

24th July 2008



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Company Announcements
ASX Limited

MAIN PASS 252 – RESERVES ESTIMATE

At the request of Entek Energy Limited (Entek), Ryder Scott Company prepared an estimate of the reserves, future production, and income attributable for the Main Pass 252 Block (El Capitan Prospect) 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.

The El Capitan Prospect is defined by:

- 3D seismic over the Prospect.
- 6 well penetrations within the Prospect and numerous other well penetrations in adjacent block MP 252.
- Production history from the "L" Reservoir of 100 BCF from the Prospect.
- Analog production in the "L" Reservoir in block MP 255 which has produced in excess of 290 BCF.

Ryder Scott's Report estimates Proven Undeveloped Reserves of 7.285 BCF, sufficient to produce cash flows to fully recover the development costs of drilling and completing two development wells and connecting these wells to an existing platform near to the proposed well sites plus providing Entek with surplus cash flow (after Royalties and Operating Costs) of US\$20.459 million (or US\$14.951 million discounted at 10%).

The revenue stream from the Proven Undeveloped Reserves is estimated to be recovered over a four year project life.

The addition of Probable and Possible Undeveloped Reserves of 31.567 BCF have the potential to deliver additional surplus cash flow (after Royalties and Operating Costs) to Entek of US\$172.8 million (US\$120.1 million discounted at 10%).

The project life to produce the Probable and Possible Undeveloped Reserves could potentially extend beyond 8 years.

Entek currently holds a 75% Working Interest in MP 252 (58.44% after ORRI).

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

	Total Proved Undeveloped	Total Probable Undeveloped	Total Possible Undeveloped
Remaining Reserves			
Gas (MMCF)	7,285	4,214	27,353
Oil/Condensate - (barrels)	17,661	11,788	25,851

Entek Remaining Reserves			
Gas (MMCF)	5,464	3,161	20,515
Oil/Condensate - (barrels)	13,246	8,841	19,388
Entek Income Data			
Gross Future Revenue	\$45,368,043	\$25,947,481	\$159,501,443
Deductions	\$24,908,207	\$1,492,022	\$11,180,895
Future Net Income (FNI)	\$20,459,836	\$24,455,459	\$148,320,548
Discounted FNI @ 10%	\$14,951,931	\$19,279,797	\$100,803,108
Discounted FNI per ETE share (163,685,018 Ordinary Shares)	\$0.09	\$0.12	\$0.62

BACKGROUND

MP-252, located in 77 metres (253 feet) of water, 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, but in this case never before developed, at approximately 2,103 metres (6,900 feet).

DEVELOPMENT OUTLOOK

It is planned that a high inclination 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 US\$5.6 million (Entek share US\$4.2 million should the Company retain a 75% Working Interest).

The Company's current cash position plus revenue of approximately A\$700,000 per calendar month is anticipated to provide sufficient working capital to meet this obligation. Entek's full economic evaluation of the reserves is based upon a two well development, the second well designed to accelerate production of the incompletely produced reservoir and also tap the proven but unproduced reservoir. Production would be tied back to existing production facilities nearby.

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.
2. Gas Price used NYMEX strip price of gas at the Henry Hub per MMBTU (2008 \$11.96, 2009 \$11.11, 2010 \$10.25, 2011 \$9.97, 2012 onwards \$10.00)
3. Oil price used NYMEX strip price per barrel for West Texas crude delivered to Cushing, Oklahoma (2008 \$127.26, 2009 \$125.64, 2010 \$124.07, 2011 \$123.78, 2012 onwards \$124.19).
4. Development costs were furnished by an independent engineering company. Ryder Scott accepted these estimates as "reasonable without independent verification".
5. Operating costs for the leases and wells were provided by an independent engineering company. The Gulf of Mexico has abundant infrastructure and operating costs are well structured in the

area. Significantly, operating costs for gas operations are minimal once the wells are on line – even significant variations in these operating costs have minimal impact on Net Income.

6. The **New York Mercantile Exchange** (NYMEX) is the world’s largest physical commodity futures exchange, located in New York City.

Nomenclature:

BCF	Billion cubic feet (of natural gas)
MMCF	Million Cubic Feet (of natural gas)
ORRI	Overriding Royalty Interest

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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.