

22 December 2011

## ENTEK SIGNIFICANTLY INCREASES LEASE HOLDING IN NIOBRARA SHALE PLAY

Entek is pleased to announce that it has entered into an agreement to acquire an acreage package of over 28,000 gross acres (around 19,000 net acres) adjacent to its existing lease position covering the highly prospective Niobrara Shale Oil Play in the Green River Basin.

The consideration of around US\$2.5 million is subject to Entek finalising its due diligence process.

On closing of this acquisition the Company will operate and control over 110,000 gross acres, approximately 91,000 net acres, covering the Niobrara Play in Colorado and Wyoming.

Entek holds a 55% working interest in the existing Niobrara project, with Emerald Oil & Gas NL (Emerald) holding the remaining 45%. Under the Area of Mutual Interest (AMI) Agreement between Entek and Emerald, 45% of the new acreage will be offered to Emerald for proportionate consideration. If Emerald takes up its 45% interest, Entek will have over 50,000 net acres in the Niobrara shale play; should Emerald not participate, Entek will have closer to 60,000 net acres in the play.

The map below represents the geographic extent of the gross acreage position including the new leases.

### Australian Securities Exchange

Code: ETE

### Ordinary shares

510,657,387

### Board of Directors

Graham Douglas Riley  
(Non-Executive Chairman)  
Trent Benjamin Spry  
(Executive Director)  
Alexander Forcke  
(Non-Executive Director)  
Andrew Padman  
(Non-Executive Director)

### Key Projects and Interests

Green River Basin, USA (GRB)  
Gulf of Mexico, USA (GoM)

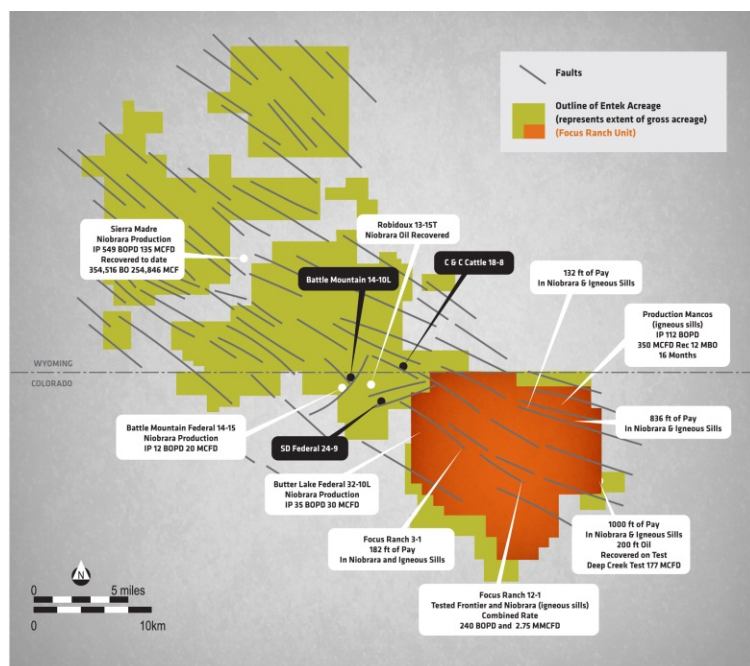
Entek is focused on a strategy of acquiring and exploring potentially high impact oil and gas opportunities in proven and producing areas. Entek has acquired a significant portfolio of acreage in the offshore shallow waters of the Outer Continental Shelf of the Gulf of Mexico. The Company has a total of 5 blocks in the Gulf of Mexico prospective for oil with a combined gross prospective resource of over 30 MBOE some of which (VR342 and VK818) have been proven by recent and previous drilling. Onshore in the Green River Basin the Company's interest covers approximately 86,000 gross acres of highly prospective leasehold that includes existing producing coal bed methane wells, infrastructure and long life conventional and shale resource reserves. The primary focus of the Company onshore is the appraisal of its Niobrara Oil Resource Play.

### Entek Contacts

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Commenting on the acquisition, Entek's Executive Director, Trent Spry, said:

"This is a fantastic result built on relationships that we have nurtured over the past 18 months.

The transaction pricing is a result of negotiations around Entek's dominant acreage position and the benefits of consolidating the new leases for both parties by way of the vendor retaining a royalty interest in these leases and delivering to Entek an 80% net revenue interest. This has resulted in a significantly lower price per acre paid compared to market.

The Company's lease acquisition strategy this year has resulted in close to a doubling of its acreage holding.

The addition of this acreage builds on Entek's already dominant position in the area. Having control of over 110,000 acres in the Niobrara Shale Play affords Entek great flexibility when planning the future development of the play. A land holding of this significance is likely to attract the attention of large companies with an appetite for unconventional resource assets.

Similar to our existing lease holdings, the newly acquired leases are a mixture of Federal, State and Fee leases with significant remaining lease term or existing renewal options. The Company's dominant, long term lease position allows for time to appraise the acreage prior to moving into a large scale development phase.

The timing of this acquisition is ideal given the encouragement we have seen from our 2011 appraisal wells as well as early results from nearby industry activity."

Further information on the Company is available at: [www.entekenergy.com.au](http://www.entekenergy.com.au)

All enquiries should be directed to:

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**Competent Persons Statements:** Information in this report that relates to Hydrocarbon Reserves / Resources is based on information compiled by Mr Trent Spry, Chief Executive Officer & Managing Director of Entek Energy Limited who has consented to the inclusion of that information in the form and context in which it appears. Mr Spry has over 20 years experience in the petroleum industry, both in Australia and internationally. His qualifications are: University of Adelaide, Bachelor of Science, Double Major Geology & Biochemistry, National Centre of Petroleum Geology & Geophysics (NCPGG), First Class Honours, 1993.