



HIGHLIGHTS FOR QUARTER

- Mirage 1 Extended Production Testing underway in SA Cooper Basin
- Extended Production Testing about to commence at Ventura 1 in SA Cooper Basin and at Coolum 1 in Queensland Cooper Basin

OPERATIONS

1. PEL 86, 87 and 89 – Eromanga Basin, SA

PEL 86, 87 and 89 are located in the South Australian Eromanga Basin to the northwest of the edge of the Cooper Basin.

Permit Year 3 for each permit was completed on 6 January 2005. The Designated Authority (PIRSA) approved an application requesting a 12 month suspension of the work program for each permit in order to optimise an ongoing exploration strategy. Year 4 will now commence on 7 January 2006 with a work commitment of 80 km of seismic for PEL 86 and 89, and 70km of seismic for PEL 87, contingent on the Joint Venture electing to enter Year 4.

All 3 permits are operated by Victoria Petroleum NL.

2. PEL 104

Petroleum Exploration License (PEL) 104 is located within and across the margins of the Patchawarra Trough, close to the large Tirrawarra and Fly Lake/Brolga fields that are currently producing both oil and gas.

PEL 104 is currently in Permit Year 3 which commenced on 28 March 2005. The current firm minimum work commitment is the drilling of two wells, 1100 km of seismic reprocessing and 120 km of new seismic program. The commitment seismic reprocessing was completed during 2004, together with part of the new seismic acquisition commitment.

Technical work by the operator has concentrated on defining drillable prospects from which to select two commitment drilling candidates. A small seismic program will be recorded in 3Q 2005 over the Wirraway and Eagle Jurassic oil leads to mature at least one to a drillable prospect. Currently identified drillable prospects include Spectre, a wet gas prospect in the Patchawarra Trough.

Provided suitable drilling rigs can be contracted, the Joint Venture plans to drill the two commitment wells in late 2005.

The permit is operated by Victoria Petroleum NL.

3. PEL 111

PEL 111 is located within and across the margins of the Patchawarra Trough, close to the large Fly Lake/Brolga field that currently produces both oil and gas.

PEL 111 is currently in Permit Year 3 which commenced on 16 May 2005 and has a firm minimum work commitment of the drilling of two exploration wells. Technical work by the operator has concentrated on defining drillable prospects from which to select drilling candidates. Numerous existing seismic lines have been reprocessed to improve the data quality and hence the regional and detailed structure maps produced from seismic in the permit. A new 31km seismic survey will be recorded in 3Q 2005 to upgrade Jurassic oil leads in the Charo Nose area to drillable prospects.

Drillable prospects identified to date include Catalina, a wet gas prospect, and Warhawk, an oil prospect. Provided a suitable drilling rig can be contracted, the Joint Venture plans to drill the PEL 111 commitment wells in late 2005 or early 2006.

The permit is operated by Victoria Petroleum NL.

4. PEL 115

PEL 115 surrounds the large Toolachee and Dullingarie fields plus other smaller fields currently producing oil and/or gas in the South Australian Cooper Basin.

PEL 115 is currently in Permit Year 3 which commenced on 16 May 2005 and has a remaining firm minimum work commitment of the drilling of two wells.

An Extended Production Test (EPT) on the Mirage 1 oil discovery well commenced on 24 April 2005 with the aim of gaining data on the production characteristics of the Mirage field. To 12 June 2005 the well has produced 11,010 barrels of oil without pumps at an average rate of 220 barrels per day. The operator plans to install a pump later in the year to increase production once sufficient EPT data has been collected on free flow.

Due to heavy rains and road closures Mirage 1 was shut in on 12 June and remained shut in at the end of the reporting period.

The rain has also delayed the installation of equipment to test the Ventura 1 oil discovery. The Ventura 1 EPT will be run in tandem with the testing of Mirage 1 with the installation of a surface pumping unit to allow production of 200 barrels of oil per day.

For the Mirage and Ventura oil fields, cumulative mean (most likely) reserves of 1.3 million barrels of recoverable oil have been estimated from current data. The potential is present for further production wells to be drilled on the Mirage field to increase oil production and cash flow following joint venture and statutory approvals. The Joint Venture plans to record a 90 sq km 3D seismic survey over the Mirage and Ventura fields and nearby leads in September 2005 which together with the results of the EPTs will refine reserves estimates and help select new well locations to be drilled later in the year, subject to rig availability.

The operator has also completed the remapping and geological review of a large amount of reprocessed 2D and 3D seismic data over leads in other parts of the permit and has identified several drillable oil and gas prospects.

The permit is operated by Victoria Petroleum NL.

5. ATP 269P – South West Queensland

In December 2004 Entek farmed in to the Glenvale/Coolum structure in ATP 269P on the southeastern margin of the Cooper Basin in southwest Queensland. The company earned a 28.15% interest in the Glenvale/Coolum block by contributing to the cost of drilling the Coolum 1 well. Entek has the option of farming in to other structures within ATP 269P on the same terms.

Testing of the Coolum 1 oil discovery has been delayed by road closures due to heavy rains but will commence during the 3Q 2005, initially producing at approximately 100 barrels of oil per day on beam pump. Reserve estimates will be made after further evaluation of wire line logs and several months of production history.

The operator of this block is Beach Petroleum Ltd.

6. Other matters

Entek has placed funds surplus to its needs with a private finance company from time to time. The directors of the company do not have any direct or indirect interest in the borrower. Two loans are outstanding at the present time in combined total of \$780,000. There is no security held by Entek. The interest rate is 15% per annum. The maturity date of both loans is the 31st August 2005.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

ENTEK ENERGY LIMITED

ABN

43 108 403 425

Quarter ended ("current quarter")

30 JUNE 2005

Consolidated statement of cash flows

	Current quarter \$A	Year to date (.12..... months) \$A
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	8,501	8,501
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(25,000) (7,671)	(1,787,980) (225,558)
1.3 Dividends received	-	50,828
1.4 Interest and other items of a similar nature received	-	50,828
1.5 Interest and other costs of finance paid	(42)	(42)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
	(24,212)	(1,954,251)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	-	(650,973)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	-	(1,180,000)
1.10 Loans to other entities	-	(1,180,000)
1.11 Loans repaid by other entities	31,600	511,600
1.12 Other (provide details if material)		
	31,600	(1,319,373)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	7,388	(3,273,624)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	7,388	(3,273,624)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	3,720,001
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	-	150,000
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other – Capital Raising Costs	-	(588,170)
	Net financing cash flows	-	3,281,831
	Net increase (decrease) in cash held	7,388	8,207
1.20	Cash at beginning of quarter/year to date	819	-
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	8,207	8,207

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A	Amount used \$A
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	
4.2 Development	
Total	

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A	Previous quarter \$A
5.1 Cash on hand and at bank	8,207	819
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	8,207	819

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	39,500,001	33,344,154		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date:
(Director/~~Company secretary~~)

Print name: G A Mercorella

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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