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ENERGY Ltd

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Australian Stock Exchange Limited
Company Announcements Platform
20 Bridge Street
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QUARTERLY ACTIVITY REPORT for the quarter ending 30th June 2006

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

ATP-269P, SW QUEENSLAND

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.

Acquisition and processing of the Trocus 3D Seismic Survey comprising 118 sq.km., and acquisition and processing of 165 kms. of 2D seismic is now completed and is currently being processed. It is projected that processing will be completed in 4 – 6 weeks.

Entek's cost of the 2D and 3D seismic programs is at 28.15%. Actual costs to date are in line with previously announced budget projections.

The first well (Byrock-2) of the three well drilling program planned for 2006 is ready for drilling and it was anticipated to spud September/October. However recent heavy rains may result in the well being delayed. The operator is monitoring the situation.

The other two wells are scheduled for late 2006, but delays due to weather could potentially see these deferred into early 2007.

The three wells are follow-up drilling to previous wells drilled on the same structures that had encouraging oil shows considered uncommercial in the mid 80's.

COOLUM BLOCK, SW QUEENSLAND (ENTEK 28.15%)

Coolum-1 produced continuously during the quarter and is currently producing at a rate of approximately 450 barrels per month.

The work program for 2006 in this block comprises the drilling of one well and ongoing production and administration associated with the existing producing well Coolum-1.

The planned well is scheduled for late 2006.

GULF OF MEXICO UPDATE

The Company's free carried 5% interest in the offshore well in the State of Texas tract High Island 24-L S/2 SW/4 is drilling ahead. Further announcements will be issued as the well progresses.

The Gulf of Mexico offshore exploration and production is carried out under strict confidentiality provisions to protect the interests of participants in any block.

Joint venture confidentiality obligations need to be managed with due respect to continuous disclosure obligations imposed on the Company as a public listed entity in Australia.

The Company will issue updates on this well as they are approved by joint venture partners.

Drilling of South Marsh 138 and South Marsh 152 blocks (refer to ASX announcement of February 15th 2006) has been deferred until after the hurricane season (end November 2006). Demand for rigs will likely be high at this time and the commencement date will likely be determined by rig availability.

Rig prices have risen substantially in the past 12 months in the GoM. To have to stand a rig down during drilling due to a hurricane is now a significantly higher financial risk and Entek concurs with the operator of these blocks that the wells be deferred until after the hurricane season.

GENERAL

The influence of weather both in the GoM and SW Queensland is causing delays in the Company's exciting drilling plans for the latter half of 2006.

Management is confident the wait will be worthwhile, with high expectations for a discovery or discoveries from the portfolio of low risk prospects.

The Company will be participating in seven wells during this exciting time.

<u>WELL</u>	<u>STATUS</u>
High Island 24-L S/2 SW/4 (GoM)	currently drilling
Byrock-2, ATP-269P	October 2006
Gumla & Mt Bellalie wells (2), ATP-269P	Dec 2006 / Jan 2007
Peregian (Coolum Block)	Dec 2006 / Jan 2007
South Marsh 138 (GoM)	Jan 2007 (subject to rig availability)
South Marsh 152 (GoM)	follows from SM-138

Management continues to review other opportunities both in Australia and overseas to add value to the Company's asset portfolio.

Russell Brimage
Chairman