

ASX RELEASE
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ENTEK SUCCESSFULLY STARTS 'NIOBRARA' OIL & GAS PRODUCTION

Entek Energy Limited (**Entek** or the **Company**) wishes to provide the following update on its recent production and exploitation work on relevant wells within its Green River Basin acreage.

Butter Lake 32-10 (32-10) - Entek is pleased to announce that the successful acidizing and perforating operations on the 32-10 well have resulted in early flow of approximately 25 BOPD of 44 degree API oil and 30 MCFD of gas and there remains an expectation that as the well continues to clean-up these rates may increase. The well is now officially in production operations.

The Company believes that it has now resolved the technical issues that inhibited the flow of hydrocarbons (both oil and gas) from the 32-10 well. The lessons learned will be used to optimise next season's Exploration and Development Plan.

Following the improved flow of hydrocarbons from the 32-10 well, additional zones may yet be targeted to further increase the rate of production. Currently only 70 feet has been perforated, out of a total of 370 feet of potentially productive hydrocarbon zones in the Niobrara Formation (Niobrara) identified from log interpretation.

Battle Mountain 14-15A (14-15) - The Company is pleased to announce that successful acidizing operations on the 14-15 well have resulted in early flow of approximately 12 BOPD of between 34 and 39 degree API oil. A gas rate has yet to be measured. It is believed that this well bore is still significantly damaged and that the current flow rate is not representative of the well's full potential, which was evidenced by the strong oil and gas indications while drilling. The well is on production and will continue to be monitored with the results being used to optimize next season's Exploration and Development Plan.

Robidoux 13-15T (13-15) - During recent operations on the 13-15 well, an additional 35 barrels of high quality Niobrara sourced oil was returned bringing the total recovered from the 13-15 well during operations this season to over 50 barrels of oil. The 44 degree API oil is essentially the same as that recovered from the 32-10 well. The Niobrara section of this well is open hole (uncased). Poor hole conditions, related to last years drilling operations, have resulted in the well being shut in.

Based on the oil and gas flow rates from the 32-10 and 14-15 wells and the recovery of oil from the 13-15 well, supported by the recent petrophysical interpretation analysed as part of the resource assessment, the 13-15 well is believed to have the potential to be the most oil-productive well drilled to date on the acreage outside of the Focus Ranch Unit. Therefore the decision has been made not to continue with the perforating program in the shallow section of the well (shallow oil and gas potential is described below), but to preserve the existing shallow part of the well bore to enable a sidetrack to re-drill the Niobrara section next season.

Shallow Oil and Gas Potential

The 13-15 well has hydrocarbon indications from petrophysical and mud logs in the Deep Creek and Morapas Sandstones. The adjacent CF&I well produces oil and gas from the Deep Creek Sandstone. Numerous additional wells on the Slater Dome structure have highlighted its shallow potential (both oil and gas). The shallow oil and gas potential of the Deep Creek, Shannon and Morapas sandstones will be evaluated, including further detailed well log interpretation and mapping over the Slater Dome structure to determine potential recoverable reserves and the best well locations for production testing. Results will be incorporated into the planning of next season's Exploration and Development Plan.

The Savery Creek Field which is located adjacent to Entek's acreage, has recovered 7.2 BCF of gas. The Taylor 1 well within the Savery Creek Field had an initial production rate of 3.5 MMCFD and recovered 3.5 BCF of gas from the Deep Creek Sandstone.

The Sierra Madre Field which is adjacent to Entek's acreage, is operated by Anadarko and is an analogue to Entek's Slater Dome Field. The Sierra Madre Field shallow conventional reservoirs have, to date, produced 1.5 MMBO and 4.5 BCFG, mainly from the Shannon Sandstone as well as from the Niobrara Formation.

Independent Contingent Resource Assessment

In parallel with the field activities and results described above, Entek has commissioned an Independent Contingent Resource Assessment of the Company's Green River Basin acreage, focused on the "Continuous Oil Plays" (as defined by the USGS) in the Niobrara, Mancos and Carlile Formations. The assessment is nearing completion and results will be released after internal review and within two weeks. These promising initial results from the Butter Lake 32-10 and Battle Mountain 14-15A wells, which demonstrate oil deliverability from the Niobrara, have significantly de-risked the play and the anticipated estimates of Contingent Resource.

Previously this assessment was referred to as a Prospective Resource Assessment. However, the independent consultants believe the resource is correctly classified as a Contingent Resource because of the Reserves associated with the Focus Ranch 12-1, Butter Lake 32-10 (32-10), and Battle Mountain 14-5 wells, together with the production status of the 32-10 well and the adjacent Sierra Madre field. (The definition of reserves and resources will be included in the final report.)

Vertical vs Horizontal Well Performance

In response to numerous queries from shareholders and analysts the Company has included below a brief description of the industry's understanding of the well performance of vertical wells and horizontal wells from the same formation.

Vertical un-stimulated wells in the Niobrara show a range of Initial Production (IP) rates from 10 BOPD to 500 BOPD and 20 MCFD to 350 MCFD. The range represents matrix dominated production (low IP) and production from zones with a high degree of natural fracturing. Targeting the zones with a high degree of natural fracturing is the key to finding the 'Sweet Spots'. Vertical wells generally react well to fracture stimulation where commonly a vertical well with 30 BOPD will result in an enhanced IP of at least 150 BOPD after stimulation.

Horizontal wells with fracture stimulation have shown a range of IPs from 250 BOPD to 1500 BOPD. Two good examples of vertical vs horizontal well performance from the Niobrara are;

- a comparison of the vertical un-stimulated well which had IP of 47 BOPD and 23 MCFD of gas located near EOGs Jake 'horizontal' well which had an IP of 1558 BOPD and 339 MCFD of gas and

- from the Silo Field where a vertical well IP of 22 BOPD (with no gas reported) is associated with a horizontal well with an IP of 395 BOPD and 172 MCFD of gas.

The Company's 2011 Exploration and Development Plan will target sweet spots with vertical unstimulated wells, with the objective of achieving IPs of over 100 BOPD. Vertical wells will be evaluated for fracture stimulation based on initial results. Horizontal wells will be planned from the vertical well locations.

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Nomenclature

BOE	Barrels of oil equivalent
BCF	Billion cubic feet: Cubic feet of gas multiplied by 1,000,000,000
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
MBOE	Barrels of oil equivalent multiplied by 1,000
MMBOE	Barrels of oil equivalent multiplied by 1,000,000
MCF	Thousand cubic feet: Cubic feet of gas multiplied by 1,000
MMCF	Million cubic feet : Cubic feet of gas multiplied by 1,000,000
BOPM	Barrels of oil per month
MMCFD	Million cubic feet per day
MCFD	Thousand cubic feet per day
BOED	Barrels of oil equivalent per day

Competent Persons Statement:

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.