

12th November 2007



Company Announcements
ASX Limited

SALE OF INTERESTS

Entek Energy Limited (Entek) sells interests in five Gulf of Mexico Outer Continental Shelf Area leases.

Through its wholly owned US subsidiary, Entek Energy Limited has or is earning interests in the following Gulf of Mexico leases.

LEASE	AREA (ACRES)	WORKING INTEREST
TEXAS STATE OFFSHORE LEASES		
Lease No. M-106410, High Island Block 24-L S/2 SW/4	720	5.0%
Lease No. M-107044, High Island Block 24- L, (N/2 SW/4)	720	5.0%
Lease No. M-107045, High Island Block 25- L, (S/2 SE/4)	720	5.0%
Lease No. M-107046, High Island Block 32- L, (N/2 NW/4)	720	5.0%
FEDERAL OUTER CONTINENTAL SHELF BLOCKS		
Block A-246, High Island Area, East Addition	5,760	100.0%
Block 115, Grand Banks Area	5,760	100.0%
Block A300, High Island Area, East Addition, South Extension	5,760	15.0%
Block A300, High Island Area, East Addition, South Extension	5,760	15.0%
OCS-G 27091, Block 152, South Marsh Island Area, South Addition	2,500	15.0%
OCS-G 27089, Block 138, South Marsh Island Area, South Addition	5,000	11.25%
OCS-G 26560, Block A 307, High Island Area, East Addition, South Ext.	5,760	10.0%
OCS-G 26190, Block 79, Viosca Knoll Area	5,760	10.0%
OCS-G 27078, Block 317, Vermilion Area, South Addition	5,000	10.0%

On the 23rd of October, Entek announced the commencement of production on October 18th 2007 on High Island Block 24-L and on November 7th 2007, the company announced the farm-in to High Island Blocks A300 and A301, where an exploration well is expected to spud in November 2007.

Entek remains committed to building value through low risk, high reward oil and gas exploration prospects in the outer continental shelf of the Gulf of Mexico. Whilst the company is continually reviewing new opportunities it also reviews existing acreage in respect to the company's objectives.

The directors have made the decision to divest of five leases (collectively the Leases) listed below:

LEASE	AREA (ACRES)	WORKING INTEREST
OCS-G 27091, Block 152, South Marsh Island Area, South Addition	2,500	15.0%
OCS-G 27089, Block 138, South Marsh Island Area, South Addition	5,000	11.25%
OCS-G 26560, Block A 307, High Island Area, East Addition, South Ext.	5,760	10.0%
OCS-G 26190, Block 79, Viosca Knoll Area	5,760	10.0%
OCS-G 27078, Block 317, Vermilion Area, South Addition	5,000	10.0%

On November 9th 2007, Entek's wholly owned US subsidiary Entek USA Inc. entered into a Purchase and Sale Agreement with Velocity Oil & Gas Inc., a Nevada corporation, to sell its 100% membership interest in South Marsh LLC (South Marsh).

South Marsh executed a certain Amended and Restated Participation Agreement on December 8th 2006 with Ridgelake Energy, Inc. and GulfX, LLC.

Under the terms of the Amended and Restated Participation Agreement, South Marsh acquired the right to earn Working Interests in the Leases.

To earn its interest in the leases, South Marsh reimbursed Ridgelake a portion (calculated as 133.33% of the Working Interest for each lease) of certain past costs (Sunk Costs), and thereafter must meet that same portion of the costs of drilling to casing election point and in the case of OCS-G 27089 and OCS-G 27091, meet certain additional costs.

Under the terms of the Purchase and Sale Agreement, Entek USA Inc. will receive 50% of the proceeds (attributable to Velocity Oil & Gas Inc.) from the sale or other disposition of oil, gas or other hydrocarbons produced from or otherwise allocable to the Leases, after deduction of any royalties and other burdens on production there from, until the Sunk Costs plus interest calculated on the Sunk Costs to 31st October 2007, are fully recovered. Net proceeds from a lease shall be applied to the Sunk Costs plus interest with respect to such lease until such payments equal the Sunk Cost plus interest for such Lease.

Consequent on the disposal of these assets, Entek will write off approximately US\$742,000 in capitalized costs.

This rationalization of the Company's portfolio was made having considered:

- Each leases prospect risk profile versus potential return in the event of exploration success.
- Working Interest position and ability to farm out exploration risk exposure.

Commenting on the divestment, Entek's Chairman Mr Russell Brimage said "the sale of these interests is simply a consolidation of the Company's portfolio in the Gulf of Mexico. Entek remains focused on growing its interests in this region and will continue to acquire blocks in which it can secure strategic working interests enabling farm-out of the exploration risk, as well as participate in the drilling of low risk prospects."

Enquiries:

Russell Brimage

Telephone: +61 8 9213 4388

Email: info@entekenergy.com.au