the Arrangement, seven ordinary shares of Xtract (“**Xtract Shares**”).

Capitalized terms used but not defined in this Letter of Transmittal shall have the meanings given to them in the Information Circular.

Elko Shareholders will not receive certificates for Xtract Shares until they submit the certificates for their Elko Shares to the Depositary along with a duly completed Letter of Transmittal.

The undersigned delivers to you the enclosed certificate(s) representing Elko Shares to be exchanged for certificate(s) representing Xtract Shares pursuant to and in accordance with the Arrangement described in the Information Circular. (If space is not sufficient, please attach a list in the below form.)

Certificate Number(s)	Names in which Elko Shares are Registered	Number of Elko Shares Deposited
TOTAL:		

Some or all of my Elko Share certificates have been lost, stolen or destroyed. Please review Instruction 7 for the procedure to replace lost, stolen or destroyed certificates. (Check box if applicable).

AUTHORIZATION

The undersigned:

1. represents and warrants that the undersigned is the legal owner of the above listed Elko Shares and has good title to the rights represented by the above mentioned certificates free and clear of all liens, charges, encumbrances, claims and equities and, together with all rights and benefits, has full power and authority to deliver such certificates;
2. represents and warrants that all information provided by the undersigned is true, accurate and complete;
3. acknowledges receipt of the Information Circular;
4. directs the Depositary to issue or cause to be issued the certificates representing the Xtract Shares to which the undersigned is entitled pursuant to the Arrangement in the name indicated below and to send the certificates representing the Xtract Shares to the address, or hold the same for pickup, as indicated in this Letter of Transmittal;
5. covenants and agrees to execute, upon request, any additional documents, transfers and other assurances as may be necessary or desirable to complete the exchange of certificate(s) representing Elko Shares for certificate(s) representing Xtract Shares;
6. acknowledges that all authority conferred, or agreed to be conferred by the undersigned herein may be exercised during any subsequent legal incapacity of the undersigned and shall survive the death, incapacity, bankruptcy or insolvency of the undersigned and all obligations of the undersigned herein shall be binding upon any heirs, personal representatives, successors and assigns of the undersigned; and
7. by virtue of the execution of this Letter of Transmittal, shall be deemed to have agreed that all questions as to validity, form, eligibility (including timely receipt) and acceptance of any Elko Shares deposited pursuant to the Arrangement will be determined by the Corporation (or its successor) in its sole discretion and that such determination shall be final and binding and acknowledges that there shall be no duty or obligation on the Corporation, Xtract, Xtract International Limited, the Depositary or any other person to give notice of any defect or irregularity in any deposit and no liability shall be incurred by any of them for failure to give such notice.

BLOCK A
REGISTRATION INSTRUCTIONS
(See Instruction 2)

Issue certificate(s) for Xtract Shares:
(please print)

(In the Name Of)

(Street Address and Number)

(City and Province or State)

(Country and Postal (Zip) Code)

(Telephone - Business Hours)

(Social Insurance or Taxpayer Identification Number)

BLOCK B
DELIVERY INSTRUCTIONS
(See Instruction 2)

Send certificate(s) for Xtract Shares (unless Block C is checked):

(Name)

(Street Address and Number)

(City and Province or State)

(Country and Postal (Zip) Code)

BLOCK C
HOLD FOR PICK-UP

Hold certificate(s) for the Xtract Shares for pick-up at the offices of the Depository at which this Letter of Transmittal is deposited.

Signature guaranteed by
(if required under Instructions 3 and 4)

Dated: _____, 20__

Authorized Signature of Guarantor

Signature of Elko Shareholder or Authorized Representative
(see Instructions 3 and 5)

Name of Guarantor
(please print or type)

Name of Elko Shareholder
(please print or type)

Address of Guarantor
(please print or type)

Name of Authorized Representative, if applicable
(please print or type)

Daytime telephone number of Elko Shareholder or Authorized Representative

Daytime facsimile number of Elko Shareholder or Authorized Representative

Taxpayer Identification or Social Insurance Number of Elko Shareholder or
Authorized Representative

INSTRUCTIONS

1. Use of Letter of Transmittal

- (a) This Letter of Transmittal (or a manually executed copy hereof) properly completed and signed as required by the instructions set forth below, together with accompanying certificates representing the Elko Shares and all other documents required by the terms of the Arrangement must be received by the Depositary at its office specified on the back page of this document.
- (b) The method used to deliver this Letter of Transmittal and any accompanying certificate(s) representing Elko Shares and all other required documents is at the option and risk of the person depositing the same, and delivery will be deemed effective only when such documents are actually received by the Depositary. It is recommended that the necessary documentation be hand delivered to the Depositary at its office specified on the back page of this document and a receipt obtained. However, if such documents are mailed, it is recommended that registered mail be used and that proper insurance be obtained.

2. Registration and Delivery Instructions

The boxes entitled “*Block A Registration Instructions*” and “*Block B Delivery Instructions*”, as applicable, should be completed by each Elko Shareholder or such Elko Shareholder’s duly authorized representative regardless of whether certificates for the Xtract Shares to be issued pursuant to the Arrangement are to be: (a) issued in the name of a person other than the person signing the Letter of Transmittal; (b) sent to someone other than the person signing the Letter of Transmittal; or (c) sent to the person signing the Letter of Transmittal at an address other than that appearing below that person’s signature. ***In the event that the boxes entitled “Block A Registration Instructions” and “Block B Delivery Instructions”, as applicable, are not completed by an Elko Shareholder, the certificate representing the Xtract Shares to be issued to such Elko Shareholder shall be registered in the name of such Elko Shareholder as such name appears on the register of Elko Shareholders maintained by the Corporation’s transfer agent and shall be delivered to the address otherwise indicated by the Elko Shareholder, or where no such address is indicated, to the Elko Shareholder’s latest address appearing on the register of Elko Shareholders. See also Instruction 4 “Guarantee of Signatures” below.***

3. Signatures

This Letter of Transmittal must be completed and signed by the Elko Shareholder, or by such Elko Shareholder’s duly authorized representative (in accordance with Instruction 5 “*Fiduciaries, Representatives and Authorizations*” below).

- (a) If this Letter of Transmittal is signed by the registered owner(s) of the accompanying certificate(s), such signature(s) on this Letter of Transmittal must correspond with the name(s) as registered or as written on the face of such certificate(s) without any change whatsoever, and the certificate(s) need not be endorsed. If such transmitted certificate(s) are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.
- (b) If this Letter of Transmittal is signed by a person other than the registered owner(s) of the Elko Shares or if certificates representing Xtract Shares are to be issued to a person other than the registered holder(s):
 - (i) such deposited certificate(s) must be endorsed or be accompanied by an appropriate share transfer power of attorney duly and properly completed by the registered owner(s); and
 - (ii) the signature(s) on such endorsement or power of attorney must correspond exactly to the name(s) of the registered owner(s) as registered or as appearing on the certificate(s) and must be guaranteed as noted in Instruction 4 “*Guarantee of Signatures*” below.

4. Guarantee of Signatures

If this Letter of Transmittal is executed by a person other than the registered owner(s) of the Elko Shares or if certificates representing Xtract Shares are to be issued to a person other than the registered holder(s) or sent to an address other than the address of the registered holder(s) as shown on the register of Elko Shareholders maintained by the transfer agent of the Corporation, such signature must be guaranteed by an Eligible Institution (as defined below), or in some other manner satisfactory to the Depository (except that no guarantee is required if the signature is that of an Eligible Institution).

An “**Eligible Institution**” means a Canadian schedule I chartered bank, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Industry Regulatory Organization of Canada, members of the Financial Industry Regulatory Authority or banks and trust companies in the United States.

5. Fiduciaries, Representatives and Authorizations

Where this Letter of Transmittal or any certificate or share transfer or power of attorney is executed by a person as an executor, administrator, trustee, guardian, attorney-in-fact, or agent or on behalf of a corporation, partnership or association or is executed by any other person acting in a fiduciary or representative capacity, this Letter of Transmittal must be accompanied by satisfactory evidence of the authority to act. The Depository, at its discretion, may require additional evidence of authority or additional documentation.

6. Miscellaneous

- (a) If the space on this Letter of Transmittal is insufficient to list all certificates for Elko Shares, additional certificate numbers and the number of Elko Shares represented thereby may be included on a separate signed list affixed to this Letter of Transmittal.
- (b) If Elko Shares are registered in different forms (e.g. “John Doe” and “J. Doe”), a separate Letter of Transmittal should be signed for each different registration.
- (c) No alternative, conditional or contingent deposits will be accepted. All depositing Elko Shareholders by execution of this Letter of Transmittal (or a copy thereof) waive any right to receive any notice by the Depository.
- (d) The holder of the Elko Shares covered by this Letter of Transmittal hereby unconditionally and irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario and the courts of appeal therefrom.
- (e) Additional copies of the Letter of Transmittal may be obtained on request and without charge from the Depository at its office at the address listed on the back page of this document.

7. Lost, Stolen or Destroyed Certificates

If a certificate representing Elko Shares has been lost, stolen or destroyed, this Letter of Transmittal should be completed as fully as possible and forwarded, together with a letter describing the loss, theft or destruction, to the Depository. The Depository will respond with the replacement requirements, which must be completed and returned to the Depository.

The Depositary for the Offer is:



By Registered Mail, Mail, Hand or Courier

Toronto

200 University Avenue

Suite 400

Toronto, Ontario

M5H 4H1

**Attention: Corporate Actions
Inquiries**

North American Toll Free: 1-866-393-4891

Telephone: 416-361-0152

Facsimile: 416-361-0470

E-Mail: investor@equityfinancialtrust.com