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Elko Energy awarded exploration block in Dutch North Sea

Elko Energy Inc ("Elko"), a private oil exploration and development company, is pleased to announce that the Dutch authorities have awarded a consortium, of which Elko is the operator with 55% interest, a 6 year licence to explore a North Sea block known as P2.

In early 2007, Elko applied for adjacent license blocks P1 and P 2 in the Dutch North Sea. Offshore block P1 was awarded in June 2007 and P2 on February 21 2008.

A number of Rotliegendes gas bearing structures containing an estimated 700 BCF hydrocarbon gas have been confirmed on blocks P1 and P2 through the drilling of 16 exploration wells and 3-D seismic. Work has been started to appraise and develop these gas accumulations.

About Elko Energy

Elko Energy Inc. is a private oil and gas exploration and development company with three offshore licenses in the North Sea. Elko's largest asset in the Danish North Sea is an 80% interest on 26 offshore blocks in the 5,400 sq km exploration and production license 02-05. This license lies close to the prolific Central Graben and technical work indicates the potential for very significant reserves on a number of prospects, which could contain several billion barrels oil or up to 35 Tcf of gas. Elko is also the operator for Netherlands offshore blocks P 1 and P 2 where it holds a 33% and 55% interest, respectively. A number of Rotliegendes gas bearing structures containing an estimated 700 Bcf of gas have been confirmed on blocks P1 and P2 through the drilling of 16 exploration wells and 3-D seismic. Work has been started to appraise and develop these gas accumulations as soon as possible.

In addition, Elko has interests in China through its 51% ownership of Dragon Energy Inc., a private Canadian company with rights to redevelop the Maling oilfield in China, initially discovered in 1971 and estimated to have remaining recoverable reserves of 65 million barrels. Past production has run at up to 18,000 b/d but today is running at a fraction of that, with more than 600 wells on the field shut in. Dragon plans to re-enter the wells and drain previously untapped reservoir horizons. Dragon also holds a 30% interest in the producing Kotaneelee gas field in Canada.

Elko is looking to acquire further international projects.

For Further Information, please contact :

Buchanan Communications
Tim Thompson

020 7466 5000