

30<sup>th</sup> October 2009



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Company Announcements  
ASX Limited

**ENTEK ENERGY LIMITED (ASX CODE: ETE)  
QUARTERLY ACTIVITIES REPORT - Quarter ended 30<sup>th</sup> September 2009**

- Company executes Farm-in Agreement to acquire up to 55% interest in producing properties and significant acreage and infrastructure in the Green River Basin in Colorado and Wyoming . Work begins immediately on evaluation of untested zones and workovers of existing wells.
  - Planning underway for drilling of new wells in the Green River Basin in 2009.
  - ENTEK is high bidder on five Blocks in the Minerals Management Service (MMS) Federal offshore oil and gas lease sale for the Gulf of Mexico, held on 19<sup>th</sup> August 2009.
1. On 13<sup>th</sup> August 2009 ETE completed the agreement to acquire upto a 55% interest in the Slater Dome and Focus Ranch acreage and associated infrastructure owned by New Frontier Energy Inc (NFEI) in Colorado and Wyoming USA. Entek has since moved forward aggressively with a range of activities, including:
    - Workovers to 14 coal bed methane wells in the Slater Dome field for both remedial and production enhancement reasons.
    - Stimulation and testing of an untested interval in the Focus Ranch 12-1 well resulting in an additional productive zone that may be commingled with other zones previously tested when this well is tied into production.
  2. To exploit the greater opportunities in the less competitive bid environment in the Minerals Management Service (MMS) Federal offshore oil and gas lease sale for the Gulf of Mexico held on 19<sup>th</sup> August 2009 – ENTEK was high bidder on five of the six bids it lodged at this Sale. Official confirmation of award for Galveston A133 has been received and notification on the remaining four blocks is still pending.
  3. The Company remains financially robust:
    - Net cash/liquids at 30<sup>th</sup> September 2009 of \$6.676 million.
    - Continuing cash flow from both the High Island 24 Block in the US Gulf of Mexico and oil operations in ATP-269P Block in SW Queensland.
    - ENTEK remains debt free.

*The Company's current interests are summarized in the following TABLE*

<b>USA – GULF OF MEXICO</b>						
<b>AREA</b>	<b>BLOCK</b>	<b>EFFECTIVE DATE</b>	<b>LEASE TERM</b>	<b>LEASE</b>	<b>ROYALTY (%)</b>	<b>ENTEK WORKING INTEREST (%)</b>
HIGH ISLAND	24L S/2 SW/4	4-Apr-06	5	M106410	20%	5%
HIGH ISLAND	24L N/2 SW/4	3-Oct-06	5	M107044	20%	5%
HIGH ISLAND	25L S/2 SE/4	3-Oct-06	5	M107045	20%	5%
HIGH ISLAND	32L N/2 /NW/4	3-Oct-06	5	M107046	20%	5%
GARDEN BANKS	115	1-Feb-08	5	G31602	16.67%	100%
HIGH ISLAND	A0246	1-Dec-06	5	G30684	16.67%	100%
MAIN PASS	252	1-May-08	5	G32258	18.75%	100%
<b>GALVESTON</b>	<b>A133</b>	<b>OFFICIALLY AWARDED TO ENTEK</b>			<b>18.75%</b>	<b>100%</b>
<b>AUSTRALIA – SW QUEENSLAND</b>						
<b>LOCATION</b>		<b>PERMIT</b>		<b>WORKING INTEREST</b>		
SW QUEENSLAND		ATP 269P		28.15%		

A more detailed account of activity on currently held blocks for the Quarter ending 30<sup>th</sup> September 2009 follows.

### **GREATER GREEN RIVER BASIN FARM-IN**

On 26<sup>th</sup> June 2009, ENTEK announced a conditional offer to earn up to 55% of New Frontier Energy Inc.'s (NFEI) interest in a large acreage portfolio (approximately 66,000 acres) in the Greater Green River Basin in Colorado and Wyoming in the USA had been accepted subject to completion of documentation.

On 13<sup>th</sup> August 2009, ENTEK announced that a farm-in agreement had been executed.

Immediately following execution of the farm-in ENTEK commenced activity, briefly summarized below:

- In the Quarter to 30<sup>th</sup> September 2009, 7 workover services were carried out.
- Subsequently, to end October 2009, another 7 workovers have been performed.



Production at High Island 24L commenced on 18<sup>th</sup> October 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.

### HIGH ISLAND 24L NET REVENUE TO ENTEK

Whilst production has remained stable and in line with forecast decline, revenue has been impacted by the low commodity prices, particularly for natural gas. The following TABLE summarizes actual and projected revenue for the calendar year to date.

MONTH		REVENUE (US\$)
Jan-09	Actual	\$252,557.42
Feb-09	Actual	\$171,746.87
Mar-09	Actual	\$178,392.01
Apr-09	Actual	\$136,029.82
May-09	Actual	\$123,233.60
Jun-09	Actual	\$127,344.21
Jul-09	Actual	\$129,099.57
Aug-09	Projected	\$115,705.28
Sep-09	Projected	\$98,297.84

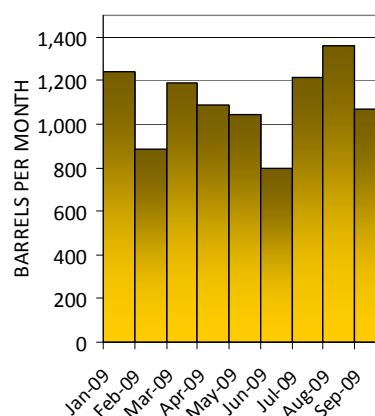
The projections for August and September 2009 are based on actual production for the months with Henry Hub NYMEX Spot Price used to estimate revenue. August and September 2009 Natural Gas prices recorded lows for the year. In October prices began to recover to \$4.57 /MMBtu at 29 October, 2009.

### *SW Queensland - ATP 269P*

Production for the Quarter was restricted due to the Byrock-2 storage facilities being stranded as a result of significant rains in the area. Byrock-2 was shut-in for approximately 25 days in July 2009. The CHART to the right illustrates production year to date for calendar year 2009.

Production is derived from three producing wells: Coolum-1, Byrock-2 & Marcoola-1.

MONTHLY CRUDE OIL PRODUCTION  
SW QUEENSLAND - ATP269P



### OPERATIONS UPDATE

#### *Gulf of Mexico – 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 Revenue Interest of 77.25% (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).

In April 2009, ENTEK received an updated Reserve Estimate from Ryder Scott Company, after discovery of additional pressure data for the field recovered from the Minerals Management Services, a division of the Department of Interior of the US Government records.

**MP-252 GROSS RESERVES** (as at April 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

Ryder Scott Company, 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.

During the quarter ENTEK continued discussions with potential farminees. It is planned to finalize these negotiations in time to permit the commencement of the drilling program in late November 2009.



**APPROXIMATE LOCATION MAP BLOCK MP-252**

### ***Gulf of Mexico –Garden Banks 115 Block (Cascade Prospect)***

The Cascade Prospect is a low risk exploration play. The asset is technically robust and in more conducive times will attract interest. It remains a valuable asset in ENTEK's portfolio.

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 seismic data over the prospect.
- Analog production of 215 BCFE cumulative surrounds the Cascade Prospect.
- Direct hydrocarbon indicators – seismic amplitude anomaly, with 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 (WI) in Garden Banks 115 and is seeking to farm out an interest in the block.

ENTEK will continue discussions with potential farminees.

## **CORPORATE**

### ***Resignation of Director***

The Company wishes to advise that Mr Ian Sandover has tendered his resignation as a Non Executive Director of the Company, effective 31<sup>st</sup> December 2009. He will continue in his role until that time.

The Directors would like to thank Ian for his commitment and support in being a part of the team that has transformed the Company into a financially sound, well established producer and explorer with an exciting future. We wish Ian all the best for the future.

### ***Enquiries:***

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### ***Nomenclature***

BCFE

Billion cubic feet equivalent

### **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.