



# ENTEK ENERGY LIMITED

ACN 108 403 425

## ASX Announcement

**29 August 2005**

### JOINT VENTURE INTEREST UPDATE

Entek Energy Limited (ENTEK) holds interests in four permits in South Australia and one permit in south west Queensland. The company has participated in three discoveries, two in PEL 115 in South Australia and one in ATP 269P in Queensland.

The directors and management are evaluating various options in respect to the permits and the directors expect their evaluation to be substantially completed by 31 December 2005. The directors will provide further notices to the market as decisions are made.

A separate announcement will refer to funding requirements to meet all outstanding default positions and provide ongoing working capital during the evaluation process.

ENTEK holds equity in the following permits.

#### Permits operated by Victoria Petroleum NL

1. PEL 86, 87 & 89

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

ENTEK had an outstanding account balance of (\$6,972.00) as at 31<sup>st</sup> July 2005. A further Cash Call of \$2,692.00 is due payable on 19<sup>th</sup> August 2005.

These permits are suspended until 2006 and therefore only minimal administration costs will be incurred for the remainder of 2005.

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.

ENTEK had an outstanding account balance of (\$7,601.00) as at 31<sup>st</sup> July 2005. A further Cash Call of \$37,622.00 is due payable on 19<sup>th</sup> August 2005.

In accordance with the Joint Venture Operating Agreement, a Notice of Default was issued on June 30<sup>th</sup> 2005.

Permit year 3 ends in March 2006. Two wells are committed at a dry hole cost of \$1.5 million each. ENTEK's share should it continue to participate in this block will be \$750,000 plus approximately \$30,000 administration costs.

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.

ENTEK had an outstanding account balance of \$5,374.00 as at 31<sup>st</sup> July 2005. A further Cash Call of \$30,105.00 is due payable on 19<sup>th</sup> August 2005.

Permit year 3 ends May 2006. Two wells are committed for this year at \$3.5 million for both. ENTEK's share should it continue to participate in this block will be \$437,500 plus approximately \$25,000 administration costs.

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.

ENTEK had an outstanding account balance of (\$22,719.00) as at 31<sup>st</sup> July 2005. A further Cash Call of \$206,157 was due payable 17<sup>th</sup> July 2005.

ENTEK will receive revenue of US\$32,637.74 in August 2005, from oil production from PEL 115

In accordance with the Joint Venture Operating Agreement, a Notice of Default was issued on June 30<sup>th</sup> 2005.

Permit year 3 ends May 2006. Two wells are committed for this year at \$3.0 million for both. There is also a 3D seismic program scheduled to be acquired over the Mirage discovery. The cost of the seismic is estimated at \$1 million. ENTEK's share should it continue to participate in this block will be \$500,000 plus approximately \$25,000 administration costs.

The Mirage and Ventura oil discoveries are within this permit. Currently Mirage-1 is free flowing at approximately 190 BOPD. A pump jack is being installed and the production rate should increase once the artificial lift package is operational. A pump jack is also being installed on Ventura-1. Completion of this installation is scheduled for August 2005.

In all of the above joint ventures, after seven days from the due date if Cash Calls are not settled, the joint venture partner is in default and the operator may issue a Notice of Default.

Interest is payable on all default amounts at the rate of the Wespac Overdraft Rate for amounts exceeding \$100,000 plus 5%.

A summary of the amounts in default and payments due 19<sup>th</sup> August 2005 is provided in the following table

OPERATOR: VICTORIA PETROLEUM NL CASH CALL SUMMARY PEL 86, 87 & 89, PEL 104, PEL 111 & PEL 115			
PEL	AMOUNT IN CREDIT OR (DEFAULT)	DUE 19 <sup>TH</sup> AUG 2005	TOTAL DUE PAYABLE
86, 87 & 89	(\$6,972)	\$2,692	\$9,664
104	(\$7,601)	\$37,622	\$45,223
111	\$5,374	\$30,105	\$24,731
115	(\$228,876)*	\$0	\$228,876
TOTALS	\$238,075	\$70,419	\$308,494

\* Revenue of US\$32,637.74 has not been deducted from this amount.

## Permit operated by Beach Petroleum Limited

### 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.

On 29<sup>th</sup> June 2005, ENTEK received a Cash Call for ATP 269P for the sum of \$224,111 for expenditures made to date and estimated for July 2005, due payable on July 19<sup>th</sup> 2005. This Cash Call has not been paid by ENTEK and the operator issued a Default Notice pursuant to the ATP 269P Joint Operating & Production Agreement (JOPA). The unpaid amount is accruing interest at the rate of 7.62% per annum. The operator has the right under the JOPA to call a meeting of the non default parties to consider a resolution to sue ENTEK for the recovery of the outstanding amounts. Another remedy available to the JOPA partners is to acquire ENTEK's Participating Interest.

A further Cash Call for August 2005 was issued by the operator for an amount of \$1,034.00. This amount was due payable on August 10<sup>th</sup> 2005.

No further expenditures have been approved by the JOPA other than day to day administration of the permit

The Coolum-1 discovery well is being prepared for production. Production was delayed due to road closures following heavy rains in the area. Initial production rate is estimated at approximately 100 BOPD.

A summary of all the permits is provided in the following table

CASH CALL SUMMARY PEL 86, 87 & 89, PEL 104, PEL 111 & PEL 115			
Operator	NET AMOUNT IN DEFAULT	DUE 19 <sup>TH</sup> AUG 2005	TOTAL DUE PAYABLE
Victoria Petroleum	\$238,075	\$70,419	\$308,494
Beach Petroleum	\$225,145	Nil	\$225,145
TOTALS	\$463,520	\$70,419	\$533,639

\* Revenue of US\$32,637.74 has not been deducted from this amount.

Yours faithfully

Russell E Brimage  
CHAIRMAN  
ENTEK ENERGY LTD

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