

20<sup>th</sup> August 2009



Company Announcements  
ASX Limited

## **ENTEK HIGH BIDDER ON 5 OFFSHORE BLOCKS IN THE GULF OF MEXICO**

Entek has been confirmed as high bidder on five (5) blocks in the recent MMS Western Lease Sale 210 which closed on 19<sup>th</sup> August, 2009. Award of the blocks is subject to further review by the Minerals Management Service (MMS), however as all bids are in excess of the minimum bid level, it is anticipated the blocks will be officially awarded to Entek within 3 months by the MMS.

In its Quarterly Activities Report for the quarter ending 30<sup>th</sup> June 2009, released on 31<sup>st</sup> July 2009, Entek announced (in part):

“A window of opportunity exists as a result of the combination of the global economic slowdown and continuing low commodity prices, particularly natural gas, which has resulted in depressed activity levels in oil and gas exploration and development. With cash flow and cash reserves, Entek is well positioned to capitalize on this window of opportunity:

- To exploit the less competitive hence greater opportunity bid environment in the upcoming Minerals Management Service (MMS) Federal offshore oil and gas lease sale for the Gulf of Mexico on 19<sup>th</sup> August, 2009. Sale 210 encompasses about 3,400 unleased blocks covering approximately 18 million acres in the Western Gulf of Mexico Planning Area off-shore Texas. MMS estimates the proposed lease sale could result in the production of 242 to 423 million barrels of oil and 1.64 to 2.64 trillion cubic feet of natural gas. Entek is currently reviewing prospects and will submit a bid or bids on blocks it considers to represent low risk exploration and or exploitation potential.”

CEO Russell Brimage said “Entek’s current position of being debt free, with cash reserves and having cash flow enabled the company to implement a low bid strategy to secure additional reserves and low risk prospects. The same strong position allowed us recently to complete a farmin into New Frontier Energy, Inc. assets in Colorado which doubled Entek’s 2P reserves. Once officially awarded by the MMS, we believe these blocks will add to existing 2P reserves whilst providing low risk prospects for exploration.”

“These blocks significantly increase Entek’s Gulf of Mexico portfolio. Entek is emerging as an active and successful explorer and producer in this region.”

Further detailed information on the blocks in which Entek is high bidder will be released as the blocks are awarded by the MMS.

Entek’s Main Pass Block 252 (MP-252) redevelopment project in the Gulf of Mexico is also on track. The company is in the process of permitting the well locations and starting the relevant surface surveys to enable drilling to commence after the end of the current hurricane season which finishes at the end of November, 2009.

Entek’s portfolio of blocks in the Gulf of Mexico is listed in the following TABLE. The five blocks that Entek is the high bidder are highlighted within the 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	10-Mar-06	5	M107044	20%	5%
HIGH ISLAND	25L S/2 SE/4	10-Mar-06	5	M107045	20%	5%
HIGH ISLAND	32L N/2 NW/4	10-Mar-06	5	M107046	20%	5%
GARDEN BANKS	0115	01-Feb-08	5	G31602	16.667	100%
HIGH ISLAND	A0246	01-Dec-06	5	G30684	16.667	100%
MAIN PASS	0252	01-May-08	5	G32258	18.750	100%
WEST CAMERON	517	HIGH BID, PENDING AWARD			18.75	100%
GALVESTON	A133	HIGH BID, PENDING AWARD			18.75	100%
GALVESTON	A43	HIGH BID, PENDING AWARD			18.75	100%
GALVESTON	212	HIGH BID, PENDING AWARD			18.75	100%
GALVESTON	213	HIGH BID, PENDING AWARD			18.75	100%

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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.

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.