

31<sup>st</sup> August 2009



Company Announcements  
ASX Limited

## ENTEK HITS THE GROUND RUNNING

### FOUR WORKOVERS COMPLETED ON SLATER DOME

#### FOCUS RANCH 12-1 WELL PERFORATED AND FLOWING GAS AND OIL

On 13<sup>th</sup> August 2009, Entek Energy Limited (ENTEK) announced execution of a US\$12.5 million farm-in agreement, to acquire up to a 55 per cent stake in New Frontier's interests in their assets in Northern Colorado and Southern Wyoming, including the Slater Dome Gas Field (a producing coal bed methane field) and other undeveloped oil and gas reserves (Focus Ranch Unit) within approximately 66,000 leased acres of highly prospective acreage.

ENTEK has moved quickly to commence operations, and has already achieved:

- four work-overs on the Slater Dome Field completed. These wells were previously off-line and are now back on line, and will contribute to immediate production and revenue stream.
- testing one zone of the Focus Ranch Unit 12-1 well that was previously inadequately tested. The result of additional perforations and propellant stimulation has resulted in a flow rate double that expected

#### **FOCUS RANCH UNIT**

Operations commenced on Focus Ranch well 12-1 on the 17<sup>th</sup> August 2009. Perforations were shot over a 30 foot interval of the Upper Niobrara section, in conjunction with propellant stimulation over the new perforations and existing perforations. The well was initially swabbed before it began to flow unaided.

The well has continued to clean up, with the oil rate continuing to increase. Final flow rate immediately prior to shut-in was:

Gas Rate	approx. 1.7 MMCFD
Oil Rate	approx. 90 barrels of oil per day
Flowing wellhead pressure	550 - 600 psi

This test of the Upper Niobrara is in addition to two lower zones that were tested in September 2006:

- The Lower Niobrara produced on initial test at 800 MCFD, with 160 barrels of oil per day.
- The deepest zone, the Frontier Sand, produced on test at 1.2 MMCFD with 100 barrels of oil per day.

Assuming a long term combined gas rate of 1.5 MMCFD and a liquid rate of 100 barrels of oil per day, this well alone will generate gross revenue in excess of US\$ 3 million per year, even when conservatively assuming the current depressed gas price.

The nearby Focus Ranch 3-1 well is also awaiting testing and electric logs suggest it may have the capacity to produce at similar rates to the Focus Ranch 12-1 well.

Commenting on the initial results, ENTEK CEO Russell Brimage said “this outcome is further evidence that the Focus Ranch Unit has the potential to become a very significant producer of oil and gas. Wells producing from equivalent formations in other nearby fields are still producing economically after 10 years, with fields still on production after 30 years”.

“Further drilling of the Focus Ranch Unit has the potential to prove up significant reserves given our preliminary estimates of the large areal extent of the field.”

“And with infrastructure in place, new wells can be tied into production within months of completion. Further, additional wells will not add significantly to the existing operating costs.”

### ***SLATER DOME Gas field***

Immediately upon executing the farm-in agreement, activity began with the mobilization of a work-over rig to the Slater Dome Field. Four wells have now been worked over and are back on line. These wells also received new propellant stimulation and indications are that they have returned to better than previous production rates. The next workover program is underway, including an additional five wells, where additional perforations and propellant stimulation will be performed before bringing the wells back on production.

### ***Nomenclature:***

MCFD	Thousand Cubic Feet Per Day
MMCFD	Million Cubic Feet Per Day

### **For further details please contact:**

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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.