

ASX RELEASE
2 August 2010

COMMENCEMENT OF DRILLING AT BUTTER LAKE 32-10 LOCATION – GREEN RIVER BASIN

Entek Energy Limited (“Entek” or the “Company”) advises that the Butter Lake 32-10 well (“32-10 well”) spudded on the 30th July 2010. The 32-10 well is the first new well targeting the Niobrara and Frontier Formations for the 2010 drilling season. Further details are set out below.

In summary:

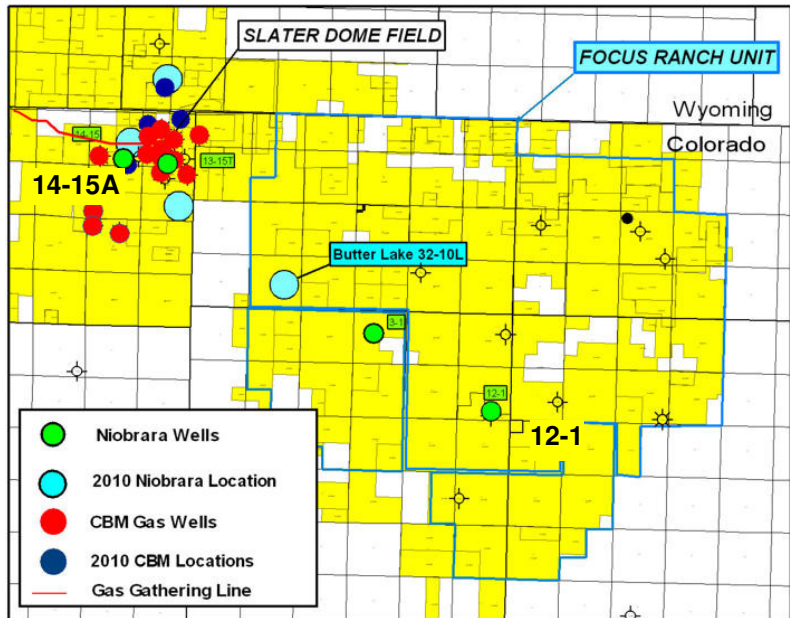
- ✦ **The rig is on site and spudded the 32-10 well on 30th July 2010.**
- ✦ **The primary objectives of the 32-10 well are the oil prone Niobrara Formation and the underlying Frontier Formation. The well is located between the Focus Ranch Federal 12-1 (“12-1”) well and the Battle Mountain Federal 14-15A well, both of which have successfully tested oil and gas for Entek.**
- ✦ **Secondary objectives include the Deep Creek Sandstone, the Mancos Formation, including the Shannon/Morapos Sandstones and the Carlisle Formation. All secondary objectives have produced oil and gas from wells adjacent to Entek’s acreage.**
- ✦ **Previous independent reserves and resource estimations of the primary objective Niobrara Formation intersected by the 12-1 well (which is a close analogue to the 32-10 well) are in the range of 2.6 to 3.2 MMBO of condensate and oil and 7.6 to 20 BCF of gas. The secondary objectives, if successful, will be incremental to this. To better understand the potential reserves per well and resource across the Company’s acreage position Entek has commissioned independent certification of reserves and prospective resources across its acreage position for both the Slater Dome Field and the oil prone Niobrara Continuous Resource Play. Since the reports referred to above were submitted Entek has drilled two new wells with the 32-10 well being the third to test the Niobrara Continuous Resource Play. Entek has also tested a new Niobrara zone in the 12-1 well and performed significant recompletion and workover operations on the existing gas production wells in the Slater Dome Field.**
- ✦ **Drilling and logging operations at the 32-10 well location are expected to take approximately 22 days, with completion and testing incremental to this in the success case.**

BUTTER LAKE FEDERAL 32-10 PROSPECT

The well is targeting the Niobrara Formation and Frontier Formation within the Focus Ranch Unit. The well location is shown in the figure adjacent.

The proposed Total Depth (TD) is 8,700' within the Frontier Formation, which has tested gas and liquid hydrocarbons from the Focus Ranch 12-1 well.

The well targets a closed structure bounded by a fault to the north with structural reversal at shallow levels including the Deep Creek Sand. The Mancos Shale also exhibits structural closure that would create potential hydrocarbon traps in the Shannon Sand and Marapos Sand (that are units within the Mancos Shale). Deeper reservoirs that will also be



tested within structural closure include the Frontier Formation which is one of the two primary targets.

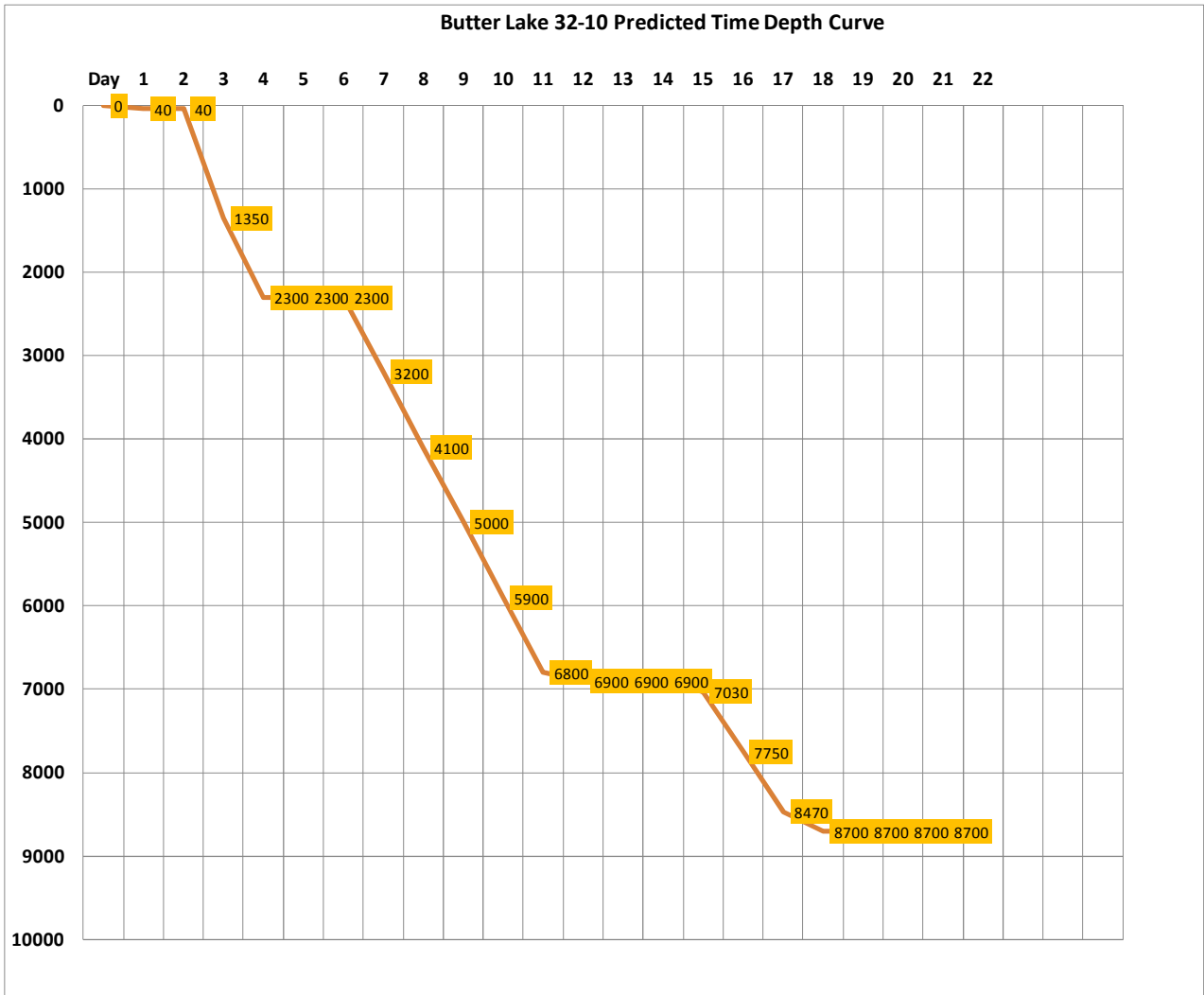
Within the Niobrara Formation primary target there are three brittle benches (or 'units') that act as continuous hydrocarbon reservoirs when fractured. Fracturing of these benches is expected to occur associated with faults, igneous sill intrusions and the structural deformation at this location.

The average production rates for Niobrara wells throughout the Sand Wash Basin where Entek's acreage is located are 101 BOPD and 165 MCFD. Estimated Ultimate Recovery (EUR) for those averages are 260,000 BO and 1.1 BCF per well. Initial production rates have been as high as 500 BOPD from vertical wells adjacent to Entek's acreage. The Focus Ranch 12-1 southeast of this location had combined initial rates of 2.75 MMCFD and 240 BOPD. Independent reserves estimate associated with the 12-1 well range from 2.6* MMBO to 3.2** MMBO of condensate and oil and 7.6* BCF to 20** BCF of gas.

If the Butter Lake 32-10 well is successful then a similar reserves addition may occur. In the event of a success the well will be tied into the existing production facilities at Slater Dome via a gathering line.

AGE		Sand Wash Basin	
TERTIARY (part)	Eocene	Bridger Fm.	
		Green River Fm.	
		Wasatch Formation	
	Paleocene	Fort Union Formation	
CRETACEOUS (part)	Late	Lance Formation	
		Maastrichtian	Fox Hills Ss.
	Campanian	Mesaverde Group	Lewis Shale
			Almond Formation
			Williams Fork Formation
		Isis Formation	
		Mancos Shale	
	Santonian	Niobrara Formation	
	Coniacian		
	Turonian	Frontier Formation	
Cenomanian			

A predicted time depth curve for the 32-10 well is presented below. The well is anticipated to take 22 days to drill and evaluate, with additional time required to complete and test in the event of success.



Entek will advise on the operations related to the 32-10 well in its weekly operation update reports provided to the ASX each Thursday and as required on the occurrence of any material event during the drilling operations.

GLOSSARY

A\$	Australian dollar
BCF	Billion cubic feet (of natural gas)
BOPD	Barrels of oil per day
MCFD	Cubic feet of gas per day x 1,000
MMCFD	Cubic feet of gas per day x 1,000,000
MMBO	Barrels of oil x 1,000,000
US\$	United States dollars

* Based on a report by American Energy Advisors (Feb 2009). The report assumes 12 wells will be required to produce the reserves.

** Based on a report by APEX Petroleum Engineers (Oct 2008) and assumes an estimated GOR of 6250 from tests performed at the Focus Ranch 12-1 well. The report assumes reserves associated with one 320 acre section.

FOR FURTHER INFORMATION

RUSSELL BRIMAGE - CHIEF EXECUTIVE OFFICER

+ 61 8 9213 4388 INFO@ENTEKENERGY.COM.AU

ABOUT ENTEK (taken from the Hartleys Research Report and Update that can be found in full on the Entek Website)

Entek Energy Limited (“Entek”, “ETE”, “Company”) has emerged from the global financial crisis in a strong position having bid on several blocks in shallow water, Gulf of Mexico (“GOM”) in the midst of the turmoil. The Company has since been awarded 6 blocks, bringing its total permits in the GOM to 11. The permits range in asset life cycle from production (2 permits) to drill ready (4 permits) to early stage exploration (5 permits). This mix of permits and high equity interests provides a strong pipeline of drilling activity plus likely farmout transactions. The GOM exploration assets have net resource potential for ETE of 5.8 million barrels of oil and 50 billion cubic feet of gas (post farmouts), for which we assign a risked valuation of 18cps, with upside potential to 98cps.

In 2009, Entek farmed into 66,000 acres (ETE 36.85% coal seam gas / 55% all other plays) in the Green River Basin (Colorado/Wyoming) and is planning to exploit multiple play types, several of which have proven production and reserves. The net coal seam gas resource from the Slater Dome Gas field could be 110 billion cubic feet of gas, worth up to US\$150m for the Company. The potential from the emerging Niobrara Shale play in the basin could eclipse this. The Niobrara Shale project is early stage and requires appraisal to determine its commercial potential; however, is attractive on a risk / reward basis.

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.