

ASX Release

March 1<sup>st</sup> 2010

## REVIEW OF OPERATIONS AND RESULT GUIDANCE

### Gulf of Mexico

During the half year, in pursuit of the Company's strategy of growing its business in the Gulf of Mexico, the Company submitted 5 bids and was highest bidder on all 5 blocks, with 4 blocks being officially awarded by the Minerals Management Service. During this bid round the Company took advantage of the depressed commodity prices and economic instability globally to successfully pursue a minimum bid strategy to acquire blocks with proven reserves and low risk prospects.

The table below shows the Company's current Gulf of Mexico acreage portfolio.

AREA	BLOCK	AREA (ACRES)	EFFECTIVE DATE	LEASE TERM	LEASE	ROYALTY (%)	ENTEK WORKING INTEREST
HIGH ISLAND	24L S/2 SW/4	720	4-Apr-06	5	M106410	20%	5%
HIGH ISLAND	24L N/2 SW/4	720	3-Oct-06	5	M107044	20%	5%
HIGH ISLAND	25L S/2 SE/4	720	3-Oct-06	5	M107045	20%	5%
HIGH ISLAND	32L N/2 /NW/4	720	3-Oct-06	5	M107046	20%	5%
GARDEN BANKS	115	5,760	1-Feb-08	5	G31602	16.67%	100%
HIGH ISLAND	A246	5,760	1-Dec-06	5	G30684	16.67%	100%
MAIN PASS	252	4,995	1-May-08	5	G32258	18.75%	100%
GALVESTON	A133	5,760	1-Jan-10	5	G33407	18.75%	100%
GALVESTON	212	5,760	1-Dec-09	5	G33401	18.75%	100%
GALVESTON	213	4,680	1-Dec-09	5	G33402	18.75%	100%
WEST CAMERON	517	5,000	1-Dec-09	5	G33419	18.75%	100%
TOTAL AREA (ACRES)		40,595					

The Company is planning for the drilling of two new appraisal/development wells in the first half of calendar year 2010 and expects to announce details of these wells when current negotiations for joint venture arrangements currently being negotiated are finalized.

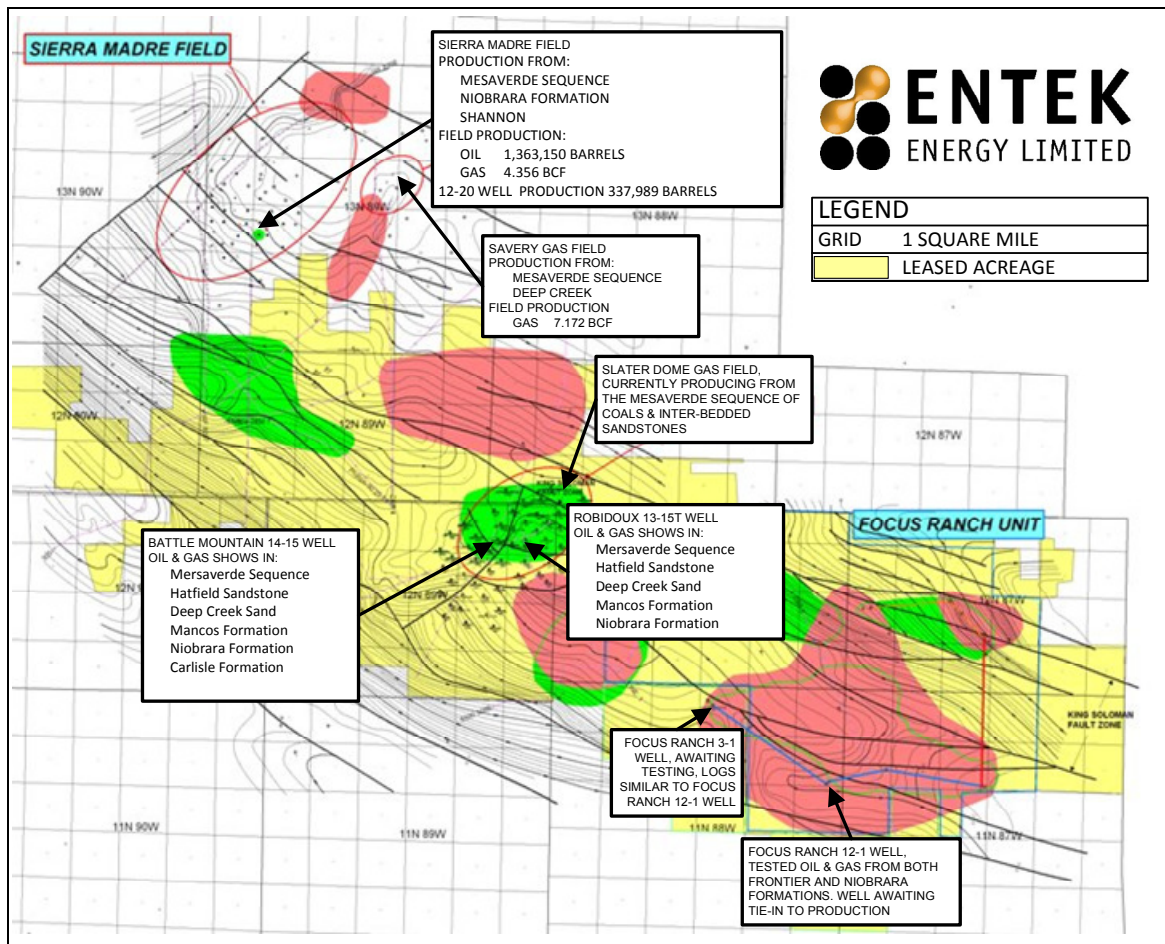
### Green River Basin

The Company drilled two wells in the Green River Basin during the last Quarter of 2009, with both wells encountering numerous significant oil and gas intersections. These two wells are both expected to deliver commercial production when tied into the existing production facilities, and will augment the Focus Ranch 12-1 and Focus Ranch 3-1 wells that were drilled prior to the Company's farm-in to the Green River Basin. The wells are part of the Company's farm-in which covers approximately 70,000 acres of highly prospective and productive leased acreage. During the half year, the Company also worked-over 12 of the gas producing wells located at the Slater Dome Field leading to increased production rates.

The Company's plans for the Green River Basin in calendar 2010, commencing in May 2010, or sooner if weather conditions permit, include:

- Testing the two wells that were drilled in the last Quarter of 2009 (Battle Mountain 14-15 and Slater Dome 13-15T).

- Tie in to production of the Focus Ranch 12-1 well, which the Company tested in the last Quarter of 2009 at 1.5 MMCFD and ~ 100 BOPD from the Niobrara Formation.
- Testing of the Focus Ranch 3-1 well, which is anticipated to produce at similar rates to those tested at Focus Ranch 12-1 well.
- Installation of a 16.8 kilometre pipeline to tie in the Focus Ranch 12-1 and 3-1 wells to production.
- Drilling of two new development wells targeting the Niobrara Formation. Both targets are ranked very low risk and are anticipated to be producers that can be tied into production immediately following completion and testing.
- Drilling of two shallow wells targeting significant additional coal seam gas potential discovered by the recent Battle Mountain 14-15 well in the last Quarter of 2009.



### Production & Revenue

Production continued during the Quarter from the Company's producing assets at High Island 24L Block offshore in the Gulf of Mexico and onshore in SW Queensland from Block ATP-269P.

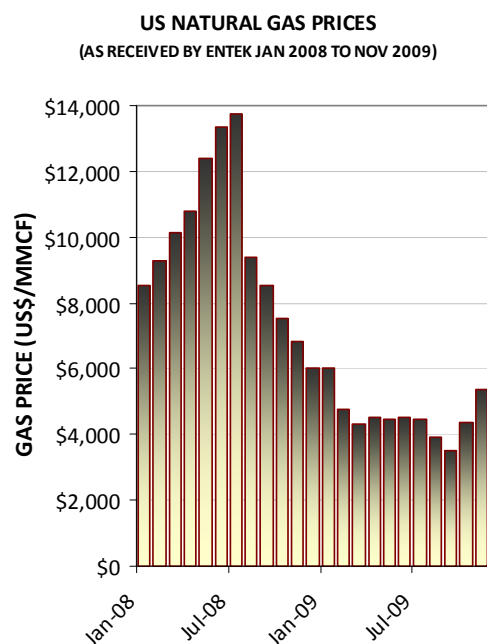
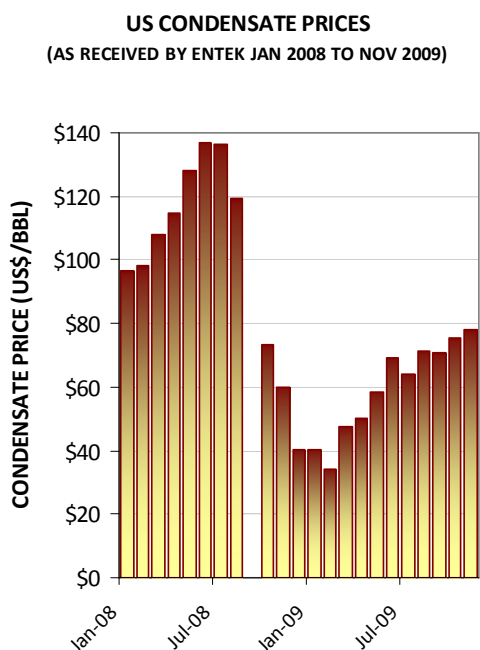
Production (with minimal downtime) from the High Island 24-L Block during the half-year contributed net to Entek:

- 142.096MMSCF of natural gas, and
- 1,028 BBLs of condensate, for
- net revenue of AU\$848,000

In SW Queensland, Entek's interest in ATP-269P contributed production net to the Company of 1,930 BBLs of crude oil with revenue of AU\$96,000

### Commodities Pricing

The charts below illustrate the natural gas and condensate prices received by Entek for sales for January 2008 to November 2009 in the Company's Gulf of Mexico producing interests. The November 2009 gas price was the highest received since January 2009. The December price is forecast to be higher again. The depressed commodities price has had a material effect on the Company's revenue compared to the 2008 year.



As can be seen both gas and condensate prices started to rise in late 2009 and the Company believes this overall trend will continue in 2010 (albeit with seasonal fluctuations).

### Result Guidance – Impact of lower commodity prices and stronger Australian Dollar

The Company is currently finalizing the results for the six months ending 31 December 2009, and expects to report a loss of approximately \$1 million (on an operating revenue of \$1 million), compared to the profit of \$2,472,147 (on an operating revenue of \$3,707,187) for the previous corresponding period. As advised above, depressed commodities prices have had a material effect on the Company's revenue compared to the 2008 year. This, combined with the strengthening of the Australian dollar to the United States dollar, which resulted in a Foreign Currency translation loss of \$615,367 compared to a Foreign Currency translation profit of \$2,615,611 for the previous corresponding period and contributed to the expected loss for the six months ending 31 December 2009.

### ENQUIRIES:

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Competent Person's Statement:

Information in this report that relates to Hydrocarbon Reserves and or Resources is based on information compiled by Mr Russell Brimage, Chief Executive Officer of Entek Energy Limited who has consented to the inclusion of that information in the form and context in which it appears. Mr Brimage has over 30 years experience in the application of engineering to the petroleum industry in oil and gas exploration and production, both in Australia and internationally, as either an employee or consultant to oil companies operating in the upstream petroleum industry. Mr Brimage directs the Company's operations with the help of various professional consultants, appropriately qualified and experienced in their respective fields within the upstream petroleum industry. He is also an Associate Member of the Society of Petroleum Engineers.