

ASX RELEASE  
28 March 2011

## **ENTEK ENERGY ANNOUNCES ACTIVITIES UPDATE**

Entek Energy Limited is pleased to provide an update on exploration activities.

### **NEW ACREAGE ACQUISITION VK818**

The Company is currently evaluating and reviewing its Gulf of Mexico assets in order to high-grade the portfolio with a focus on prospects that potentially have a more significant impact on shareholder value.

In accordance with this new focus and strategy the Company has secured a 100% working interest in Viosca Knoll Block 818 (VK 818). VK 818 is an important addition to Entek's Gulf of Mexico acreage and has the potential to become a very significant part of the Company's portfolio.

There has been one well previously drilled on the block, which encountered at least 3 potential pay zones. Information sourced from announcements when the well was drilled suggests that potential pay zones intersected and cased while drilling to the primary deeper target could represent significant oil and gas reserves.

The shallowest prospect identified on 3D seismic and intersected in the well has potentially up to 5 MMBOE. The deeper pay zones that were cased in the existing well are still being evaluated but could represent significant additional hydrocarbon reserves, most likely oil based on mudlog shows. The Company believes the previous well may have identified a field that was never fully evaluated or developed.

Geophysical and geological work has begun, and to date the three reservoirs being evaluated are:

**J Sand – Prospective Resource estimated by the Company of 5 MMBO or 20 BCFG (pay in existing well)**

**Uvigerina Sand – Estimated Proven reserves of 2.5 MMBO of 25<sup>o</sup> API Oil (pay in existing well)**

**Big Hum – Pay in the existing well of 38<sup>o</sup> API oil associated reserves being reviewed**

The proven pay on the block is encouraging and work is continuing to define its total resource potential.

### **VR 341/342 OIL PROJECT UPDATE**

**Gross 3P potential independently evaluated at circa 7.5 MMBO and 9.5 BCFG**

The project has been significantly advanced with drilling expected to start within the next 90 days (subject to final approvals from the Bureau of Ocean Energy Management, Regulation and Enforcement). As part of the development planning an independent evaluation of the proven reserves on the block has been completed.

Previous drilling has established proved (1P) undeveloped reserves of 2.5 MMBO and 3.8 BCFG. The development of these reserves is the objective of drilling this year. The 3P potential on the VR 342 block has been independently evaluated at circa 7.5 MMBO and 9.5 BCFG. The Company expects the extension

of the field into the VR 341 block could add an additional 1-2 MMBO, which will be targeted after the development of the existing reserves. Entek has a 50% working interest in both blocks.

### **GREEN RIVER BASIN RESERVES UPDATE**

On the 15<sup>th</sup> December 2010 the Company announced reserves of 12.2 MMBO and 105 BCFG, from the Focus Ranch 12-1 well.

The additional reserves detailed below include reserves attributable to the Robidoux 13-15T, Battle Mountain 14-15A, Focus Ranch 3-1 and Butter Lake 32-10 wells. Additional Possible reserves (3P) of 4.2 MMBO and 8.7 BCFG have now been independently certified for the wells (due to the limited production testing no Proved (P1) and only limited Probable (P2) reserves could be assigned). The update is summarised as follows:

<b>Contingent Resource:</b>	<b>187 MMBO and 191 BCFG*</b>	(conservative 4% recovery)
<b>Reserves:</b>	<b>16.2 MMBO and 114 BCFG**</b>	(total P1, P2 and P3 reserves)

\*Niobrara Only \*\*Include Niobrara, Carlile, Frontier Reserves

A significant portion of the work program this year will involve new directional wells on each of the 13-15 and 14-15 well pads, as well as a re-entry and sidetrack of the 32-10 well in order to convert the 2P and 3P reserves into proven producing reserves. The existing wells 13-15T and 14-15A will be completed as producers in shallow hydrocarbon pay zones and put on production this year.

With any success at these locations the Company would expect to book a substantial increase in reserves.

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

“The addition of VK 818 to the Gulf portfolio is part of the Company’s new focus on opportunities with a potentially high value impact. The block’s potentially significant resources which are based on the pay zones encountered in the existing well are currently being evaluated.

The drilling of the first well on the VR 341/342 project will be the first test of Entek’s new Gulf of Mexico focus and strategy. We now have a total of 5 blocks in the Gulf 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.

As part of the new focus in the Gulf and following a technical review the HI A246 Block has been relinquished.

The update in reserves associated with the Green River Basin is very encouraging. Notwithstanding some completion problems, all these wells produced oil and gas from the Niobrara Formation, significantly de-risking the play across our acreage. A significant part of the work program this year is designed to convert the 2P and 3P reserves into proven producing reserves at these locations. The hydrocarbon rich nature of our acreage and the facilities the Company owns in the immediate area ensures existing well bores can be completed as producers in shallower horizons and put on production this year.”

**All enquiries should be directed to:**

## **TRENT B SPRY**

**CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR**

ENQUIRIES: +618 9213 4388 [INFO@ENTEKENERGY.COM.AU](mailto:INFO@ENTEKENERGY.COM.AU)

INFORMATION: [WWW.ENTEKENERGY.COM.AU](http://WWW.ENTEKENERGY.COM.AU)

**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 and onshore in the Green River Basin where the Company's interest covers approximately 65,000 acres of highly prospective leasehold that includes existing producing coal bed methane wells, infrastructure and long life 2P conventional and shale resource reserves.

**Nomenclature**

BCFG	Billion Cubic Feet of gas (Cubic feet of gas multiplied by 1,000,000,000)
MMBO	Barrels of oil multiplied by 1,000,000
MMBOE	Million Barrels of Oil Equivalent
1P	Proved reserves
2P	The sum of proved and probable reserves
3P	The sum of proved, probable and possible reserves
***	All reserves & resources are gross unless otherwise stated