

18th September 2006

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

SW QUEENSLAND ACTIVITY UPDATE

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

ATP-269P (ENTEK EARNING 28.15%)

Entek is earning equity in ATP-269P in a three-well staged drilling program. Coolum-1, drilled in 2004 was the first of these wells. Entek currently has the right to participate in the drilling of a second well and that will earn a 28.15% interest in any discovery by that well. A third exploration 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 three earning wells above, to an agreed cap, thereafter at the rate of 28.15% for the cost of the wells above the cap. Thereafter participation in the permit will be at 28.15% of further drilling, exploration and exploitation costs.

The operator has advised that Byrock-2 is scheduled for drilling in October 2006, subject to site preparation of the drilling location.

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 Byrock-2 (after deduction of royalty and operating costs) even though the final well to complete the earn in obligation in the whole of ATP-269P is not scheduled to be drilled until 2007.

The other two wells in this permit that were scheduled to be drilled in 2006 have been deferred to February 2007 to accommodate rig availability and to permit finalization of the interpretation of seismic acquired earlier this year.

COOLUM BLOCK (ENTEK 28.15%)

Further drilling on this block has been deferred until first quarter 2007 to slot in with drilling in ATP-269P referred to above.

Russell Brimage
Chairman