

ASX Release

May 17<sup>th</sup> 2010

## **ENTEK'S PADRE BLOCK 975 A-11 WELL IN GULF OF MEXICO ENCOUNTERS HYDROCARBONS**

Entek Energy Limited ("Entek") ("the Company") is pleased to announce that well A-11 on North Padre Block 975, in which it is earning a 25% Working Interest, has successfully logged pay at multiple levels including the B7 primary target objective.

The well has reached a Total Depth of 7,983' MD and 7,573' TVD and has encountered all objectives.

Based on initial technical review, a 5 inch production liner is being run to the Total Depth of the well.

The plan is to complete the B7 interval first to produce the initially targeted 4 BCF of natural gas and test the remaining sands potential for an additional 2 BCF in the future after depletion of the B7 interval.

It is estimated that the well will take a further 15 days to complete and tie-in to production through the Block 975 "A" Platform from which it was drilled.

### **BACKGROUND**

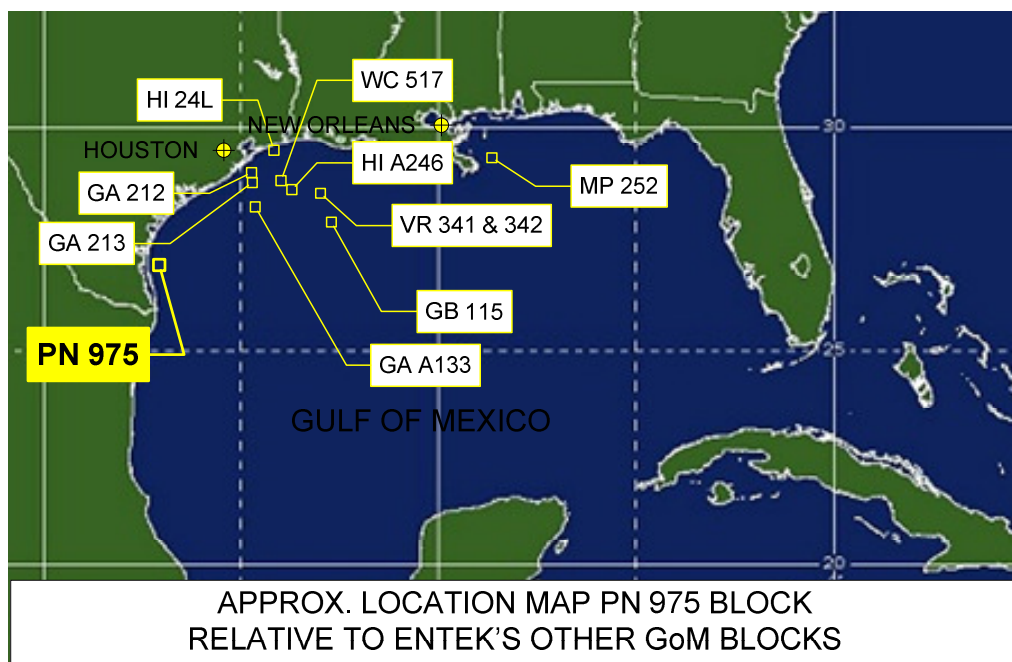
Entek is farming into the PN 975 A-11 ST01 well to earn a 25% Working Interest. Under the terms of the Participation Agreement that has been executed between Peregrine Oil & Gas II, LLC, as Lessor of the Block and Entek, Entek's production from the A-11 ST01 well can be processed through the existing North Padre Area, East Addition, Block 975 "A" Platform at pre-agreed terms.

Conservative projected earnings from the well indicate payback of Entek's estimated \$1,250,000 completed well cost share within 12 months, at which time there will still be approximately 70% remaining of the initial 4 BCF reserve with potentially a further 2 BCF of upside reserve.

A brief summary of terms and details of the farm-in is provided in the table below.

<b>BLOCK</b>	<b>NORTH PADRE ISLAND AREA EAST ADDITION, BLOCK 975</b>
<b>OPERATOR</b>	PEREGRINE OIL & GAS II, LLC
<b>WATER DEPTH</b>	50.6 metres (166 feet)
<b>ENTEK WORKING INTEREST (WI)</b>	25%
<b>ENTEK NET REVENUE INTEREST</b>	20%

The approximate location of the North Padre Block 975 is shown in the following Location Map.



## About the Company

Entek is focused on a strategy of acquiring, exploring, developing and producing low risk oil and gas opportunities with demonstrable reserves upside in proven oil and gas basins. Within the low risk parameters the Company applies to qualify prospects, Entek has acquired a significant portfolio of acreage with proven, probable and possible reserves 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 is farming in to earn up to 55% working interest in approximately 66,000 acres of highly prospective leasehold that includes existing producing coal bed methane wells, infrastructure and long life 2P conventional and shale resource reserves.

To manage these highly prospective opportunities, Entek has assembled a very competent and experienced management team with combined industry experience in excess of 100 years.

## GLOSSARY

BCF	Billion standard cubic feet (of gas)
MD	Measured Depth
TVD	True Vertical Depth

## ENQUIRIES:

**RUSSELL BRIMAGE - CHIEF EXECUTIVE OFFICER**

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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.