



**ENTEK**  
**ENERGY** Ltd

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5 September 2005

Company Announcements  
Australian Stock Exchange Ltd

## **CURRENT POSITION**

The successful completion of the recent capital raising and convertible note issue has placed the Company in a much stronger position to move forward.

The Company has cash of some A\$849,000 plus US\$33,000.

As announced on 29 August 2005, the total due in cash calls for the Company's various permits is A\$533,639 with the only other significant liability being the A\$763,000 convertible note facility which will be repayable on 15 August 2006 if not converted to equity.

Interest on the convertible note at 10% per annum is payable quarterly, current creditors of some A\$90,000 and other amounts for on-going administration expenses and directors fees are also payable.

Furthermore the Company intends to call a meeting of shareholders to seek approval for the issue of 20,000,000 ordinary shares at a minimum issue price of 80% of the average market price for Shares calculated over the last 5 days on which sales in the securities were recorded before the day on which the issue was made.

### ***Deposits maturing on 31 August 2005***

Deposits of \$660,400 plus interest that matured on 31 August 2005 due to the Company have not yet been received, however the borrower has requested an extension of time and the directors have entered into commercial negotiations with respect to a payment plan. The directors expect that the revised arrangement will include an initial payment and progressive repayments to the Company with security provided for all outstanding monies. The Company will announce the revised terms once negotiations have been completed.

The directors do not believe that the delay in receiving these deposits will impact on the Company's ability to meet its business objectives.

***General***

As stated in the announcement on 29 August, the Company intends to remedy the default position in all of its joint ventures by payment of the default amounts as soon as possible but in any case by mid-September 2005. The Company has discussed this matter with both operators and the directors do not reasonably expect any adverse consequences. At this stage the directors intend to fully participate in all of its joint venture work programs.

***Compliance***

The directors consider that the Company's current financial condition is adequate to warrant the continued quotation of its securities and its continued listing, and is therefore in compliance with ASX Listing Rule 12.2. The directors have reasonable grounds to believe that the Company can pay its debts as and when they fall due.

The directors will continue to seek additional opportunities to enhance the Company's position in the upstream petroleum sector and will keep the market informed of all significant developments.

Russell Brimage  
Chairman