

ASX Release

April 28<sup>th</sup> 2010

## OPERATIONS AT NORTH PADRE BLOCK 975 WELL IN GULF OF MEXICO COMMENCE

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 been re-entered prior to drilling out a sidetrack to the reservoir objective.

**The A-11 sidetrack (A-11 ST01) well is:**

- ⚙ **Targeting 4 BCF of natural gas up-dip of wells that prove the accumulation. There is an additional 2 BCF of upside that can be produced later upon success.**
- ⚙ **Being drilled utilizing the Seahawk 2600 jack-up rig, from an existing producing platform. This will enable immediate completion and tie-in to production on confirmation of hydrocarbons.**
- ⚙ **Projected to take 15 days from re-entry date to drill and evaluate and a further 15 days to complete.**



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 70% remaining of the initial 4 BCF reserve with potentially a further 2 BCF of upside reserve.

This well is the first of two wells Entek is participating in the Gulf of Mexico in the very near term. The second, Galveston Block A133, is expected to spud around July 1<sup>st</sup> 2010, utilising the same drilling rig and with the same Operator, Peregrine Oil & Gas II, LLC. This program marks the commencement of the Company's action plan and capacity to drill and develop its exciting portfolio of ready to drill prospects that has been assembled over the recent past in the offshore Gulf of Mexico.

The reservoir objective at PN 975 is being reached via the re-entry and sidetrack drilling of the existing A-11 well. This offers considerable cost savings to the alternative of drilling a new well.

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.

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



**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.