



Shareholder Update

Management Changes

Xtract Energy PLC (Xtract), holder of 50% of Elko shares, announced today that they had appointed Peter Moir, currently President & CEO of Elko Energy Inc, as the new CEO of Xtract to replace Andy Morrison who has resigned. Jeremy Kane, a previous Chairman of Elko and an independent director, will replace Andy Morrison as acting Chairman.

In view of the importance of the current negotiations¹ with Norwegian Energy Company ASA on Elko's Danish asset and discussions with a potential farm-in partner for the Netherland's asset, Peter Moir will remain CEO of Elko.

Annual & Special Meeting of Shareholders

Elko will be holding its Annual & Special Meeting of Shareholders on Friday, July 16th at 10 am at the Toronto Board of Trade. Management of the Company will make a presentation to shareholders after the formal business of the meeting.

Jeremy Kane
Chairman
July 5, 2010

¹ Elko recently announced an agreement with the Norwegian Energy Company ASA (Noreco) to farm-in to the 02/05 license with a 47% working interest; Elko retaining 33%. As previously reported, this transaction is subject to closing conditions and regulatory approvals typical of transactions of this nature. Upon completion of the farm in, the total net attributable prospective resources to Elko reported in the CPR, become **3,557 billion cubic feet**, under a gas scenario, **936 million barrels** under an oil scenario. The 02/05 partners are engaged in further technical studies to optimize the location of the first exploration well which is planned to be drilled in 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.