

ASX RELEASE
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ENTEK SPUDS FIRST WELL IN THE VR 341/342 OIL PROJECT

Entek Energy Limited is pleased to announce the spud of its VR 342 well in the Gulf of Mexico.

The Company has a 50% working interest in VR 342, and the well that is targeting a fault block on a structure which has proven oil pay evidenced by previous drilling. The pay is associated with a far-offset seismic amplitude anomaly with good fit to structure. Water depth at the well location is 220'. The well is currently at 4,036' with planned total depth of 8,552'. The well is being drilled by Hercules, Rig 253, and is being turnkey operated by ADTI, protecting Entek from potential cost overruns.

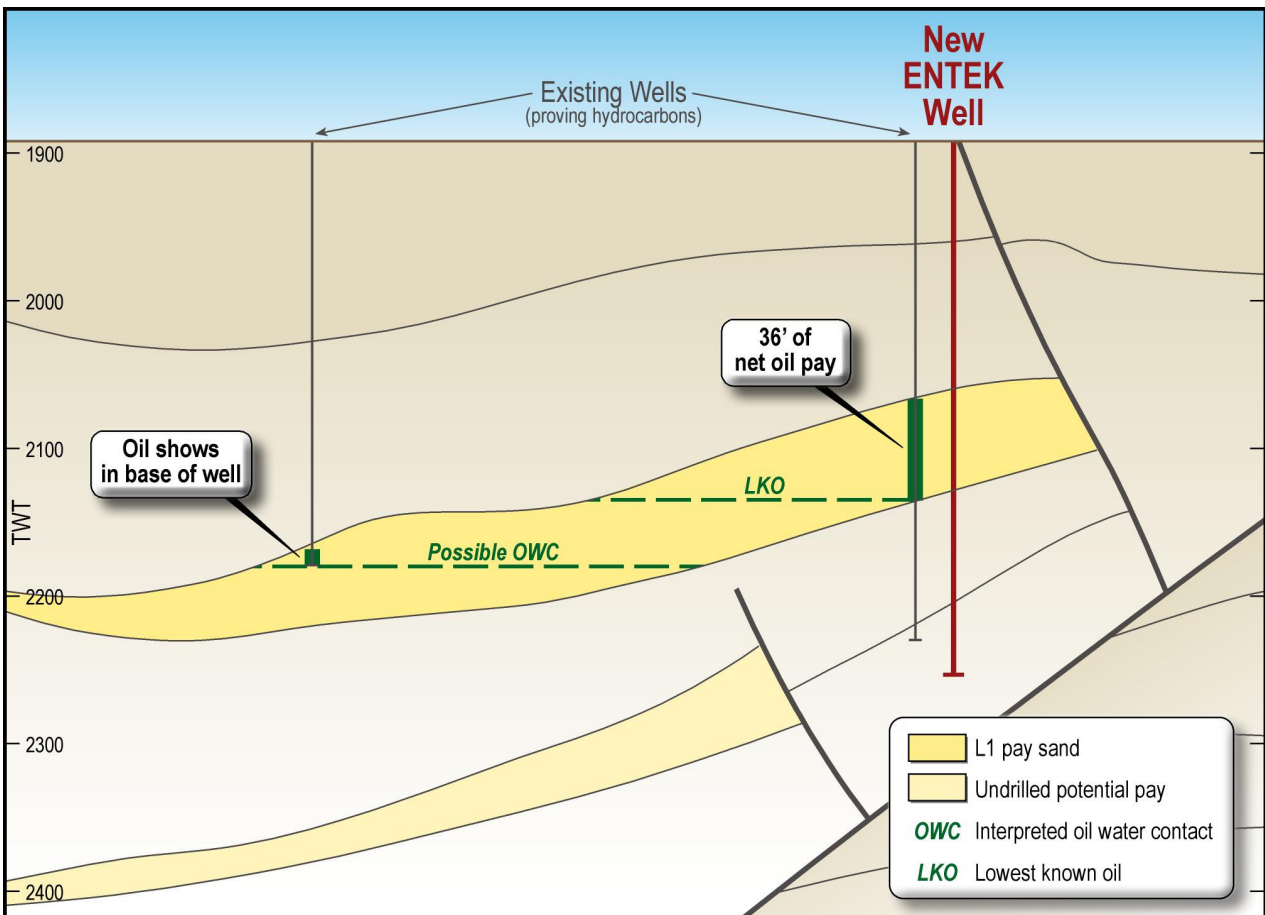
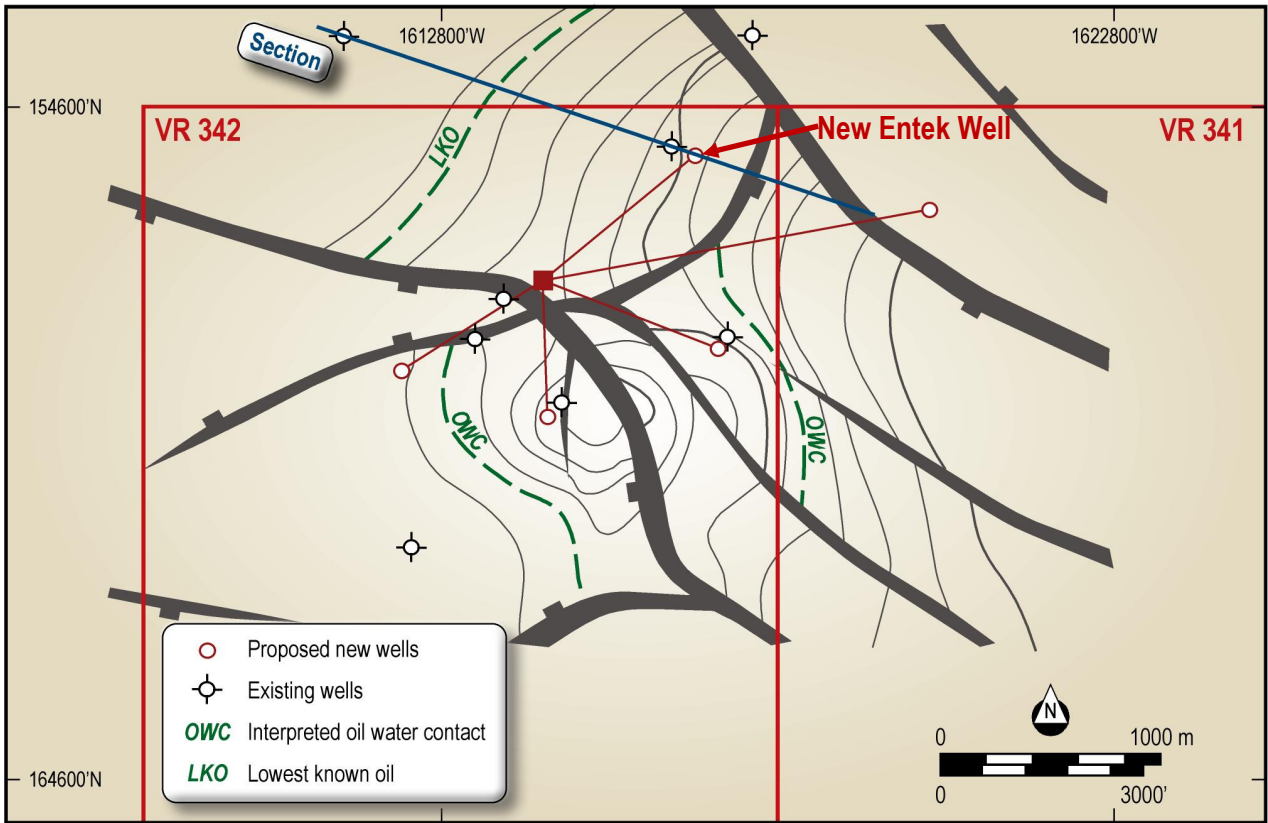
The primary reservoir target for the well is the Pleistocene Lentic 1 sand. Side wall cores from the previous wells show good permeabilities and oil saturations, and given a number of existing producing analogues to the targeted pay zone the new well will be tested with MDTs only. Flow rates will be estimated from permeability measurements and analogue production, as is common practice in the Gulf of Mexico where numerous existing producing analogues give a high level of confidence.

The gross 3P potential, established by previous drilling on the VR 342 block, has been independently evaluated at circa 7.5 MMBO and 9.5 BCFG. Drilling is expected to take approximately 4 weeks and if successful (based on electric logs and MDT results), will be suspended as a producer prior to planning for the development of the block.

The Company also plans to subsequently test the potential extension of the prognosed field into the adjoining VR 341 (Entek 50% working interest), which could add significantly to the current assessed reserves, and which, if successful, would be targeted for production after any development of the existing assessed reserves.

During the drilling of the well the Company will be providing weekly operational updates each Thursday morning, with any material results being announced as they arise.

The schematic map and section below indicate the location and play to be tested.



CEO and Managing Director Trent Spry commented:

“The drilling of the first well on the VR 341/342 project will be the first test of Entek’s new Gulf of Mexico focus and strategy. We now have a total of 5 blocks in the Gulf prospective for oil with a combined gross prospective resource of over 30 MMBOE some of which (VR 342 and VK 818) has been proven by previous drilling. Conventional oil production from the Gulf of Mexico is an important part of the company’s strategy as it should provide significant cashflow for other value adding activities.”

All enquiries should be directed to:

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Competent Persons Statements:

Information in this report that relates to Hydrocarbon Reserves / 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 are: University of South Australia, Bachelor of Science, Double Major Geology & Biochemistry, National Centre of Petroleum Geology & Geophysics (NCPGG), First Class Honours, 1993.

About The Company:

Entek is focused on a strategy of acquiring and exploring potentially high impact oil and gas opportunities in proven and producing areas. Entek has acquired a significant portfolio of acreage in the offshore shallow waters of the Outer Continental Shelf of the Gulf of Mexico and onshore in the Green River Basin where the Company’s interest covers approximately 65,000 acres of highly prospective leasehold that includes existing producing coal bed methane wells, infrastructure and long life 2P conventional and shale resource reserves. The primary focus of the Company onshore is the appraisal of its Niobrara Oil resource Play.

Nomenclature:

MMBO	Million Barrels of Oil
MMBOE	Million Barrels of Oil Equivalent
BCFG	Billion of Cubic Feet Gas