

2 November 2006

Company Announcements  
Australian Stock Exchange Ltd

## **PROPOSED PLACEMENT**

The directors of Entek Energy Ltd are seeking to raise A\$2.25 million by means of placement to sophisticated investors of 15 million ordinary shares at 15 cents each. These shares will be issued partly through the Company's current fund raising capacity as permitted under the ASX Listing Rules, with the remainder subject to shareholder approval.

These funds will be applied to exploration costs for the Company's oil and gas interests in the Gulf of Mexico, administration costs and working capital.

Plans for drilling of South Marsh Island Block 138 OCS-G 27089 located in the Gulf of Mexico off the Louisiana coast in 225 feet of water, are at an advanced stage. The Operator is preparing the final Authority for Expenditure to be circulated and approved by the joint venture partners. When joint venture approval is received, the Operator will proceed with negotiations to contract a drilling rig. The joint venture is optimistic that drilling of the first well on South Marsh 138 will commence early December 2006.

Paul Garner  
Director