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Company Announcements
ASX Limited

ENTEK ACQUIRES ADDITIONAL GULF OF MEXICO EQUITY AND IS TO COMMENCE DRILLING

Entek Energy Limited, through its wholly owned subsidiary South Marsh LLC, has acquired additional equity in two Federal Outer Continental Shelf Leases in the Gulf of Mexico, from Ridgelake Energy, Inc., a Louisiana corporation (the Operator).

In OCS-G 27091, Block 152, South Marsh Island Area, South Addition, where the Company holds the right to earn a 7.5% Working Interest, it has secured a right to earn an additional 7.5% Working Interest, bringing the total right to earn Working Interest to 15%.

In OCS-G 27089, Block 138, South Marsh Island Area, South Addition, where the Company holds the right to earn a 7.5% Working Interest, it has secured a right to earn an additional 3.75% Working Interest, bringing the total right to earn Working Interest to 11.25%.

Ridgelake Energy, Inc., (the Operator), has submitted to Entek Energy Limited's wholly owned subsidiary South Marsh LLC, an Authority for Expenditure (AFE) for the drilling of the first exploration well by the joint venture on Block 138, South Marsh Island Area, South Addition. Entek has commenced the transfer of its subsidiary's participation cost in this well to the Operator.

Capital Raising

Entek Energy Limited has recently completed a capital raising programme to provide funding for the Company's various activities in North America. Assuming shareholders approve the issue of 8 million shares at the shareholder meeting on 19 December 2006, the Company will have raised A\$4,342,475 since July 2006.

Additional Interest in Block 152, South Marsh Island Area

To earn the additional 7.5% Working Interest in Block 152, South Marsh Island Area, South Addition, the Company must:

- a) Pay an additional 10% of all sunk costs that the Operator has expended in acquiring, maintaining and exploring the block. This amounts to US\$147,183.
- b) Pay an additional 10% of the first exploration well to be drilled to casing point and if the well is successful, then pay 10% of certain facilities costs and the first well completion cost.

The terms and conditions of the acquisition of the additional 7.5% remain the same as those applying to the initial interest acquired in Block 152.

Additional Interest in Block 138, South Marsh Island Area

To earn the additional 3.75% Working Interest in Block 138, South Marsh Island Area, South Addition, the Company must:

- a) Pay an additional 5% of all sunk costs that the Operator has expended in acquiring, maintaining and exploring the block. This amounts to US\$90,731.
- b) Pay an additional 5% of the first exploration well to be drilled to casing point and if the well is successful, then pay a further cash payment of 3.75% of the first well cost.

The terms and conditions of the acquisition of the additional 3.75% remain the same as those applying to the initial 7.5% interest acquired in Block 138.

Gulf of Mexico – Revised Position

The acquisition by Entek of the additional rights to earn equity, significantly enhance the Company’s position in these exciting blocks.

The Company’s portfolio of acreage in the Gulf of Mexico now comprises the following leases:

LEASE	AREA (ACRES)	WORKING INTEREST
Lease No. M-106410, High Island Block 24-L (S/2 SW/4) ^{Note 1}	720	5%
Lease No. M-107044, High Island Block 24- L, (N/2 SW/4) ^{Note 1, Note 5}	720	5%
Lease No. M-107045, High Island Block 25- L, (S/2 SE/4) ^{Note 1, Note 5}	720	5%
Lease No. M-107046, High Island Block 32- L, (N/2 NW/4) ^{Note 1, Note 5}	720	5%
OCS-G 27091, Block 152, South Marsh Island Area, South Addition ^{Note 2, Note 3}	2,500	15%

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LEASE	AREA (ACRES)	WORKING INTEREST
OCS-G 27089, Block 138, South Marsh Island Area, South Addition ^{Note 2, Note 3}	5,000	11.25%
OCS-G 26560, Block A 307, High Island Area, East Addition, South Extension ^{Note 2, Note 3}	5,760	10%
OCS-G 26190, Block 79, Viosca Knoll Area ^{Note 2, Note 3}	5,760	10%
OCS-G 27078, Block 317, Vermilion Area, South Addition ^{Note 2, Note 3}	5,000	10%
Block A-246, High Island Area, East Addition ^{Note 2, Note 4}	5,760	100%

Note 1 State of Texas Lease, Offshore

Note 2 Federal Lease, Outer Continental Shelf, Gulf of Mexico

Note 3 Subject to terms and conditions of certain Participation Agreements entered into between the Operator and Entek wholly owned subsidiary South Marsh LLC and Entek USA Limited LLC.

Note 4 Entek (through wholly owned subsidiary Entek USA Limited LLC) was high bid on MMS Sale 200, 16th August 2006.

Note 5 These blocks are contiguous to the High Island discovery block Lease No. M-106410.

EXPLORATION DRILLING ON SOUTH MARSH ISLAND 138

Ridgelake Energy, Inc., (the Operator), has submitted to Entek Energy Limited's wholly owned subsidiary South Marsh LLC, an Authority for Expenditure (AFE) for the drilling of the first exploration well by the joint venture on this prospective block. Entek has commenced the transfer of its subsidiary's participation cost in this well to the Operator.

South Marsh LLC has the right to earn 11.25% Working Interest in Block 138 by:

- (i) Paying 15% of all sunk costs that the Operator has expended in acquiring, maintaining and exploring the block.
- (ii) Paying 15% of the first exploration well to be drilled to casing point and if the well is successful, then paying a further cash payment of 11.25% of the first well cost.

The Operator plans to immediately contract a rig for the drilling of the first well. Entek anticipates mobilization of the rig to site to commence within the next 10 days.

The first well is targeting multiple Pleistocene age Lentic sands that range in depth from 2,980 metres to 3,600 metres (9800 feet to 11,800 feet). The well planned total depth is 3,627 metres (11,900 feet).

The well is expected to take approximately 35 days to drill.

In July and August, 2005, two wells were drilled in the adjoining Block 139, confirming 3D seismic hydrocarbon indicators. Well OCS-G-21106 B2 ST discovered hydrocarbons at approximately 9,500' TVD and nearly 100' deeper they found additional resources followed by mechanical problems causing them to discontinue drilling. Daily production of oil or gas has been released from the Office of Minerals Management for the month of May 2006. Average daily production rates for the B2 ST in were 589 MCFG plus 565 Barrels of Oil per day. The B1 well produced an average 567 MCFG plus 559 Barrels of Oil per day during the same period.

The initial well is designed to be a straight hole testing the Lentic 4 (2600ms) and (2800ms) sands.

The well is targeting an oil resource estimated at between 6,000,000 and 10,080,000 barrels of oil or if the reservoir contains gas, between 22.5 and 33.6 BCFG (Note1).

As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of seismic data; however the mapping of currently productive seismic amplitudes in adjoining block SMI 139 downsizes significantly the exploration risk in drilling this seismic amplitude.

Following from the gas discovery at block High Island 24 (refer ASX release November 9th 2006), this well provides further potential opportunity for Entek to add to its reserve portfolio in the Gulf of Mexico.

Russell Brimage
Chairman

Note 1 As estimated by Apex Geophysical Services, Inc. is an international oil and gas consulting company based in New Orleans, in the state of Louisiana, USA.

BCFG Billion cubic feet of natural gas

The information, opinions or projections contained in this press release are those of Entek Energy Limited and do not necessarily reflect the opinion of the joint venture partners.