

ASX RELEASE  
31 January 2011

## QUARTERLY ACTIVITIES REPORT

Entek Energy Limited ("Entek" or "the Company") is pleased to provide the following Activities Report for the quarter ended 31 December 2010.

This quarter has been a very active time for the Company. Operations in the Green River Basin have resulted in the company increasing its earning to 36.5% of the New Frontier Energy Inc. (NFEI) interest (working up to a 55% interest via farmin). The work program has also resulted in a significant increase in Reserves and Contingent Resource associated with the Niobrara Play.

Offshore in the Gulf of Mexico the Company successfully discovered additional gas reserves in GA A133, which is planned for development in 2011. The VR 341/342 Oil Project in the Gulf of Mexico was further progressed with the Plan of Exploration being submitted.

### HIGHLIGHTS

#### ■ GREEN RIVER BASIN (GRB)

Operations in 2010 culminated in oil production from the Battle Mountain 14-15A, Butter Lake 32-10, and CF&I wells. Oil was also recovered from the Robidoux 13-15T well, which is now a high priority to re-drill the damaged Niobrara section in 2011.

The Company's onshore Reserves & Contingent Resource were updated based on the results of the 2010 work program. The highlight summary of the ASX release of 15 December 2010 is copied below.

- *[Gross] Contingent Resources increased to 187 Million Barrels of Oil (MMBO) and 191 Billion Cubic Feet of Gas (BCFG) using a conservative 4% recovery factor (recovery factors as high as 17% have been achieved in the Niobrara Play elsewhere)*

- *[Gross] Reserves increased to 12.2 MMBO and 105 BCFG*

*[\*Note: Entek has currently earned the right to 36.5% of NFEI's interest and is earning up to 55% via the farmin.]*

Production continued during the quarter from the Slater Dome Gas Field in the Green River Basin.

⚙️ **GULF OF MEXICO (GOM)**

**Galveston A-133 (GA A133)**

The GA A133 well which spudded in December 2010, successfully encountered natural gas as predicted. Planning is underway for development and tie into sales in 2011. The company will release the timeline for the first sales as soon as the development schedule is confirmed with the Operator, Peregrine Oil & Gas II, LLC.

**Vermilion Blocks 341 and 342 (VR 341/342)**

A Plan of Exploration (POE) has been submitted to the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) for VR 341/342. Prior drilling on the blocks has discovered approximately 1.2 MMBO and 3.0 BCFG of natural gas, which remain undeveloped, and these reserves will be the objective of early drilling. The potential on both blocks has been estimated at 4 MMBO and 6.0 BCFG of natural gas.

**Gulf of Mexico Production**

Production continued during the quarter from High Island 24L and PN 975 offshore in the Gulf of Mexico.

⚙️ **SW QUEENSLAND**

Production continued during the quarter onshore in SW Queensland from Block ATP-269P.

***Production Performance during the Quarter***

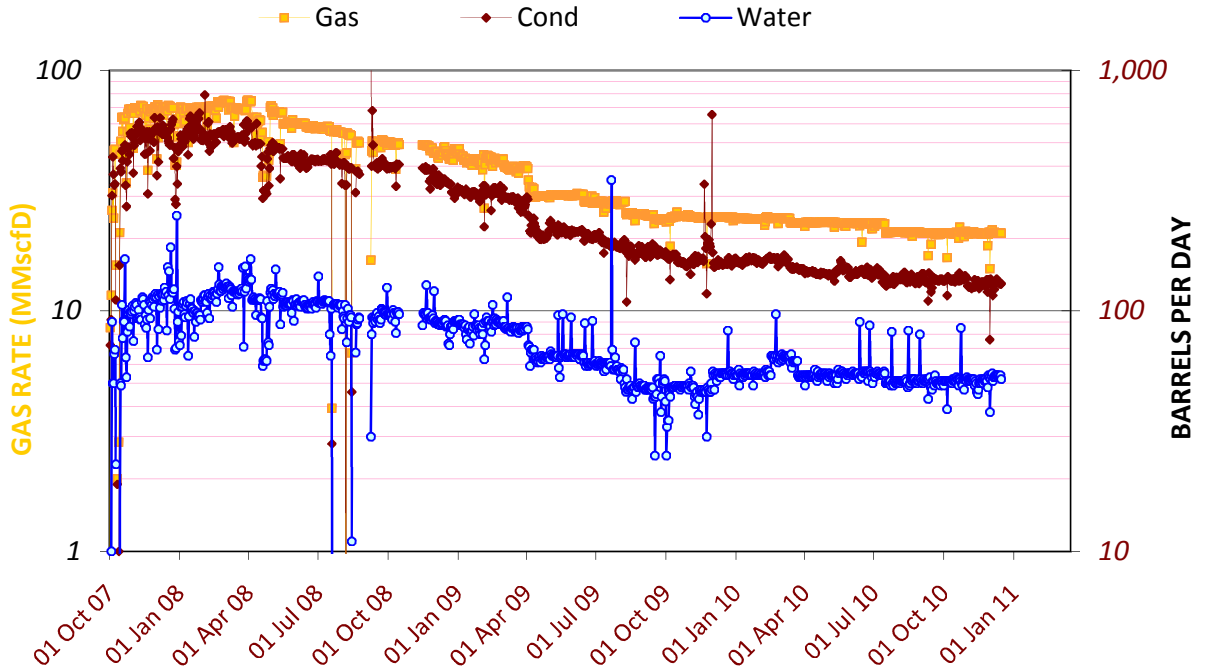
Following is an update on the production performance from Entek's producing assets up to 31 December 2010.

**HIGH ISLAND 24L - GULF OF MEXICO**

Production for the quarter was stable with minimal interruption. Natural gas monthly production, net to Entek is illustrated in the accompanying chart.

Production at High Island 24L commenced on 18 October 2007 following discovery of the resource in September 2006. Production is from two wells (HI 24-L S/2 SW/4 #1 and HI 24-L N/2 SW/4 #1).

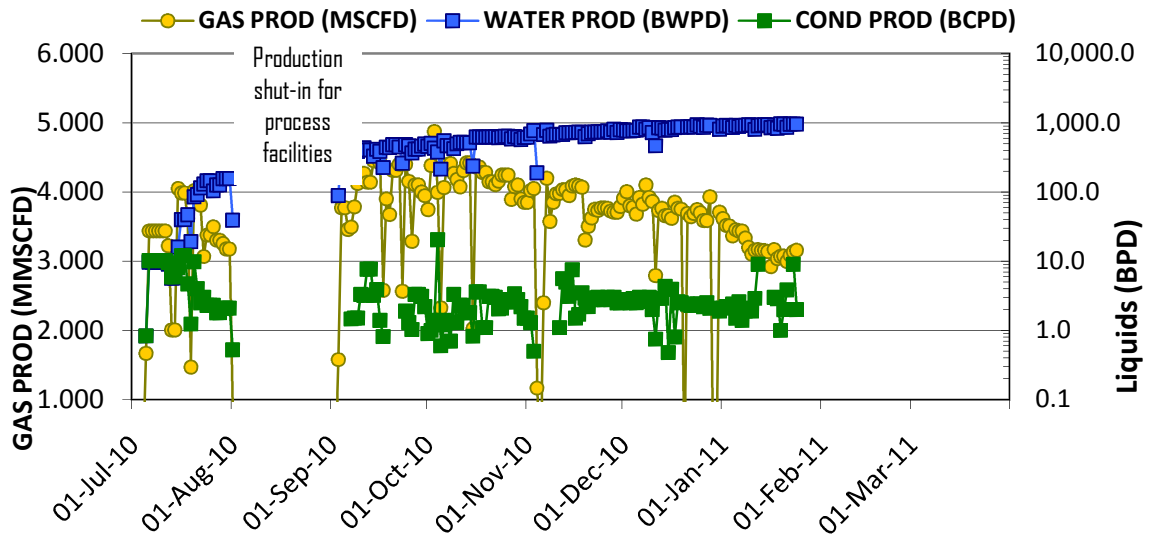
### HIGH ISLAND 24L PRODUCTION



### PADRE NORTH BLOCK 975 – OFFSHORE GULF OF MEXICO

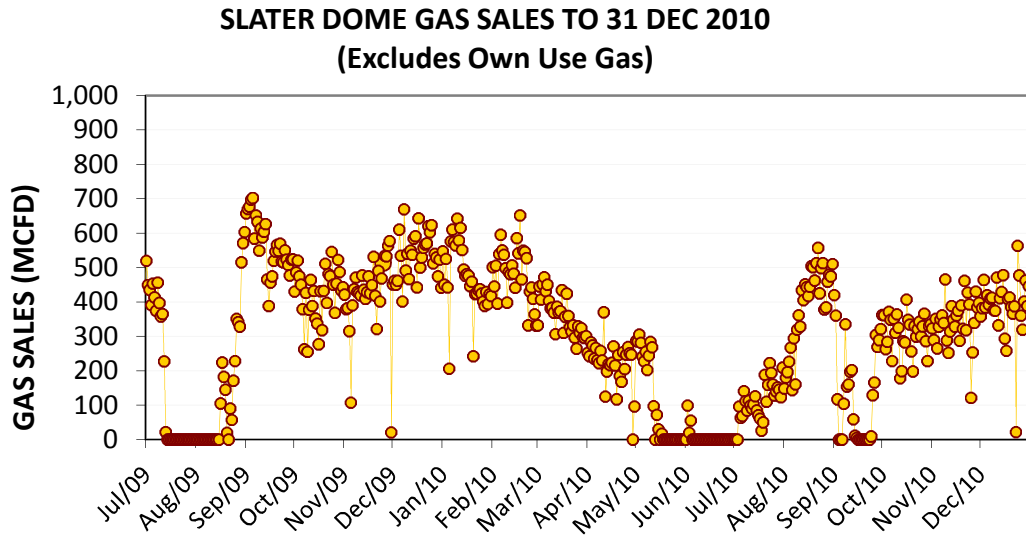
Production at PN 975 recommenced on 5 July 2010. The following chart illustrates the production profile since startup.

#### PN 975 GROSS PRODUCTION (1 July 2010 - 20 Jan 2011)



**SLATER DOME COALBED METHANE PRODUCTION – GREEN RIVER BASIN**

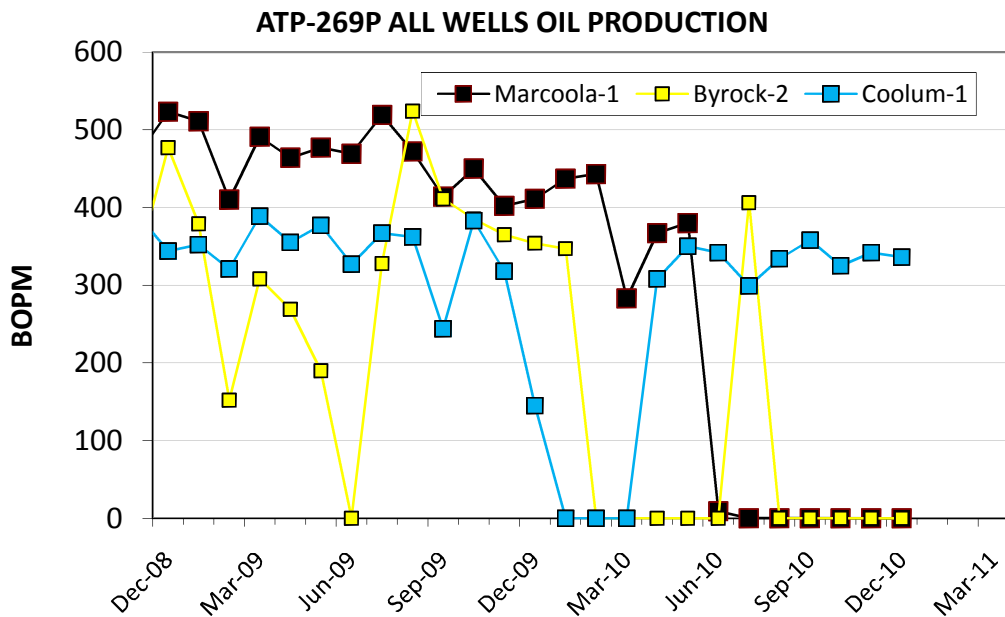
Production to 31 December 2010 is illustrated in the following chart.



**SW QUEENSLAND - ATP 269P**

Production for the quarter was interrupted by downtime at both Byrock-2 (due to accessibility difficulties resulting from area flooding) and Marcoola-1 (for well servicing). The chart below illustrates gross production to 31 December 2010.

Production is derived from three producing wells: Coolum-1, Byrock-2 & Marcoola-1. Entek has a 28.15% Working Interest.



## **Corporate**

Entek's financial position remains robust with:

- ⚙️ Cash reserves of \$3.85 million and no debt.
- ⚙️ Revenue from both HI24L and PN 975 in the Gulf of Mexico, and increasing revenue from its Green River Basin production; and
- ⚙️ Additional revenue from GA A133 to start in 2011.

**Any enquiries should be directed to:**

**TRENT B SPRY**  
**CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR**

**ENQUIRIES:** +618 9213 4388 [INFO@ENTEKENERGY.COM.AU](mailto:INFO@ENTEKENERGY.COM.AU)

**INFORMATION:** [WWW.ENTEKENERGY.COM.AU](http://WWW.ENTEKENERGY.COM.AU)

### **Nomenclature:**

BCFG	Billion cubic feet: Cubic feet of gas multiplied by 1,000,000,000
MMBO	Barrels of oil multiplied by 1,000,000
MCFD	Thousand Cubic Feet of gas Per Day
MMCFD	Million Cubic Feet of gas Per Day
BOPM	Barrels of oil per month

### **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.

### **About The Company:**

Entek is focused on a strategy of acquiring, exploring, developing and producing low to medium risk opportunities in proven oil and gas basins. Entek has acquired a significant portfolio of acreage 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 approximately 60,000 acres of highly prospective leasehold that includes existing producing coal bed methane wells, infrastructure and long life 2P conventional and shale resource reserves. Via farmin Entek is earning up to 55% of the Working Interest of New Frontier Energy Inc.