

29th April 2009



Company Announcements  
ASX Limited

## MAIN PASS 252 – RESERVES UPDATE

### REMAINING 2P RESERVES INCREASED BY 35%

At the request of Entek Energy Limited (Entek), Ryder Scott Company has prepared an update to the estimate of the reserves for the Main Pass 252 Block (El Capitan Prospect). The Main Pass 252 Block was awarded to Entek's wholly owned subsidiary Entek USA General LLC following the Central Gulf of Mexico Planning Area Sale 206 held in March 2008.

This update was requested after additional pressure data was recovered by Entek from the Minerals Management Services, a division of the Department of Interior of the U.S. Government records.

The El Capitan Prospect is defined by:

- 3D seismic over the Prospect.
- 9 well penetrations within the Prospect.
- Production history from the "L" Reservoir of 122.6 BCF.
- Analog production in the "L" Reservoir in adjacent block MP 255; which has produced in excess of 290 BCF and continues to produce today.

Entek holds a 100% Working Interest in MP 252 (77.25% NRI).

The following TABLE 1 summarizes the new reserves estimates made by Ryder Scott Company.

TABLE 1 – GROSS RESERVES AS AT 1<sup>ST</sup> JANUARY 2009

	Proved Undeveloped	Probable Undeveloped	Possible Undeveloped	Total 3P Reserve
<b>Remaining Reserves</b>				
Gas (MMCF)	8,256	7,206	9,215	24,677
Oil/Condensate - (barrels)	17,661	11,788	25,851	55,300

The last reserve estimate made by Ryder Scott was published by Entek in its announcement to the ASX on 24 July 2008. The updated Ryder Scott estimate of reserves shows a 35% increase in total 2P reserves since that first reserve estimate.

## **VALUATION**

In line with industry guidelines, reserves are valued in accordance with the probability that the quantities actually recovered will equal or exceed the estimate. For Proven Reserves, the probability utilized by the industry is 90%, for Probable 50% and Possible 10%.

Assuming an “in ground” value range between US\$1.50 and US\$2.50 per MCF, the following TABLE 2 shows a range of valuations for the updated Remaining Reserves attributable to MP 252.

TABLE 2 – VALUATION OF RESERVES, MP 252

<u>CURRENT RESERVE ANALYSIS</u>			<u>"IN GROUND" VALUE RANGE</u> <u>(US\$/MCF)</u>		
<u>CATEGORY</u>	<u>MMCF</u>	<u>PROBABILITY</u>	<u>US\$1.50</u>	<u>US\$2.00</u>	<u>US\$2.50</u>
Proved	8,256	90%	11,146	14,861	18,576
Probable	7,206	50%	5,405	7,206	9,008
Possible	9,215	10%	1,382	1,843	2,304
VALUATION (US\$,000) >>>>			17,933	23,910	29,888

The “in ground” prices presented in the above valuation scenario are selected relative to current natural gas prices prevailing in the Gulf region. Less than 12 months ago, the market price range for “in ground” reserves was US\$2.50 on the low side to US\$3.50 on the high side per MCF.

## **BACKGROUND**

MP-252 is located in 77 metres (253 feet) of water and contains a proven, but incompletely produced natural gas reservoir (El Capitan Prospect) at the relatively shallow depth of approximately 2,438 metres (8,000 feet); plus a second, proven natural gas reservoir that is not previously developed, at approximately 2,103 metres (6,900 feet).

## **DEVELOPMENT OUTLOOK**

It is planned that a deviated well to approximately 2,438 metres (8,000 feet) will be drilled to re-tap the incompletely produced reservoir. Initial costs of this well are assessed at less than US\$5 million in today’s service market.

ENTEK is presently in farmin discussions with several parties and remains optimistic of formalizing terms of participation that will enable activity on MP 252 beginning during 2009.

## **NOTES**

1. Ryder Scott Petroleum Consultants evaluates oil and gas properties and independently certifies petroleum reserves quantities in the U.S. and internationally. Founded in 1937, Ryder Scott is one of the largest, oldest and most respected reservoir-evaluation consulting firms in the industry.

### ***Nomenclature:***

BCF	Billion cubic feet (of natural gas)
MCF	Thousand Cubic Feet (of natural gas)

MMCF	Million Cubic Feet (of natural gas)
NRI	Net Royalty Interest (after deducting Federal and other royalties)

**For further details please contact:**

**Russell Brimage – Chief Executive Officer**

**+ 61 8 9213 4388**

**[info@entekenergy.com.au](mailto:info@entekenergy.com.au)**

**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.