



## Shareholder Update

As Chairman of Elko Energy Inc. ("Elko") I wish to advise Elko shareholders of the announcement made today on the London Stock Exchange by Xtract Energy Plc ("Xtract") regarding its increased holding of Elko shares. The main content of that announcement is attached below and the full text is available on Xtract's website ([www.xtractenergy.com](http://www.xtractenergy.com)) and on newswires.

*"Xtract Energy Plc ("Xtract") is pleased to announce that it has entered an agreement with Oakville Capital ET, LLC ("Oakville"), which is the second largest shareholder of Elko Energy Inc. ("Elko") after Xtract. Under the terms of the agreement, Xtract will acquire Oakville's entire holding in Elko, amounting to 13,200,000 ordinary shares, being approximately 13.2% of the issued stock of Elko. The consideration is comprised of a cash payment of US\$1,342,000 and one new Xtract share for every Elko share. The transaction is scheduled to complete on 11 January 2010 at which time application will be made for the 13,200,000 new Xtract shares to be admitted to trading on AIM and this is expected to become effective on 15 January 2010.*

*Commenting on the transaction, Andy Morrison, CEO of Xtract said, "This further acquisition of Elko shares represents another step in the transformation of the company from a passive investor into one with more active involvement with its underlying assets."*

*Following completion, Xtract's holding in Elko will be 49,975,000 ordinary shares, representing approximately 50.02% of the issued capital of that company, and there will be a total of 824,965,026 Xtract ordinary shares in issue."*

With respect to the business of Elko, we continue to hold constructive farm out discussions with various parties in relation to the Dutch and Danish assets. Further updates will be provided by management as appropriate.

Commenting on the developments, Peter Moir, Chief Executive of Elko, said, "I am pleased to note the further investment by Xtract and the reassurance this provides with respect to the development plans of the Company. We look forward to a continuation of our productive relationships with Xtract and all our other shareholders."

Andy Morrison  
Chairman  
January 8, 2010

### CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

*We have made forward-looking statements in this President's Message that are subject to significant risks and uncertainties. These statements concern Elko's plans, expectations and objectives for future operations of Elko's licenses in the North Sea.*