

4 October 2006

Company Announcements
Australian Stock Exchange Limited

GULF OF MEXICO UPDATE

The company is pleased to announce that it was a participant as a 5% partner in 3 high bids for State of Texas tracts at the Texas General Land Office (State of Texas) Lease Sale held in Austin Texas on October 3rd 2006, which is expected to be issued in three to five weeks.

ETE's financial outlay for the tracts will be approximately US\$ 379,621.00 being 5% of the bids, plus sales tax. A prominent, well established company with experience in the Gulf of Mexico will serve as operator. Each tract consists of 720 acres and is located approximately 10 miles offshore State of Texas in 40 feet of water.

The interest was acquired via a Memorandum of Understanding (MOU) executed between ENTEK and Cities Energy, LLC (CITIES) based in Houston, Texas, USA.

Overriding royalties include State Revenue of 20% if a well is drilled in the first 2 years, and other burdens. Additional development and exploratory drilling is expected within the next 12 months.

This activity further demonstrates ETE's intentions to seek participation in what management considers low risk oil and gas targets in the shallow waters of the Gulf of Mexico ("GOM") and follows from the recently announced farmin to GOM properties Vioska Knoll 79, Vermillion 317 and High Island 307 (refer to ASX announcement of 25th September 2006).

The company is rapidly assembling a portfolio of interests in GOM acreage with exciting low risk exploration targets for drilling in 2006 and 2007.

Current Drilling

As previously announced (refer to ASX announcement of 19th July 2006) Entek USA Limited LLC, a wholly owned subsidiary of Entek Energy Limited, has been participating in the drilling of a well in the Gulf of Mexico and this well has now been drilled to a target depth. The participants agreed to deepen the well by a further 200 feet. The well is currently being evaluated for completion. Entek has not been advised of any gas flow rates from the current operations. Entek USA Limited LLC has a 5% working interest in the well.

Paul Garner
Director