

ASX RELEASE  
December 8<sup>th</sup> 2009**ENTEK ENERGY SECURES OPTIONS UNDERWRITING AND  
COMPLETES CAPITAL RAISING****Highlights**

Entek is pleased to announce the execution of Option Underwriting and Placement Agreements which will together provide cash of up to \$11.78 million (before costs) to the Company via:

- The underwriting of the exercise of the Company's December 31<sup>st</sup> 2009 options, which when exercised, will raise \$6.8 million (before costs).
- Commitments to raise up to \$4.978 million dollars (before costs), through the placement of up to 24.890 million shares at \$0.20 to sophisticated and institutional investors under the Company's existing 15% capacity, which represents a 14% discount to the 5 day volume weighted average price.

These funds plus existing cash reserves will be used in 2010 to develop the proved resources in the Company's properties in the Gulf of Mexico and the Green River Basin.

**Russell Brimage, Chief Executive Officer commented:**

"The Company has an active program planned for 2010. The Board of Directors was very keen to secure additional funding for the 2010 program including a range of activities currently under negotiation.

With these funds secured, the Company can now focus on the operations to transform these opportunities to production.

The Board of Directors is extremely happy with the strong show of support investors have given to the Company's management, its existing projects and ongoing corporate strategy."

The underwriting of the options is by a syndicate of investors introduced by Blackwood Capital Limited, which company also coordinated the placement.

## BACKGROUND

For further details readers are encouraged to review previous Company announcements and presentations available on Entek's website at [www.entekenergy.com.au](http://www.entekenergy.com.au). A brief summary of the Company's Gulf of Mexico and Green River Basin properties follows:

## GULF OF MEXICO

Entek has a significant portfolio of proved reserves and low risk prospective resources in the Gulf of Mexico. The Company plans to move to development of a number of its projects in 2010. Negotiations are proceeding on several Blocks and the Company is optimistic these negotiations will result in activity in early 2010. Entek's current Gulf of Mexico portfolio is listed in the following table.

AREA	BLOCK	EFFECTIVE DATE	LEASE TERM	LEASE	ROYALTY (%)	ENTEK WORKING INTEREST (%)
HIGH ISLAND	24L S/2 SW/4	4-Apr-06	5	M106410	20%	5%
HIGH ISLAND	24L N/2 SW/4	3-Oct-06	5	M107044	20%	5%
HIGH ISLAND	25L S/2 SE/4	3-Oct-06	5	M107045	20%	5%
HIGH ISLAND	32L N/2 /NW/4	3-Oct-06	5	M107046	20%	5%
GARDEN BANKS	115	1-Feb-08	5	G31602	16.67%	100%
HIGH ISLAND	A0246	1-Dec-06	5	G30684	16.67%	100%
MAIN PASS	252	1-May-08	5	G32258	18.75%	100%
WEST CAMERON	517	TBA	5	G33419	18.75%	100%
GALVESTON	A133	TBA	5	G33407	18.75%	100%
GALVESTON	212	TBA	5	G33401	18.75%	100%
GALVESTON	213	TBA	5	G33402	18.75%	100%

High Island Production, commenced October 2007. Cumulative Production is approximately 32 BCF (35% of reserve) and around 245,000 barrels of condensate. Cumulative Revenue Net to Entek is over US\$8.5 million.

Main Pass Block 252 (MP 252) contains a proven, but incompletely produced natural gas reservoir (El Capitan Prospect) plus a second, proven natural gas reservoir that is not previously developed. The most recent reserve estimate made by Ryder Scott is approximately 25 BCF.

Garden Banks Block 115 (GB 115), the Cascade Prospect located on the block is low risk exploration play which is ready to drill. Recoverable Resource estimate 21.5 BCF.

Galveston Island Block A133 (GA A133) is estimated by ENTEK to have up to 24 BCF of proven, probable, possible and prospective resource on the Block.

West Cameron Block 517 (WC 517) is estimated by ENTEK to have up to 42.8 BCF of proven, probable, possible and prospective resource on the Block.

Galveston Area Block 212 (GA 212) has an oil discovery well on the Block and an exploration prospect on the same structure which could contain reserves up to 4.2 million barrels. The Block has analogue oil production from adjacent Blocks GA 189 and GA 190.

Galveston Area Block 213 (GA 213) is adjacent GA 212 and has an exploration prospect on the same structural trend as GA 212 and the analogue production in GA 189 and GA 190. The GA 213 prospect could contain reserves up to 4.9 million barrels.

High Island A246 (HI A246), the block has shallow potential in the range of 12 to 24 BCF of gas reserves. The block is well located in an area of a “deep gas reservoir sweet spot”. Numerous deep gas prospects have been successfully drilled by operators in the area and Entek will explore this potential during the life of the block.

## **GREEN RIVER BASIN**

Entek commenced a work program immediately following execution of the farm-in agreement, performing work-overs of wells on the Slater Dome Field and a successful test of oil and gas from the Focus Ranch 12-1 well.

The successful drilling of the Robidoux 13-15T and the imminent spud of the Battle Mountain 14-15 well is a continuation of the farm-in program.

Entek and its joint venture partner will be carrying out further detailed geo-science studies over the acreage in early 2010, leading to further drilling activity on this highly prospective acreage later in the year.

## **GREEN RIVER BASIN PROSPECTIVITY**

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. The Slater Dome CBM Field is already in production, averaging 1.1 MMCFD. The established Dixon Gas Field (a coal bed methane producing field) is adjacent to the acreage. 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 (AMI).
2. The Niobrara Formation “continuous oil and gas play” (as described by the United States Geological Society), where 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, but within the AMI.

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 of 3P reserves 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).

The company believes these numbers are encouraging for the acreage and will focus its work program to increasing both the production and certifying the reserves of all plays.



The Company believes this announcement will result in the lifting of the voluntary suspension in the trade of the Company's securities.

**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.