

**ASX RELEASE**  
**2 June 2011**

## **ENTEK CONFIRMS OIL DISCOVERY AT VR 342 IN THE GULF OF MEXICO**

Entek Energy Limited is pleased to provide an update on the VR 342 well in the Gulf of Mexico where the Company has a 50% working interest.

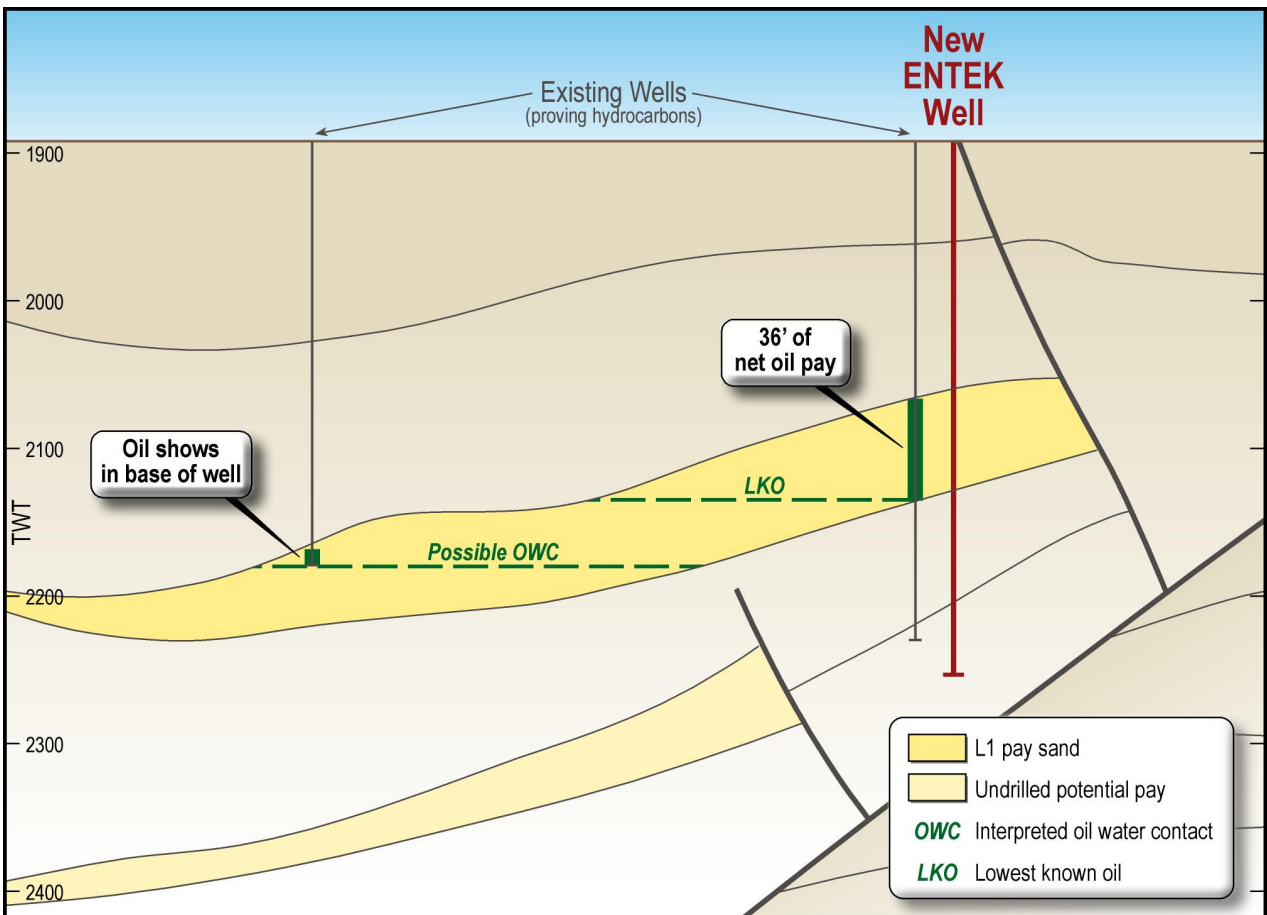
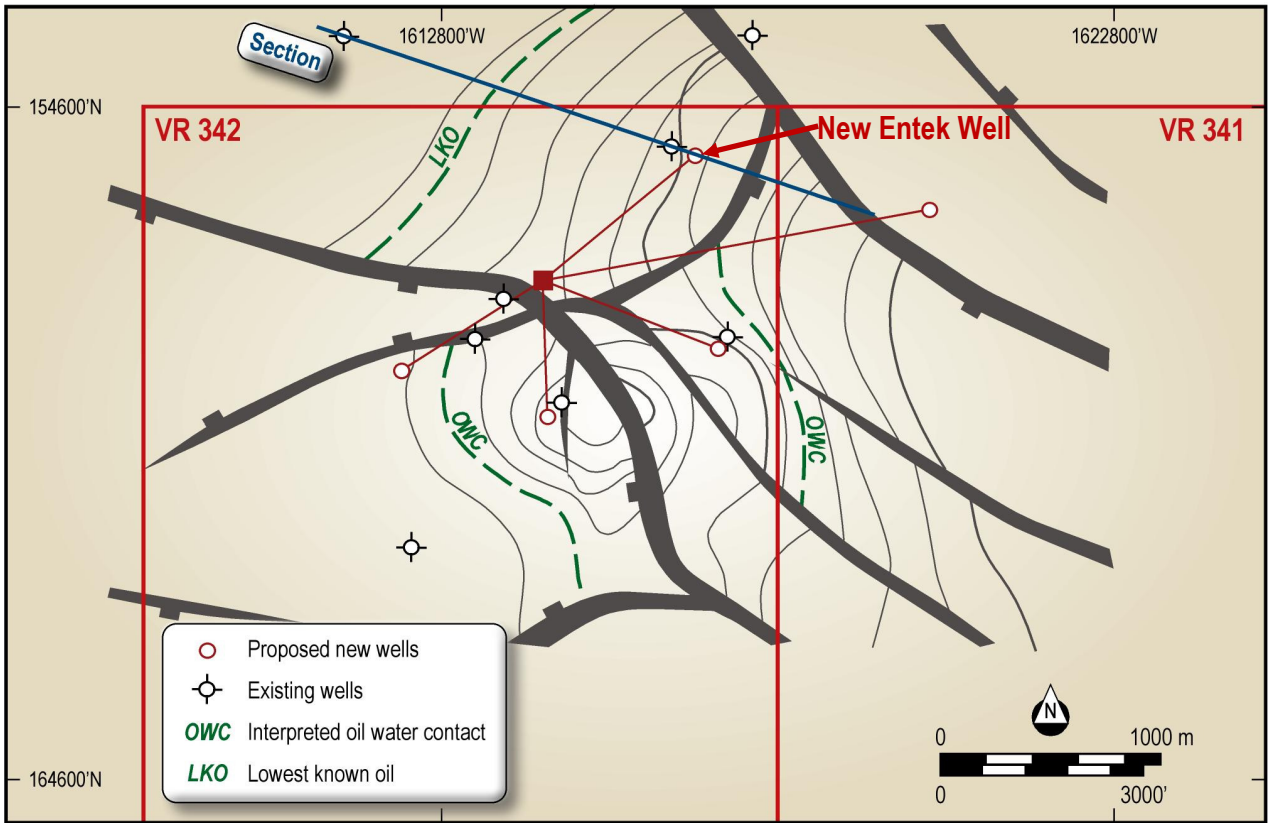
The well is at 8,162 ft (Measured Depth) and has penetrated the primary L1 Sand target. Preliminary wire-line logging and RCI (MDT equivalent) analysis indicates greater than 40 ft of net oil pay with an API gravity of 32<sup>o</sup> based on interpretation of the RCI data.

Current operations are running side-wall cores to obtain additional reservoir and oil character information (including confirmation of the API gravity of the oil). The well will then be deepened to the planned total depth, which is 8,552 ft (Measured Depth) and the new hole section logged. Following this, production liner will be run across the open-hole section and the well will be suspended as a future producer. Development planning will begin immediately leading to first oil as soon as practicable. Further announcements will be made once the timing becomes clear.

The above results are as predicted pre-drill and provide further confidence in the gross 3P potential, established by previous drilling on the block, independently evaluated at circa 7.5 MMBO (1P 2.5 MMBO; 2P 4.8 MMBO; 3P 7.5 MMBO) and 9.5 BCFG (1P 3.8 BCFG; 2P 6.3 BCFG; 3P 9.5 BCFG).

As previously announced, it is not intended to test flow rate in this well. Analogue studies performed independently on Entek's request suggest potential flow rates of 500-1000 BOPD with minimal decline for the first 3-4 years. Further analysis will be conducted once side-wall core data has been analysed. This is common practice in the Gulf of Mexico where numerous existing producing analogues give a high level of confidence.

The schematic map and section below indicate the location and play being tested. The ASX Release on the 16<sup>th</sup> May 2011 contains further details.



**CEO and Managing Director Trent Spry commented:**

“I am very pleased with the successful results of our first VR342 well which has delivered results to date as predicted. This is the first well in the Company’s new oil focus and strategy in the Gulf of Mexico. Conventional oil production from the Gulf is an important part of the Company’s strategy as it should provide significant cash flow for other value adding activities. We will continue to evaluate and high grade our oil prospects in the Gulf this year for drilling in 2012. Following the success at VR 342 the Company’s operational focus will now shift onshore to the evaluation of its Niobrara Oil Resource Play in Colorado and Wyoming”

**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 geoscience in the petroleum industry, both in Australia and internationally. His qualifications are: University of South Australia, Bachelor of Science, Double Major Geology & Biochemistry, National Centre of Petroleum Geology & Geophysics (NCPGG), First Class Honours, 1993.

### About The Company:

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 MMBOE some of which (VR 342 and VK 818) has been proven by previous drilling. Onshore in the Green River Basin the Company’s interest covers approximately 65,000 gross acres of highly prospective leasehold that includes existing producing coal bed methane wells, infrastructure and long life 2P conventional and shale resource reserves. The primary focus of the Company onshore is the appraisal of its Niobrara Oil Resource Play. Onshore the Company has a share of gross Contingent Resource of 187 MMBO and 191 BCFG (conservative 4% recovery) and Reserves of 16.2 MMBO and 114 BCFG (total P1, P2 and P3 reserves).

### Nomenclature:

MMBO	Million Barrels of Oil
MMBOE	Million Barrels of Oil Equivalent
BCFG	Billion of Cubic Feet Gas
BOPD	Barrels Of Oil Per Day