

30 January 2009

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**ENTEK ENERGY LIMITED (ASX CODE: ETE)
 QUARTERLY ACTIVITIES REPORT - Quarter ended 31st December 2008**

HIGHLIGHTS

Gulf of Mexico:

- ⚙️ Steady production from High Island 24L Block in the Gulf of Mexico during the Quarter, albeit at lower gas prices.

SW Queensland:

- ⚙️ Production from SW Queensland Block ATP 269P stable over the Quarter.

Corporate

- ⚙️ Company appoints senior executives.
- ⚙️ Cash plus debtors on hand at 31 December 2008 was A\$8.5 million (Cash \$7.0m and Debtors \$1.5m).
- ⚙️ The Company has no significant debt.

The Company's interests are summarized below:

USA – Outer Continental Shelf, Gulf of Mexico

<u>Block</u>	<u>Working Interest</u>	<u>Status</u>
High Island Block 24L *	5%	Producing - gas
Main Pass 252	100%	Ready to drill proved resource
Garden Banks 115	100%	Ready to drill exploration block
High Island A-246	100%	Exploration block

* Comprising Blocks HI 24-L S/2 SW/4 and HI 24-L N/2 SW/4

Australia – SW Queensland

<u>Block</u>	<u>Working Interest</u>	<u>Status</u>
ATP-269P	28.15%	Producing - oil

PRODUCTION PERFORMANCE DURING THE QUARTER

Gulf of Mexico – High Island 24L

Production for the Quarter was stable with minimal interruption. The attached TABLE 1 lists production downtime with relevant comments. Apart from minor operational disruptions, the majority of downtime resulted from platform shutdowns due to hurricanes.

Production at High Island 24L commenced on October 18th 2007 following discovery of the resource in September 2006. Production is from two wells - HI 24-L S/2 SW/4 #1 and HI 24-L N/2 SW/4 #1.

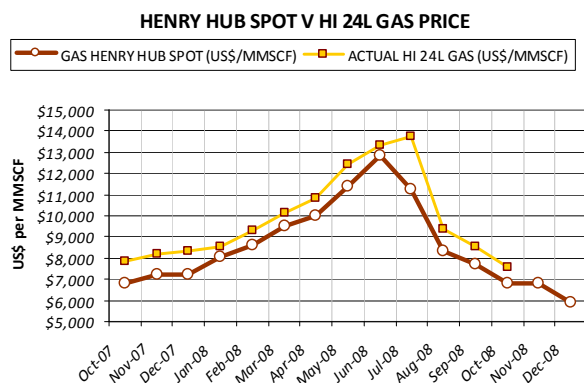
TABLE 1 – HIGH ISLAND 24L		
Month	Downtime	Comment
Dec/08	0.0%	
Nov/08	0.4%	
Oct/08	0.5%	
Sep/08	60.6%	Hurricane interruptions
Aug/08	16.5%	Hurricane interruptions
Jul/08	0.0%	
Jun/08	0.1%	
May/08	12.9%	Maintenance activity
Apr/08	1.1%	
Mar/08	1.5%	
Feb/08	3.1%	
Jan/08	7.2%	

HIGH ISLAND 24L NET REVENUE TO ENTEK

Revenue for the months of November and December 2008 is projected based on Henry Hub gas prices and actual sales volumes during these months.

Revenues have been lower in recent months as a result of lower Gas Prices.

The following CHART compares Henry Hub Spot prices against actual gas prices realized by ENTEK.



ACTUAL & PROJECTED REVENUES (NET TO ENTEK)

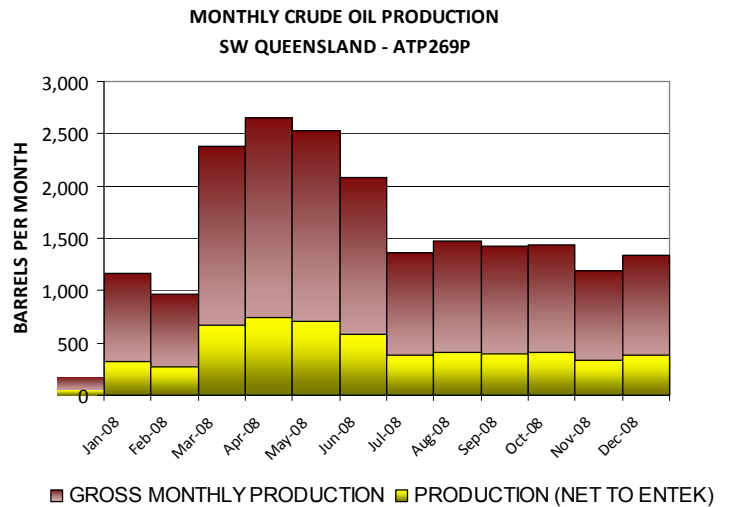
MONTH		REVENUE (US\$)
Dec/08	Projected	\$306,823.55
Nov/08	Projected	\$355,455.34
Oct/08	Actual	\$362,191.07
Sep/08	Actual	\$153,299.72
Aug/08	Actual	\$450,850.16
Jul/08	Actual	\$793,592.68
Jun/08	Actual	\$766,377.86
May/08	Actual	\$715,459.01
Apr/08	Actual	\$728,065.47
Mar/08	Actual	\$737,737.35
Feb/08	Actual	\$603,033.18
Jan/08	Actual	\$542,096.10

SW Queensland - ATP 269P

Production for the Quarter remained steady as the accompanying CHART illustrates.

Production is derived from three producing wells:

- Coolum-1
- Byrock-2
- Marcoola-1



Well Availability – ATP 269P

The downtime of wells during the Quarter is listed in the following TABLE.

WELL	Oct/08	Nov/08	Dec/08
COOLUM-1	0.0%	0.0%	17.5%
BYROCK-2	16.8%	53.4%	11.7%
MARCOOLA-1	9.7%	19.1%	0.6%

The majority of downtime was inaccessibility to well sites due to rains in the area. Operational downtime was minimal.

OPERATIONS UPDATE

Gulf of Mexico – Award of Block 252, Main Pass Area, South & East Addition

ENTEK’s Working Interest in Main Pass Area, South & East Addition, Block 252 (MP-252) is 100% with a Net Working Interest of 77.75% (after royalty interests including Federal Royalty).

MP-252, located in 77 metres (253 feet) of water, contains a proven, but incompletely produced natural gas reservoir 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).

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

RYDER SCOTT COMPANY RESERVES ESTIMATES MAIN PASS 252			
	Total Proved (1P) Undeveloped	Total Proved+ Probable (2P) Undeveloped	Total Proved + Probable + Possible (3P) Undeveloped
Remaining Reserves			
Gas (MMCF)	7,285	11,499	38,852
Oil/Condensate - (barrels)	17,661	29,449	55,300
Entek Remaining Reserves			
Gas (MMCF)	5,464	8,625	29,140
Oil/Condensate - (barrels)	13,246	22,087	41,475

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.

DEVELOPMENT OUTLOOK

The Company has been presenting MP-252 to potential joint venture partners, intending to farm down ENTEK's interest. These negotiations continued during the Quarter.

The Company's objective is to farm out an interest in MP-252 in the first quarter of 2009, to enable drilling operations to commence in the first half of calendar year 2009.



APPROXIMATE LOCATION MAP BLOCK MP-252

Gulf of Mexico –GARDEN BANKS 115 BLOCK (Cascade Prospect)

The Cascade Prospect is ready to drill in the Garden Banks 115 Block:

- The recoverable resource estimate is 21.5 BCF, at a depth of 1,100 metres subsea (3,600 feet subsea).
- Hydrocarbon type expected: gas/condensate.
- Geologic control is through the numerous tests in the area exhibiting good reservoir characteristics, with seismic control utilizing Western Geco 3D over the prospect.
- Analog production of 215 BCFE cumulative surrounds the Cascade Prospect.
- Direct hydrocarbon indicators - amplitude anomaly, flat spot and down-dip conformance.
- A gas pipeline traverses the block and an oil pipeline is located 6 miles away.

Entek holds a 100% working interest in Garden Banks 115 and is seeking to farm out an interest in the block. Discussions continued during the Quarter with potential farminees.

CORPORATE

SUBSEQUENT EVENTS - EXECUTIVE APPOINTMENTS

On January 27th 2009, the Company announced the following executive appointments.

⚙️ **Mr Trent Spry** was appointed to the position of General Manager

Trent brings considerable geotechnical experience along with advisory and management skills gained in employment and consultancy positions with BHP Petroleum, Woodside Energy, Spry Geoscience, ECL Australia/Asia and RPS Energy.

Trent's broad regional experience includes the Gulf of Mexico in the USA where Entek has production and continues its exploration efforts to expand its production portfolio and reserves base.

⚙️ **Mr Andrew Gastevich – to be appointed Chief Financial Officer and Company Secretary**

Andrew is a Chartered Accountant with over 20 years experience. He worked with Ernst & Young Chartered Accountants for 8 years before forming his own Chartered Accounting practice and operating that also for a period of 8 years. Andrew then worked at Australia's largest privately owned Iron Ore Mining company before becoming the Chief Financial Officer/Chief Operating Officer for a national group involved in the provision of professional services to both business and government.

These appointments follow the Board restructure in the second half of 2008.

The Company is now ideally positioned, through its ongoing cash flow from production in the US and Australia and cash reserves, coupled with the diversified experience at Board level and industry experienced executives, to implement the company's expansion objectives in the Gulf of Mexico and other regions which meet the investment criteria as enunciated in the Company's business plan.

Enquiries:

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Nomenclature

BCFE	Billion cubic feet equivalent
BOPM	Barrels of crude oil per month
BFD	Barrels of fluid per day
MMBtu	Million British Thermal Units
MMCFG or MMCF	Million cubic feet of natural gas

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.