

ASX CODE: ETE

30 April, 2014

QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Processing of the extensive modern 3D seismic survey across a significant portion of the Battle Mountain AMI continues in preparation for the 2014 drilling campaign which will see the first ever horizontal wells being drilled on any part of Entek's substantial Niobrara lease position.
- Early processing is very encouraging and has highlighted numerous targets across the acreage where significant natural fracturing appears to be evident.
- Entek is very pleased by the professional and diligent approach being demonstrated by operator, GRMR Oil and Gas, LLC (an affiliate of East Resources, Inc. (East), a highly successful private US E&P company). GRMR are excited about the multiple opportunities, both geographically and stratigraphically, they are seeing on the early processed seismic volumes.
- Well permitting for the 2014 drilling campaign will commence shortly, with further details to be provided upon completion of seismic processing and interpretation during this quarter.
- During the quarter Entek made significant progress towards resolving access to the Focus Ranch 12-1 well. Entek has strong industry-based and political support and will continue to work with regulatory authorities in the US on the requirements to obtain access approval to the 12-1 well location, and will also continue efforts to resolve a private landowner dispute to re-establish access on the existing route.
- Entek's Niobrara lease position now totals some 50,000 net acres across 131,000 gross acres under lease which represents a significant holding for a company of Entek's size.
- Entek remains well funded with cash reserves of approximately \$9 million as at 31 March 2014 and being free carried on an uncapped basis for the 2014 Battle Mountain drilling program.

NIOBRARA OIL RESOURCE PROJECT

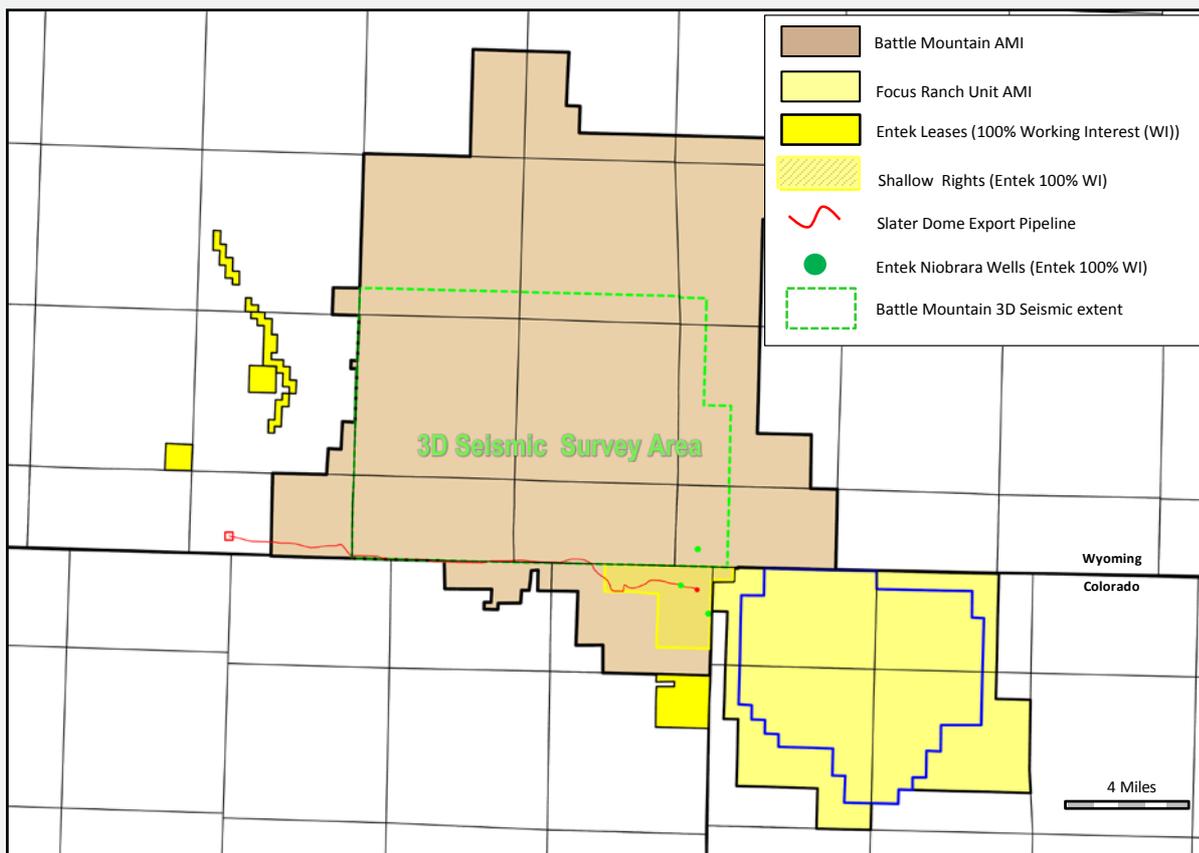
The map and the table below illustrate the total lease and asset holdings of Entek’s Niobrara Oil Resource Project.

Leases	State/County	Operator	Gross Acres	WI %	Net Acres to Entek
Battle Mountain AMI	WY/Carbon	GRMR	~90,300	20%	~15,300
Focus Ranch AMI	CO/Routt	Entek	~36,000	89%	~32,000
Other Non-AMI Leases	WY/Carbon & CO/Routt	Entek	~4,700	100%	~2,700
Total			~131,000		~50,000

Battle Mountain AMI

The final completed 3D seismic survey that Entek was free carried in by GRMR was approximately 376 square kilometres. Acquisition of the new 3D seismic was completed in the December quarter and processing of the raw data is around 80% advanced at present.

The map below shows the extent of the new seismic survey within the Battle Mountain AMI.



Niobrara Resource Play lease position showing new 3D seismic survey area

Seismic processing is progressing well through the iterative process of better defining velocities and refraction statics in order to produce higher resolution interpretation volumes; horizon interpretation has started on the current processed volume, while more detailed structural interpretation will be performed on the final volume.

Backed up by GRMR's extensive prior experience in this play, the results are expected to considerably improve the understanding of the underlying fracture distribution and orientation which are critical aspects in advancing and developing this unconventional oil resource.

Permitting will soon start on the first 6 drill locations with at least 3 wells being planned to be drilled this year.

Recent Niobrara oil production results from horizontal wells reported by industry peers within the wider Sandwash Basin and nearby North Park Basin are highly encouraging and strongly support GRMR's exploration strategy involving high quality 3D seismic to optimally target and position horizontal laterals within the highly fractured oil saturated Niobrara shales.

These recently reported well results provide significant encouragement for a successful GRMR/Entek drilling campaign this year based on the recently acquired Battle Mountain AMI 3D seismic survey and using similar drilling and completion techniques.

Additionally this quarter GRMR and Entek have continued to consolidate their land position within the Battle Mountain AMI.

Focus Ranch Unit AMI

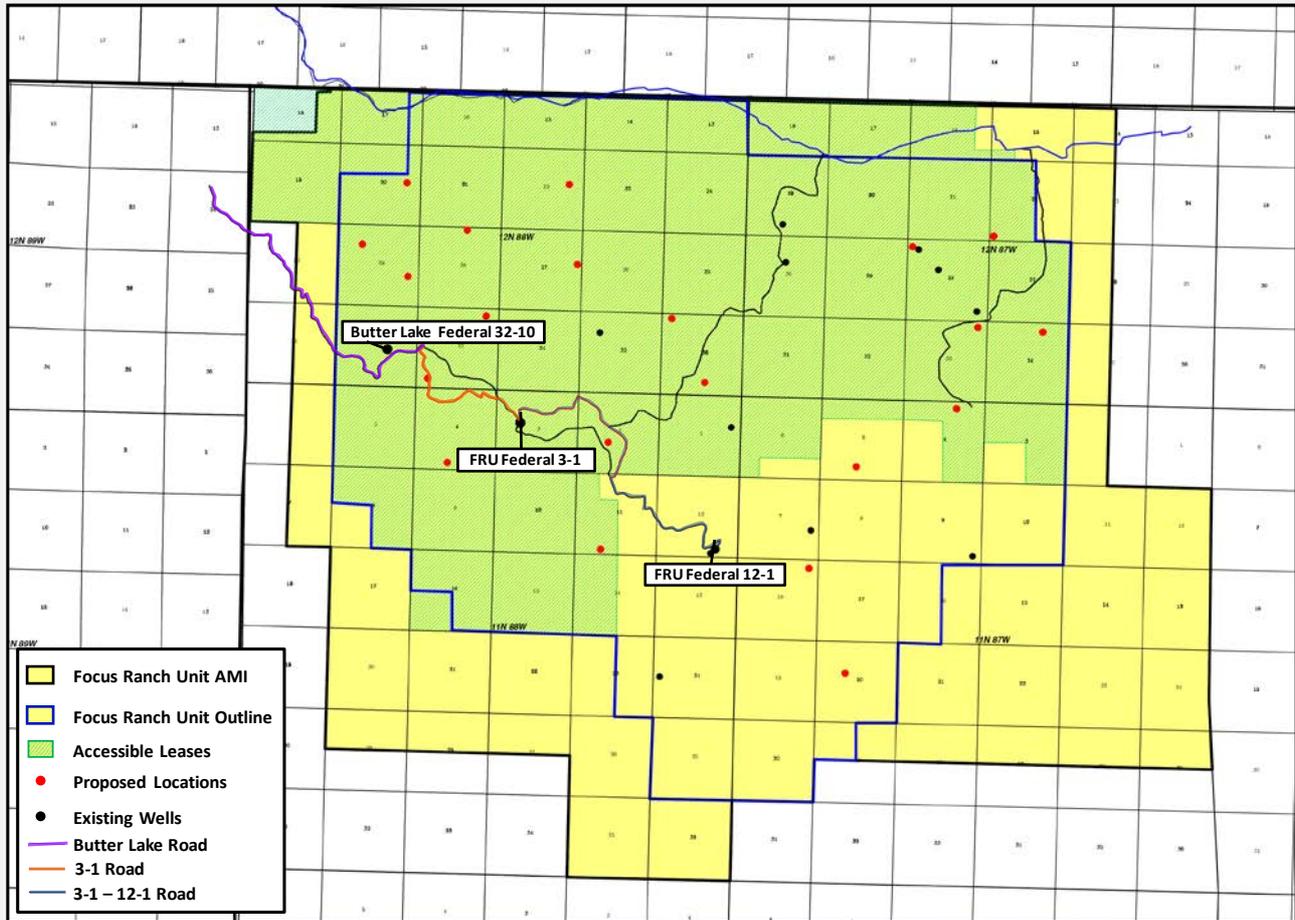
During the quarter Entek continued efforts to gain access to the Focus Ranch 12-1 well and associated key parts of the Focus Ranch Unit.

These efforts have involved concurrent efforts to a) resolve a private landowner dispute to re-establish access on the existing route (which is ongoing), and b) to secure alternate access with the Bureau of Land Management (BLM) to the Focus Ranch 12-1 well.

Although significant progress has been made, at this time there is no clear resolution to these access issues. Entek has strong industry-based and political support and will continue to work with regulatory authorities in the US on the requirements to obtain access approval to the 12-1 well location, and will also continue its legal proceedings and discussions in relation to the existing access routes into these parts of the Focus Ranch Unit.

The Focus Ranch 12-1 well (which was tested in 2009 by Entek with a cumulative rate of 240 BOPD and 2.75 MMCFD from multiple unstimulated intervals) has already demonstrated the potential of the Niobrara and the embedded igneous intrusive intervals in the area. The well has been designated a producing well by the BLM which holds the Focus Ranch Unit.

Current access into the Unit and proposed new well locations are shown on the map below.



Focus Ranch Unit area showing key wells and access roads

Recent Industry Activity

During the quarter Southwestern Energy Company (SWN), through its wholly owned subsidiary Southwestern Energy Production Company, announced that it has signed an agreement to purchase approximately 312,000 net acres in northwest Colorado targeting crude oil, natural gas liquids and natural gas contained in the Niobrara formation from Quicksilver Resources Inc. (KWK) and SWEPI LP, a wholly owned subsidiary of Royal Dutch Shell plc for approximately \$180 million, subject to closing conditions, which equates to an acreage value close to \$600 per acre.

"We are very excited about our entry into this emerging liquids-rich resource play," stated Steve Mueller, President and Chief Executive Officer of Southwestern Energy. "This acreage position covers a substantial area in the Sand Wash Basin – over 50 miles across and over 20 miles wide – and provides the opportunity for us to leverage our operational strengths into a new large, scalable project. Basin characteristics include proven oil production with minimal water cut, preferred fluid-phase windows, demonstrated overpressure, evidence of matrix permeability and porosity from petrophysics and well decline behaviour, a thick, continuous reservoir with ample storage capacity and potential upside from down-spacing and stacked reservoir benches. Upon closing, we expect that we could begin drilling operations as early as June of this year."

Southwestern Energy Company is an independent energy company whose wholly owned subsidiaries are engaged in natural gas and oil exploration, development and production, natural gas gathering and marketing. Additional information on the company can be found on the Internet at <http://www.swn.com>.

The acquisition highlights further interest in the Niobrara from large companies who understand the value of this liquids rich resource play.

GULF OF MEXICO

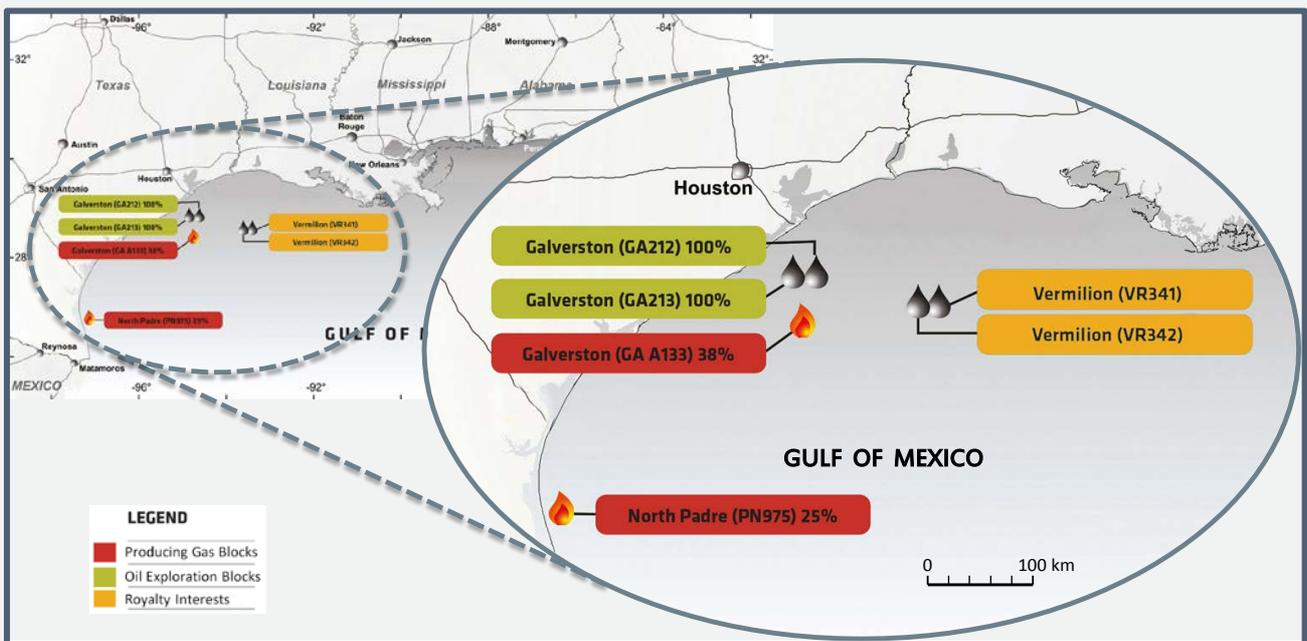
During the quarter the Company continued to generate positive cash flow from its Gulf of Mexico (GoM) production interests in blocks GA-A133 and PN975 as detailed in the attached Appendix 5B. Production performance of these wells continues to be in line with the Operator’s well decline predictions.

In addition revenue from the VR 341/342 development continued. Production from this development is still being ramped up by the operator as a result of progressively resolving production facility bottlenecks. Entek expects to see an increase in future monthly royalty receipts.

As shown on the map below, Entek has working interests in four blocks in the Gulf of Mexico in addition to the overriding royalty interest in blocks VR341 and VR342.

As advised in the previous Quarterly Activities Report Entek has relinquished block West Cameron 517 (WC517) due to its limited remaining term and the gas prospectivity of the block.

Efforts are continuing to farm out the two remaining exploration blocks in which Entek currently has 100% working interests, being the Galverston blocks GA 212 and GA 213.



Map of the Gulf of Mexico – Entek Blocks Shown

CORPORATE

Cash Position

As at 31 March, 2014 the Company had approximately \$9 million in cash as shown in the attached Appendix 5B.

With Entek being free carried in the Battle Mountain AMI by GRMR, the majority of its future capital spend is expected to be directed towards the Focus Ranch asset as well as any new lease acquisitions.

Top 20 Shareholders

The current top 20 shareholders of the Company as at 31 March 2014 are set out below:

Rank	Name	Units	% of Units
1.	UBS NOMINEES PTY LTD	24,980,398	4.89
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	18,677,141	3.66
3.	TOPSPEED PTY LTD <SKINNER NO 1 SUPER A/C >	18,550,000	3.63
4.	GDR PTY LTD <THE RILEY SUPER FUND A/C >	14,174,919	2.78
5.	MR JAMES DAVID TAYLOR	13,095,933	2.56
6.	MININGNUT PTY LTD	10,700,000	2.10
7.	MR JAMES DAVID TAYLOR + MRS MARION AMY TAYLOR <ITS MANAGEMENT S/F A/C >	8,452,494	1.66
8.	NATIONAL NOMINEES LIMITED	8,001,031	1.57
9.	IAN SANDOVER & ASSOCIATES PTY LTD <SANDOVER SUPER A/C >	7,156,238	1.40
10.	MR KIERAN JAMES MANN	6,108,452	1.20
11.	A F CONSULTING PTY LTD <A F INVESTMENTS S/FUND A/C >	6,000,000	1.17
12.	STRUVEN NOMINEES PTY LTD <ALAN STRUNIN STAFF S/F A/C >	5,132,500	1.01
13.	MR KENNETH JOHN BULL	5,000,000	0.98
14.	VECTOR NOMINEES PTY LIMITED <THE WRIGHT FAMILY A/C >	5,000,000	0.98
15.	WEINER PTY LTD	4,406,124	0.86
16.	A M RILEY PTY LTD <A M RILEY SUPER FUND A/C >	4,174,919	0.82
17.	ICE COLD INVESTMENTS PTY LTD	4,000,000	0.78
18.	CITICORP NOMINEES PTY LIMITED	3,932,072	0.77
19.	SECOR PTY LTD <SANDOVER FAMILY NO 1 A/C >	3,800,000	0.74
20.	ZERO NOMINEES PTY LTD	3,534,930	0.69

For further information contact:

TRENT SPRY

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Competent Persons Statement:

Information in this report that relates to Hydrocarbon Reserves / Resources is based on information compiled by Mr. Trent Spry, Executive 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 is highly qualified and has over 20 years experience in geoscience in the petroleum industry, both in Australia and internationally.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

ENTEK ENERGY LIMITED

ABN

43 108 403 425

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (...9... months) \$A'000
1.1 Receipts from product sales and related debtors	615	1,949
1.2 Payments for (a) exploration & evaluation	(489)	(2,290)
(b) development	(301)	(709)
(c) production	(396)	(1,336)
(d) administration	(328)	(1,201)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(897)	(3,577)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	(2,886)
(b) equity investments	-	-
(c) other fixed assets	-	(9)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	(2,895)
1.13 Total operating and investing cash flows (carried forward)	(897)	(6,472)

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(897)	(6,472)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(897)	(6,472)
1.20	Cash at beginning of quarter/year to date	9,984	15,091
1.21	Exchange rate adjustments to item 1.20	(298)	170
1.22	Cash at end of quarter	8,789	8,789

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	140
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Remuneration for executive and non-executive directors

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	710
4.2 Development	-
4.3 Production	215
4.4 Administration	406
Total	1,331

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	8,789	9,984
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	8,789	9,984

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	WC 517 West Cameron, Block 517	100%	0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	510,657,387	510,657,387	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities <i>(description)</i>			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	5,500,000 5,500,000 500,000 500,000 500,000 500,000 1,000,000 1,000,000	Nil Nil Nil Nil Nil Nil Nil Nil	<i>Exercise price</i> 21 cents 28 cents 25 cents 30 cents 25 cents 30 cents 6 cents 8 cents	<i>Expiry date</i> 24-May-2014 24-May-2014 30-Jun-2014 30-Jun-2014 30-Jun-2015 30-Jun-2015 30-Jun-2016 30-Jun-2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	1,500,000	Nil	70 cents	31-Jan-2014
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:



..... Date: 30 April 2014.....
(Director/Company secretary)

Print name: Andrew Gastevich.....

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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