

**ASX RELEASE**  
**7 April 2011**

## **A\$25.2M CAPITAL RAISING TO ACCELERATE DEVELOPMENT OF ENTEK'S NIOBRARA OIL SHALE PROJECT**

Entek Energy Limited (ASX: ETE) is pleased to announce the raising of A\$25.2 million to be completed by way of a share placement and a fully underwritten non-renounceable entitlement issue.

### **Use of Funds**

Proceeds from the raising will be used to:

- Evaluation/development of Entek's Niobrara oil shale project
- Pursue additional Niobrara acreage opportunities
- Gulf of Mexico appraisal/development work program
- Fund working capital and transaction costs.

### **Offer Details**

The equity capital raising comprises:

- Two-tranche placement of 120.8 million fully paid ordinary shares at A\$0.12 to raise A\$14.5 million (**Placement**); and
- Fully underwritten 1:4 non-renounceable pro-rata entitlement issue at A\$0.105 to raise A\$10.7 million (**Entitlement Issue**).

The Placement to institutional and sophisticated clients of Euroz Securities Limited ("Euroz") is made in two tranches:

- Tranche 1: comprising 43.2 million fully paid ordinary shares, being the number of ordinary shares the Company can issue without shareholder approval for the purposes of ASX Listing Rule 7.1 (under its available 15% capacity), for total proceeds of approximately A\$5.2 million (**Tranche 1 Placement Shares**); and
- Tranche 2: comprising 77.6 million fully paid ordinary shares, being the balance of the ordinary shares to be offered under the Placement for total proceeds of approximately A\$9.3 million (**Tranche 2 Placement Shares**). The issue of Tranche 2 Placement Shares is subject to shareholder approval at a general meeting of shareholders (**General Meeting**) expected to be held on the 18<sup>th</sup> May 2011.

Euroz has acted as the Lead Manager to the Placement and Underwriter of the Entitlement Issue.

Ordinary shares issued under the Placement will rank equally with Entek's existing ordinary shares. Settlement of the Tranche 1 Placement Shares is expected to occur on Thursday, 14 April 2011. Settlement of the Tranche 2 Placement Shares is expected to occur shortly after the General Meeting.

Placement shares will be eligible to participate in the Entitlement Issue.

Full details of the Entitlement Issue will be set out in an Entitlement Issue offer document which is expected to be dispatched to shareholders on or around Wednesday, 25 May 2011. Any eligible shareholder who wishes to acquire new shares under the Entitlement Issue will need to complete the personalised entitlement and acceptance form that will accompany the Entitlement Issue offer document.

Shareholders who have any queries about the Entitlement Issue should contact Computershare Investor Services on + 61 1300 557 010

The Entitlement Issue is non-renounceable and rights will not be tradeable on ASX or otherwise transferrable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of those Entitlements that they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value in respect of Entitlements they would have received had they been eligible.

Attached is an Appendix 3B in relation to the Placement and Entitlement Offer.

The Company advises this announcement will result in the lifting of the voluntary suspension of quotation of its securities.

### Indicative Timetable<sup>1</sup>

Settlement of Tranche 1 Placement Shares	Thursday, 14 April 2011
Tranche 1 Placement Shares commence trading on ASX	Friday, 15 April 2011
Expected General Meeting to approve Tranche 2	Wednesday, 18 May 2011
Expected Settlement of Tranche 2 Placement Shares	Thursday, 19 May 2011
Tranche 2 shares commence trading on ASX	Friday, 20 May 2011
Record date to determine Entitlements	Monday, 23 May 2011
Entitlement Offer Opens	Wednesday, 25 May 2011
Entitlement Offer Closes	Wednesday, 8 June 2011
Settlement of Entitlement Issue	Thursday, 16 June 2011
Entitlement Issue shares commence trading on ASX	Friday, 17 June 2011

Note 1: the timetable is indicative and subject to change.

Entek's Managing Director, Trent Spry, said:

*"Entek is now well funded to aggressively explore and develop the Niobrara oil shale project and our upcoming high impact drilling program in the Gulf of Mexico.*

*The Placement was heavily oversubscribed and resulted in a number of leading Australian institutional investors joining our register. We are delighted with the strong support for the capital raising and believe it is a strong endorsement of our growth strategy.*

*I am also pleased to advise that Entek's recently appointed new Directors have committed to support this capital raising via the Tranche 2 share placement, subject to shareholder approval at next month's General Meeting. Further details will be provided in the Notice of Meeting to be despatched to shareholders shortly. "*

For and on behalf of

Entek Energy Limited

**TRENT B SPRY**

**CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR**

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*Competent Persons Statement:*

The information above is based on information compiled by Mr Trent Spry, who is Managing Director and Chief executive Officer of Entek. 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. Mr Spry has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Spry consents to the inclusion in this report of information compiled by him in the form and context in which it appears.