

ASX RELEASE

December 22nd 2009

BATTLE MOUNTAIN 14-15 FINDS ADDITIONAL PAY

Update:

The Battle Mountain 14-15 well has been deepened from the previously announced Total Depth (TD) as the drilling was continuing to encounter significant oil and gas shows.

The well was deepened to a final TD of 7,680 feet. Significant hydrocarbon shows were seen during drilling of the section immediately below the Niobrara.

The well has now been completed with a 4 ½ inch liner set to TD, and is awaiting testing and tie-in to production.

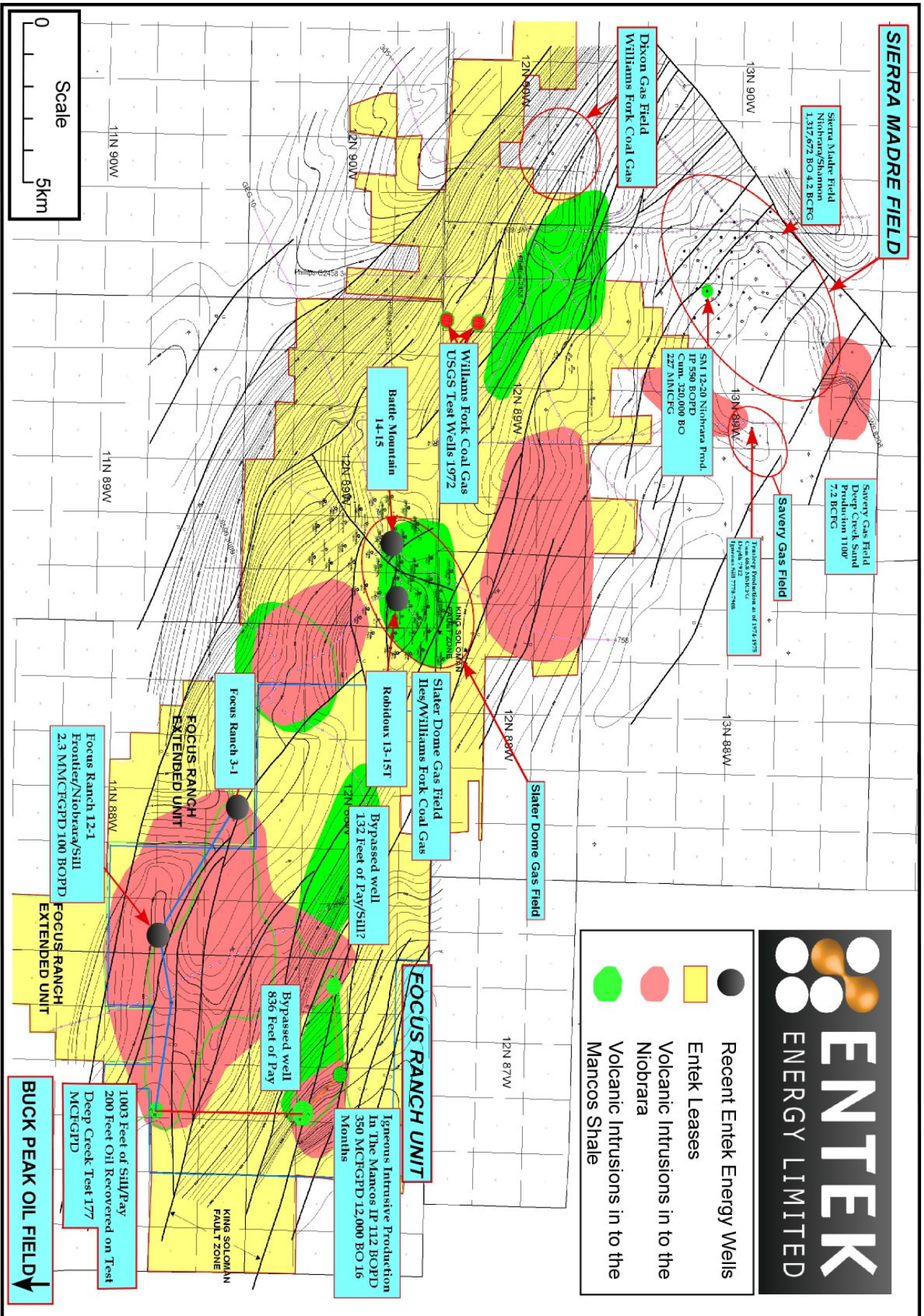
The Robidoux 13-15T well is also awaiting further testing and tie-in to production.

Russell Brimage, Chief Executive Officer, Comments;

The drilling campaign for 2009 has been very successful and has confirmed the prospectivity of several formations (including the Niobrara) across significant areas of the 66,000 acres of the portfolio.

Current producing wells at Slater Dome will continue to produce during the winter period, while we interpret the new information gained from the drilling of the 13-15 and 14-15 wells. This along with ongoing geoscience studies will be applied to select new locations for next seasons drilling campaign.

January sees the start of Entek's Gulf of Mexico operations season and we look forward to an active 2010 in our offshore blocks.



BACKGROUND GREEN RIVER BASIN (GRB)

Entek has farmed in to acquire up to a 55 per cent stake in a producing coal bed methane (CBM) field (Slater Dome) and other undeveloped oil and gas reserves (Focus Ranch Unit) within approximately 66,000 leased acres of highly prospective ground.

Entek commenced a work program immediately following execution of the farm-in agreement, performing work-overs of the coal bed methane production wells on the Slater Dome Field.

- The company then performed a successful test of oil and gas from the Focus Ranch 12-1 well, confirming the well has at least 4 productive zones plus additional zones of interest behind casing. This well is awaiting tie in to production.
- Successful drilling of the Robidoux 13-15T well with a number of potential production zones. Now awaiting testing and tie into production.
- The Battle Mountain 14-15 well has reached total depth and is being readied for flow testing and subsequent tie-in to production. Very encouraging oil and gas shows were encountered in the Niobrara, with oil flowing to surface during drilling.
- Entek and its joint venture partner will be carrying out further detailed geoscience studies over the acreage in early 2010, leading to further work-over, drilling and development activity on this highly prospective acreage later in the year.

Within the acreage four main plays are of interest to Entek, these being:

1. The Coal Bed Methane (CBM) potential associated with the extensive coal measures within the Mesaverde Group at the Slater Dome Field, already on production averaging 1.1 MMCFD. Further, exploratory drilling of several wells by the United States Geologic Survey (USGS) penetrated additional coal measures within the acreage, highlighting additional CBM potential throughout the held acreage and the Area of Mutual Interest.
2. The Niobrara Formation “continuous oil and gas play” (as described by the United States Geological Society) already tested in the Focus Ranch Unit. Up to 800 MCFPD of gas and more than 100 BOPD have been produced on test from multiple levels within the Focus Ranch Unit. The play exists across the held 66,000 acres, as evidenced by the production in the southeast from the 12-1 well within the Focus Ranch Unit and the production from the Sierra Madre Field to the northwest, immediately adjacent to the acreage, which has produced 4.2 BCF and 1.3 MMBBL oil to date. The play is also believed to extend outside of the existing leases, within the Area of Mutual Interest.

3. Conventional sandstone targets of the Frontier Sandstone, Deep Creek Sandstone and Dakota Sandstone, where gas has been produced on test across the acreage at up to 2.5 MMCFD, have the potential to add significant reserves and production. These sandstones will initially be targeted at both Slater Dome and within the Focus Ranch Unit.
 4. Additional resources as estimated by New Frontier of 234 BCF associated with the Slater Dome Gas Field (**currently less than 20 wells in production with potential for 500 well locations**), plus prospective resources associated with the Niobrara Formation and Frontier Sandstone within the Focus Ranch Unit of 336 BCFE (**potential for 24 well locations**). Entek believes these numbers are encouraging for the acreage and will focus its work program to increasing both the production and certified reserves from all plays.
- ❖ The Slater Dome Gas Field has Independently Certified Reserves Proven 15.6 BCF and 2P reserves of 35.2 BCF. As well as Additional Resources of 234 BCF (500 well locations).
 - ❖ The Focus Ranch Unit has Certified 2P Reserves of 2.258 million barrels of oil and 7.592 BCF of gas. As well as Prospective Resource of 336 BCFE (24 well locations) in Niobrara Formation and Frontier Sandstone within the Focus Ranch Unit.
 - ❖ A development scenario has been reviewed to develop the resource and under this plan, development cost is estimated at US\$66 million, with projected revenue of US\$719 million, which equates to US\$4.34 per share, or at an NPV_{10%} of US\$393 million, US\$2.38 per share.

ENQUIRIES:

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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.