

30th October 2006

Australian Stock Exchange Limited
Company Announcements Platform
20 Bridge Street
SYDNEY NSW 2000

QUARTERLY ACTIVITY REPORT for the quarter ending 30th September 2006

Entek Energy Limited (ASX code ETE) is pleased to announce the following Operations Update.

ATP-269P

In ATP-269P Entek has the right to participate in the drilling of one well and that will earn a 28.15% interest in any discovery by that well. A second well drilled in the permit would earn Entek a 28.15% interest in the ATP-269P permit.

Entek must pay 66.10% of the well costs for the two earning wells contemplated above, to an agreed cap, thereafter at the rate of 28.15% for the cost of the wells above the cap. Thereafter participation will be at 28.15% of further drilling, exploration and exploitation costs.

ATP-269P - SUBSEQUENT EVENT

BYROCK-2, the first earning well, was spudded on October 17th 2006.

The well is expected to take 10 days to drill.

BYROCK-2 will be drilled to approximately 2,060 mRT, with the primary objective being the Toolachee Formation and the secondary objective the Patchawarra Formation. This well is a follow-up to BYROCK-1 which recovered 14.5 barrels of oil on test from a five metre oil column in the Toolachee formation, before being plugged and abandoned in January 1986. At the time, the discovery was considered uncommercial, however current oil prices have changed the commerciality qualifications significantly.

In BYROCK-1, weak fluorescence was observed in the Patchawarra Formation.

If BYROCK-2 is successful, Entek will earn 28.15% of production from the well (after deduction of royalty and operating costs).

Drilling of further wells (likely Gumla & Mt Bellalie have been deferred until 1st quarter 2007.

COOLUM BLOCK (ENTEK 28.15%)

COOLUM-1 produced continuously during the quarter and is currently producing at a rate of approximately 518 barrels per month.

It was originally envisaged a well would be drilled in late 2006 on this block, but that well (likely on the Peregrin prospect) has now been deferred to 1st quarter 2007.

GULF OF MEXICO

The Company's portfolio of acreage in the Gulf of Mexico now comprises:

LEASE	AREA (ACRES)	WORKING INTEREST
Lease No. M-106410, High Island Block 24-L (S/2 SW/4) Note 1	720	5%
Lease No. M-107044, High Island Block 24- L, (N/2 SW/4) Note 1	720	5%
Lease No. M-107045, High Island Block 25- L, (S/2 SE/4) Note 1	720	5%
Lease No. M-107046, High Island Block 32- L, (N/2 NW/4) Note 1	720	5%
OCS-G 27091, Block 152, South Marsh Isalnd Area, South Addition Note 2, Note 3	2,500	7.5%
OCS-G 27089, Block 138, South Marsh Isalnd Area, South Addition Note 2, Note 3	5,000	7.5%
OCS-G 26560, Block A 307, High Island Area, East Addition, South Extension Note 2, Note 3	5,760	10%
OCS-G 26190, Block 79, Viosca Knoll Area Note 2, Note 3	5,760	10%
OCS-G 27078, Block 317, Vermilion Area, South Addition Note 2, Note 3	5,000	10%
Block A-246, High Island Area, East Addition Note 2, Note 4	5,760	100%

Note 1 State of Texas Lease, Offshore

Note 2 Federal Lease, Outer Continental Shelf, Gulf of Mexico

Note 3 Subject to terms and conditions of certain Participation Agreements entered into between the Operator and Entek wholly owned subsidiary South Marsh LLC.

Note 4 Entek (through wholly owned subsidiary Entek USA Limited LLC) was high bid on MMS Sale 200, 16th August 2006.

DISCOVERY WELL – GULF OF MEXICO

Entek Energy Limited recently participated with a five percent (5%) working interest in an apparent successful 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.

The Operator is conducting preliminary investigations on design and cost of production facilities so that production can be fast-tracked.

Entek's apparent success in its first exploration activity in the Gulf of Mexico is exciting. However evaluation of the discovery is in the early stages and the commercialisation of the discovery requires more work, likely to include additional drilling.

SOUTH MARSH ISLAND BLOCK 138 OCS-G 27089

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 in an advanced stage. The Operator is preparing the final Authority for Expenditure, to be circulated and approved by 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.

The drilling objective is multiple Pleistocene age Lentic sands that range in depth from 9800 feet to 11,800 feet. The prospective area is covered by a licensed 3D seismic.

In July and August, 2005, two wells were drilled in the adjoining Block 139, confirming 3D seismic hydrocarbon indicators. Well OCS-G-21106 B2 ST discovered hydrocarbons at approximately 9,500 feet TVD and nearly 100 feet deeper they found additional resources followed by mechanical problems causing them to discontinue drilling. Daily production of oil or gas has been released from the Office of Minerals Management for the month of May 2006. Average daily production rates for the B2 ST in were 589 MCFG plus 565 barrels of oil per day. The B1 well produced an average 567 MCFG plus 559 barrels of oil per day during the same period.

The first well to be drilled will target reserves estimated by an independent consultant with considerable interpretation experience in the region between a low of 6 million barrels of oil and 7.04 BCF of gas and a high of 10.080 million barrels of oil and 10.52 BCF of gas.

In summary, the South Marsh Island 138 prospects have multiple objectives with amplitude anomalies. Targets range from sands considered low risk (due to direct correlation of seismic amplitudes from producing wells in adjacent block South Marsh Island 139, with upside potential from the deeper targets with anticipation of sizeable resources. A combination of good quality 3D seismic data and nearby discovery wells lower the exploration risk for block 138 leaving credible reservoirs to drill.

GENERAL

Entek has now compiled an exciting inventory of acreage in the Gulf of Mexico. The discovery well High Island 24-L #1 is an excellent first up exploration result, and whilst the business of exploration drilling has risk, the discovery goes some way to demonstrating the lower risk associated with exploration drilling in the mature Gulf of Mexico region.

The upcoming South Marsh Island 138 well, planned for drilling in late 2006, will test a significant oil (with associated gas) reserve. This well is considered low risk, given seismic anomalies associated with producing horizons in an adjacent block can be correlated across that block boundary into SMI 138.

And drilling in SW Queensland at BYROCK-2 is being carried out on a structure from which oil was recovered in BYROCK-1 in 1986 – another low risk drilling operation.

The Company has an exciting period through to the conclusion of 2006, with the completion of discovery well High Island 24-L #1, the drilling of BYROCK-2 in SW Queensland and the drilling of South Marsh Island Block 138.

The high level of activity is projected to continue through 2007, with ongoing exploration in the Gulf of Mexico and SW Queensland.

Russell Brimage
Chairman

Note: mRT = metres depth relative to the Rotary Table.