



## **Shareholder Update**

Elko Energy Inc. ('Elko') is pleased to provide this further regular update on the ongoing development of the Elko business.

### **Business Update**

#### **Denmark**

Elko announced on May 31, 2010 that an agreement had been finalized under which the Norwegian Energy Company ASA (Noreco) would farm-in to the 02/05 License. The transaction was subject to a number of approvals and conditions.

On February 1, 2011, Elko announced that the 02/05 license group had been awarded a new license offshore Denmark, 01/11 License, immediately to the west of the original 02/05 license area. Elko subsequently announced on March 21, 2011 that the revised 02/05 License had been extended until January 27, 2013.

The 01/11 partners have already announced that they intend to drill the 'Luna' well on the 01/11 License area through which the partners intend to test the overall Rotliegendes play concept.

Elko is pleased to advise that all approvals and conditions pertaining to the 02/05 farm-in agreement have now been satisfied and that this agreement has closed on March 23, 2011. Noreco has paid Elko circa. US\$1.1 million in cash for its share of past costs.

Elko is also pleased to advise that a latest generation jack up drilling rig has been secured to drill the Luna well in Q3 2011. Further updates regarding the drilling of this well will be provided as appropriate.

Elko has a net 33% working interest in the 01/11 License and in the 02/05 License.

Peter Moir  
President  
March 25, 2011

#### **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.*