

25 September 2006

Manager of Company Announcements  
Australian Stock Exchange Limited  
Level 6, 20 Bridge Street  
SYDNEY NSW 2000

### **New Company Project**

The directors of the Company ("**Directors**") wish to announce that the Company's wholly-owned US subsidiary, South Marsh LLC ("**South Marsh**") has signed a participation agreement with Ridgelake Energy, Inc. ("**Ridgelake**") of Louisiana in order to earn up to a 10% interest in 3 blocks in the Gulf of Mexico Federal offshore leases held by Ridgelake:

To earn its interest in the Leases, South Marsh must reimburse Ridgelake up to 13.33% of certain past costs, meet up to 13.33% of the costs of drilling to casing election point. In addition, Entek will issue 300,000 options to Ridgelake (or their nominees) to acquire shares in Entek Energy Ltd. The options will be exercisable at 12.9 cents each and will expire on 30 December 2009.

This represents an entry opportunity for the Company into an exploration and production area much sought after by prominent energy companies worldwide.

The Leases are subject to a 16 $\frac{2}{3}$ % Federal royalty and between a 3 $\frac{1}{3}$ % to 4% royalty in favour of certain third parties who generated the properties.

South Marsh has not yet entered into Joint Operating Agreements for these leases (which are to appoint Ridgelake as the operator) which are necessary before:

- South Marsh has an enforceable right to earn an interest in the Leases; and
- drilling on any of the Leases can commence and South Marsh can earn its interest in the Leases.

Paul Garner  
Director  
Entek Energy Ltd