

ASX RELEASE  
15 December 2010**GREEN RIVER BASIN RESERVES & CONTINGENT RESOURCE UPDATE****Highlights**

- **Contingent Resources increased to 187 Million Barrels of Oil (MMBO) and 191 Billion Cubic Feet of Gas (BCFG) using a conservative 4% recovery factor (recovery factors as high as 17% have been achieved in the Niobrara Play elsewhere)**
- **Reserves increased to 12.2 MMBO and 105 BCFG**

Entek Energy Limited (**Entek** or the **Company**) is pleased to report a significant increase in Reserves and Contingent Resources for its Green River Basin acreage. This update does not include reserves for the Company's Gulf of Mexico portfolio.

The Company is confident that the potential of its Niobrara play is now better defined as a result of the 2010 work program which has de-risked the play to the point where Proven Reserves and Contingent Resources can be classified. The results have confirmed the Company's belief that the Sand Wash Basin Niobrara play is one of the best continuous oil resource plays in North America. This is further substantiated by the recent increase in company acquisition and leasing activity levels in the area.

The gross acreage Contingent Resource Assessment across Entek's acreage and the Focus Ranch 12-1 well Reserves Report are summarized below.

Contingent Resource:                   **187 MMBO and 191 BCFG\***            (conservative 4% recovery factor)

Focus Ranch 12-1 Reserves:       **12.2 MMBO and 105 BCFG\*\***        (total P1, P2 and P3 reserve)

Trent Spry, CEO and Managing Director of Entek stated; "this significant increase in resources and reserves provides independent verification of the value proposition for Entek. The drilling to date significantly de-risks the project and we look forward to further resource and reserve increases throughout 2011 as Entek increases drilling and production in 2011."

Further detail supporting these estimates follow.

**Independent Contingent Resources Assessment**

The Contingent Resource Assessment was performed by Ahlbrandt Consulting (Thomas Ahlbrandt PhD) and Hoyer Petrophysics, Inc.. An explanation of the results follows, extracted from the executive overview of the report.

*The Niobrara resource play in the Sand Wash Basin is three times thicker (1,000 feet plus including the Carlile) compared to the Denver Julesburg (DJ) Basin, with thicker reservoir pay intervals that occur in three*

\*Niobrara Only

\*\* included Carlile and Frontier reserves

*benches with an aggregate thickness of 50-60 feet as contrasted with a typical DJ Niobrara pay zone of 15-30 feet. If the fractured horizons are included the pay interval in the Niobrara on the Entek acreage averages 369 feet with fractures in the igneous sills adding another 100 feet of potential pay. This calculates to 68 million barrels of in place oil per section (640 acres) where igneous sill reservoirs are present or 2.7 to 5.8 million barrels of oil recoverable of contingent resource per 640 acres, depending upon recovery factor of 4% or 12%. (constant 4% recovery used for igneous sill reservoirs). Where no sills are present the potential oil recovery for a section is 1.5 MMBO at 4% recovery factor to 4.6 MMBO at 12% recovery factor.*

*Assuming only 4% recovery across the acreage position the Total Contingent Resource associated with the approximately 60,000 acres that Entek is farming into is 187 MMBO and 191 BCF of gas from the Niobrara alone. This is considered conservative as recovery factors as high as 17% have been seen in the sweet spots where a high degree of natural fracturing occurs, for example at the Buck Peak Field. A 12% recovery factor was used in the assessment as a high estimate.*

*This resource potential of the Entek acreage is significant and supported by the 18 analogous fields in the area which are used for estimating recoverable volumes. The demonstration of production within the Entek acreage and from the adjacent Sierra Madre Field (operated by Anadarko) is very encouraging for the future of the Entek project in the Sand Wash Basin.*

The Company is now planning its 2011 Exploration and Development Plan, integrating the knowledge from this year's work program and drilling success. The priority in 2011 is to further de-risk the Niobrara play, and to convert a significant amount of the Contingent Resource potential of the acreage into reserves and additional production.

#### **Independent Reserves Report: Focus Ranch 12-1**

Independent Reserves Reports have been commissioned for three wells:

- Focus Ranch 12-1: which flow tested 240 BOPD and 2.75 MMCFD.
- Butter Lake 32-10: which has an average Initial Production (IP) of 25 BOPD and
- Battle Mountain 14-15A: which has an average IP of 12 BOPD.

The Focus Ranch 12-1 Reserves Report is the first to be completed, with the other two still underway. The reports are being provided by Chris Hansen P.E. The following is extracted from the executive overview of the Focus Ranch 12-1 Reserves Report.

*An estimation of proved, probable, and possible recoverable oil and gas reserves has been conducted based on the analysis for the Focus Ranch 12-1 well, located in northern Routt County, within the Sand Wash Basin of northwestern Colorado.*

*The productive intervals in the well include the Frontier Sandstone, Carlile Shale, calcitic and siliceous benches of the Niobrara, and unique to the area, the presence of highly fractured, intrusive igneous sills within the Niobrara. These sills contribute significantly to the performance of the subject well as demonstrated by flow tests.*

*The results of this evaluation show that the Focus Ranch 12-1 wellbore has Proved Reserves (PDNP) of 233,699 STBO of oil and condensate, and 2.115 BCF of natural gas, along with Probable Reserves of 14,439 STBO and 0.025 BCF. Total Proved Reserves (P1) attributable to the FR 12-1, including eight direct offsets (PUD) to the FR 12-1, are 2,103,290 STBO and 19.04 BCF. Total Probable Reserves (P2) reported herein are the Probable Reserves in the FR 12-1 wellbore and the first row offsets, plus the Proved plus Probable*

*Reserves of the FR 12-1 assigned to the second row offsets (16 wells), which totals 4,100,149 STBO and 34.47 BCF. Possible reserves were not estimated for the FR 12-1 wellbore, however, Possible Reserves are reported herein as the Proved plus Probable Reserves of the FR 12-1 wellbore assigned to third row offsets (24 wells). Total Possible (P3) reserves are 5,995,302 STBO and 51.364 BCF. Total P1, P2 and P3 reserve categories are therefore 12.158 MMSTBO and 104.867 BCF.*

The 12-1 well demonstrates the potential of vertical Niobrara completions in the Company's acreage. The reserves associated with the 12-1 well have increased the Company's oil reserves significantly and this increase will continue as other wells are evaluated and as the 2011 Exploration and Development plan gets underway.

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**Competent Persons Statements:**

Information in this report that relates to Hydrocarbon Reserves and or Resources is based on information compiled by Mr Trent Spry, Chief Executive Officer & Managing Director of Entek Energy Limited who has consented to the inclusion of that information in the form and context in which it appears. Mr Spry has over 20 years experience in geoscience in the petroleum industry, both in Australia and internationally. His qualifications: University of South Australia, Bachelor of Science, Double Major Geology & Biochemistry, National Centre of Petroleum Geology & Geophysics(NCPGG), First Class Honours, 1993.

Dr. Ahlbrandt is a globally recognized petroleum geologist with over forty years of experience in oil and gas exploration, research and assessment. He has over twenty years of experience with major and independent oil companies and another twenty years of service with the U.S. Geological Survey (USGS). In industry he has served in many capacities including CEO and Vice President of Exploration and Chief Geologist at companies, and has discovered petroleum in four basins both in the U.S. and internationally at previous positions. At the USGS he managed geoscience groups ranging to 350 employees and from 1987-2006 held senior energy management positions in the USGS both at their headquarters in Reston, Virginia from 1987-1991 and from 1991-2006 at their regional office in Denver, CO. He is an internationally recognized expert on petroleum focused in the Middle East, North Africa, Alaska and the Rocky Mountain region as demonstrated by his 235 publications. His global experience includes major organizations including currently serving as a Vice Chairman of a United Nations Committee (Ad Hoc Group of Experts on Reserve and Resource Terminology), AAPG, and the USGS where he was the USGS World Energy Project Chief assessing the oil and gas potential of the world. This major work was published both by the USGS and as Memoir 86 of AAPG (senior author). He has presented many papers to organizations including OPEC, IEA, EIA, and AAPG and many media outlets. He has numerous awards from AAPG, RMAG, USGS and the University of Wyoming.

Darrell Hoyer formed Hoyer Petrophysics, Inc. in 1999 after receiving an early retirement package from Union Texas Petroleum when ARCO bought UTP. Mr. Hoyer graduated with a BS degree in Geological Engineering from South Dakota School of Mines in 1973 and went to work in the oil field as an open hole logging engineer in the Rocky Mountain States. In 1983 Darrell accepted a petrophysical position with Marathon International Oil Company and moved to Houston, Texas. He began working for Houston based Union Texas Petroleum in 1986 as their Rocky Mountain and International Petrophysicist. Darrell has authored and presented papers which are published in professional symposium transactions and industry magazines. Mr. Hoyer continues to work as a petrophysical consultant on conventional as well as unconventional oil and gas projects in various Rocky Mountain and International basins.

Chris Hansen, P.E., is a Petroleum Engineer with over 25 years of experience in operations, completions, and reservoir engineering. He started his career with Mobil E&P in the Permian Basin, and afterwards has worked for several independent exploration and production companies including Bass Enterprises, EOG Resources, and Bill Barrett Corporation. He is currently an independent consultant, where his clients have included domestic and internationally based companies. He has over 15 years of experience in most basins of the Rocky Mountain region, which have included development of unconventional gas and oil plays in the Piceance, Williston, Uinta, Green River, Bighorn, Powder River, and Sand Wash. He has managed a large resource development project in the Piceance Basin, and has recently consulted for a major investment institution on a \$500 million acquisition. He has publications (SPE) in the areas of fracturing design and waterflood optimization. Mr. Hansen has B.S. (1985) and M.S. (2001) degrees in Petroleum Engineering from the Colorado School of Mines, and is a registered professional engineer in Colorado, Wyoming, and Texas.

**Nomenclature**

BCF	Billion cubic feet (Cubic feet of gas multiplied by 1,000,000,000)
MMBO	Barrels of oil multiplied by 1,000,000
BOPD	Barrels of oil per day
MCFD	Thousand cubic feet per day (Cubic feet of gas multiplied by 1,000 per day)
MMCFD	Million cubic feet per day (Cubic feet of gas multiplied by 1,000,000 per day)
STBO	Stock tank barrels of oil
MMSTBO	Million Stock tank barrels of oil

**Reserves Step Out Diagram**

