

ASX RELEASE  
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## ENTEK ACTIVITY UPDATE

Entek Energy Limited (“Entek” or the “Company”) provides the following update on the Company’s activities in both the Green River Basin and Gulf of Mexico.

### GREEN RIVER BASIN (GRB)

- **Butter Lake 32-10 (32-10)** – during testing operations around 200 barrels of oil have been recovered from the well. The well has shown inconsistent flow rates ranging from 20 to 100 barrels of oil per day. The decision has been made to work the well over to establish a more stabilized flow rate. The well has been acid treated to clean the slotted liner and is currently being perforated over the most productive hydrocarbon zones identified from log interpretation. It is believed that the combination of acidizing and perforating the most productive zones will result in a stabilized flow rate. It is planned to put the well on production after these operations and equipment is already onsite. It should be noted that acid treatment is common during fracturing and completion of shale plays. The Company has had samples from the well analyzed and this analysis has shown a positive reaction to acidization.
  
- **CF&I Well** – The Company is pleased to report that the CF&I well has tested at 240 BFPD at 90% watercut at a flowing wellhead pressure (FWHP) of 100 PSI. Processing facilities are being designed and constructed for long term testing of the well.

The high water cut was expected as the well was extensively and excessively perforated by previous operators. Entek believes that it can optimize the production of this well utilizing the existing infrastructure associated with its Coal Bed Methane (CBM) production, with minor upgrades to handle the larger liquid hydrocarbon volumes and oil water separation. The well is located central to the CBM operations and will be tested to establish stabilized rates of production and then put on permanent production by end 2010, should the stabilized rates be economic.

The well had previously produced minor oil and gas but was shut in at the time Entek farmed into the acreage. The well produces from formations shallower than the Niobrara Formation highlighting the multiplicity of plays in the area, and the high prospectivity of the acreage. The Company plans to evaluate the shallow conventional sandstone reservoirs across its acreage for additional bypassed pay over the northern winter period (December 2010 to May 2011).

The Sierra Madre Field adjacent to Entek’s acreage which is operated by Anadarko is an analogue to Entek’s Slater Dome Field where 1.5 MMBO and 4.5 BCFG have been produced from shallow conventional reservoirs, mainly the Shannon Sandstone as well as from the Niobrara Formation. The Sierra Madre Field was discovered in 1981 with the Niobrara discovered in 1998 and has contributed close to 600 MBO of oil and some 450 MMCFG to date.

- **Battle Mountain 14-15A (14-15A)** – the 14-15A well returned significant oil and gas shows while drilling in 2009 and recovered oil and gas during this year’s reentry and testing operations. Complications related to an emulsion consisting of oil, drilling mud and formation fines (caused by the 2009 drilling operations) have resulted in the well being shut in this year.
  - Analysis of the emulsion and the Niobrara Formation have shown positive reaction to acidizing. The Company intends to acid treat the existing vertical hole section by end November 2010 and if a stabilized flow rate can be established will put the well on production.
  - If the acid treatment is successful and production established from the existing vertical hole section, the directional sidetrack will be replaced by drilling a new well in the 2011 Development Plan to efficiently produce reserves from the lease.
  - As an alternative in case the acid treatment is unsuccessful, a directional sidetrack (from just above the Niobrara section in the 14-15A well) has been designed in order to access the Proven Undeveloped (PUD) Niobrara section established by the existing 14-15A well. It is believed the sidetrack operation will be approved this year and if required, the directional sidetrack will be included in the 2011 Development Plan.
  
- **Robidoux 13-15T (13-15T)** – the well returned significant oil and gas shows while drilling in 2009 and recovered oil and gas during this year’s reentry and testing operations. However, poor hole conditions resulting from the 2009 drilling operations have resulted in the well being shut in this year.
  - Log interpretation has established the Niobrara section of 13-15T has numerous (PUD) hydrocarbon zones.
  - A redrill of the Niobrara prospective section (either by directional sidetrack or new well) is being designed to develop the PUD which will be part of the 2011 Development Plan.
  - It is intended that the Volcanic Sill in the Mancos Formation (which is at a shallower level than Niobrara section) will be perforated, tested, and if successful put on production this calendar year. The Mancos Formation sill appears productive from log interpretation and mudlog shows while drilling.
  
- **Independent Prospective Resource Assessment** – the log interpretations of Focus Ranch 12-1, Focus Ranch 3-1, Battle Mountain 14-15A and Robidoux 13-15T have been completed identifying numerous potentially productive hydrocarbon zones and highlighting the high level of prospectivity across the acreage. Based on these results an independent prospective resource assessment is currently being finalized. The Company expects to release the results of the study by end October.
  
- **GRB Production Continues** – Three well workovers on Robidoux 13-15, Robidoux 13-12-89 #1 and Robidoux 23-13 carried out in July 2010 have contributed to gas production rising from approximately 100 MCFD in June 2010 to 500 MCFD currently. Further workovers are being planned. Entek has carried out a range of infrastructure and operational upgrades, which whilst not adding directly to production, have resulted in, and will continue to deliver increased up-time and a

safer and more efficient production operation. Further infrastructure upgrades and modifications are being planned and implemented.

## **GULF OF MEXICO (GoM)**

### **Galveston Block A 133 (GA A133)**

The GA A133 joint venture consisting of Entek, Peregrine II and Challenger Minerals has received approval to drill its planned well in GA A133. The Spartan 303 rig has been secured and spud is expected early in November 2010. The well will take approximately 20 days to drill to Total Depth.

The initial well in GA A133 will target a prospect with up to 12 BCF of prospective resource that is expressed as a well defined seismic amplitude anomaly. First production from a successful GA A133 well is expected in Q2 2011. Expected revenue (net to Entek) of such a well on GA A133 is US\$200,000 per month.

**GoM Production Continues** – production continues from Blocks HI 24L and PN 975 in the Gulf of Mexico, resulting in revenue in excess of US \$200,000 per month at current gas prices.

## **Queensland**

**Block ATP-269P** – The 28.15% working interest in SW Queensland continues to deliver production. Currently, with all three wells on stream, gross crude oil production is approximately 1,000 BOPM, with production net to Entek of approximately 280 BOPM. A 3D seismic program is scheduled to commence in November 2010 and will likely, following interpretation, delineate a further drilling location to be drilled in 2011.

## **TRENT B SPRY - CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR**

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### **Nomenclature**

BCF	Billions of cubic feet (of natural gas)
BFPD	Barrels of fluid per day
FWHP	Flowing wellhead pressure
MBO	Barrels of oil multiplied by 1,000
MMBO	Barrels of oil multiplied by 1,000,000
MMCF	Cubic feet of gas multiplied by 1,000,000