

25 October 2006

Company Announcements  
Australian Stock Exchange Ltd

### **GULF OF MEXICO DRILLING UPDATE**

Entek Energy Limited recently participated with a five percent (5%) working interest in an exploratory test well located in 37 feet of water on the S/2 SW/4 of High Island Block 24L, Texas State Waters Offshore. The well was drilled to a depth of 14,988 feet MD (TVD) and penetrated over 250 feet of pay in Lower Miocene Lentic Jeff sands. The well is currently being completed.

Walter Oil & Gas Corporation, is conducting preliminary investigations on design and cost of production facilities so that production can be fast-tracked.

Entek and its partners participated in successful bids at the State of Texas Lease Sale held on October 3, 2006 on three offshore tracts that are contiguous to the discovery tract.

Block 24-L, MGL 206 (N/2 of SW/4)

Block 25-L, MGL 208 (S/2 of SE/4)

Block 32-L, MGL 210 (N/2 of NW/4)

Entek's bid cost to acquire its 5% working interest in the above three offshore tracts is US\$374,011. Entek now holds a 5% interest in 2,880 acres around the discovery well.

Russell Brimage  
Director