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ASX Code: ETE

ASX RELEASE
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ENTEK ENCOUNTERS DEEPER OIL PAY AT VR 342 IN THE GULF OF MEXICO & SUSPENDS THE WELL FOR FUTURE PRODUCTION

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

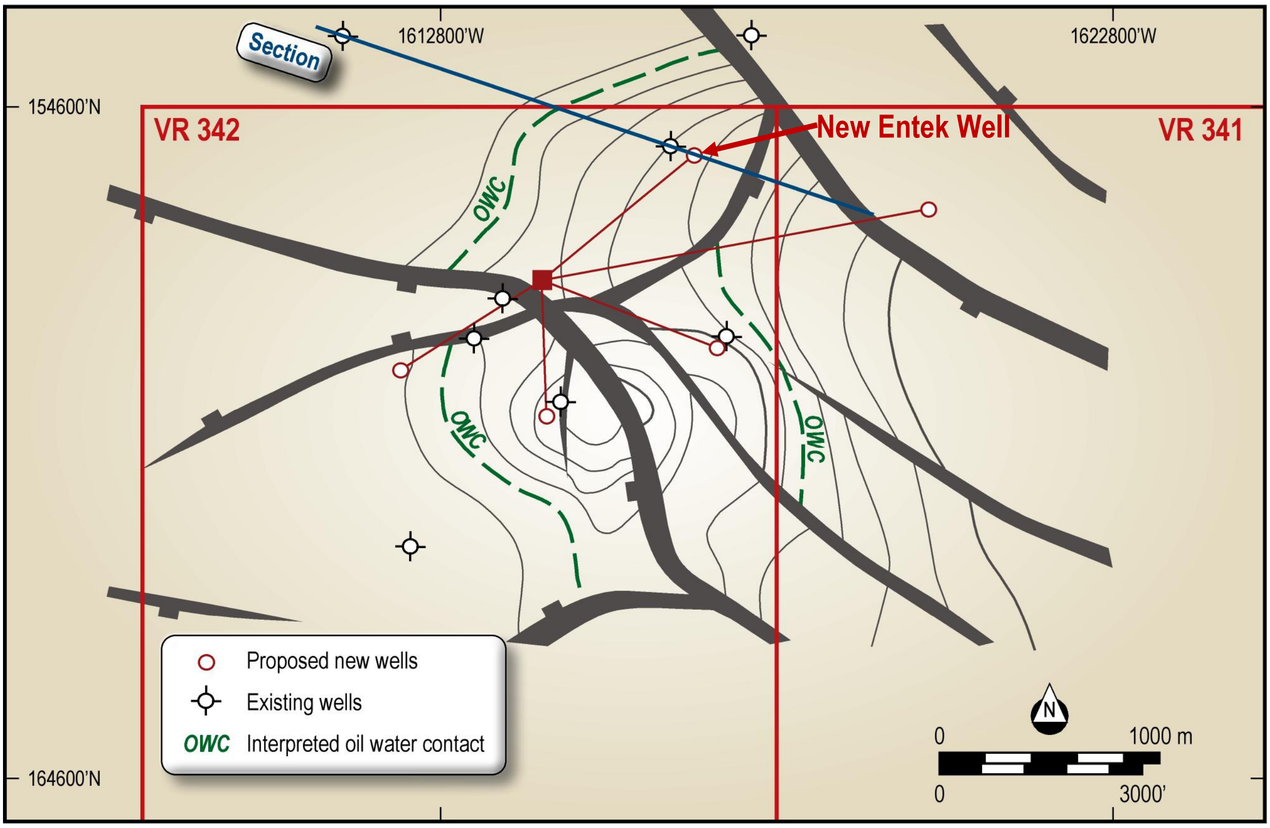
The well is at 8,480 ft Measured Depth (7,635 ft True Vertical Depth) which will be the Total Depth of the well. As stated in the previous announcement (2 June 2011) the well has been deepened after wire-line logging of the primary L1 Sand target where greater than 40 ft of oil pay has been interpreted.

The Company is pleased to report that the L2 Sand has successfully been penetrated by the well with preliminary results suggesting the potential for an additional 10 ft of oil pay. Oil pay in the L2 sand in the fault block being tested by this well was not previously factored into the reserves calculation for the field. The joint venture will incorporate the results of wire-line logging and side-wall core analysis into mapping of the L2 Sand interval to determine its reserves potential. The L2 Sand will be considered as a completion interval in this well after depletion of the L1 Sand that will be developed first.

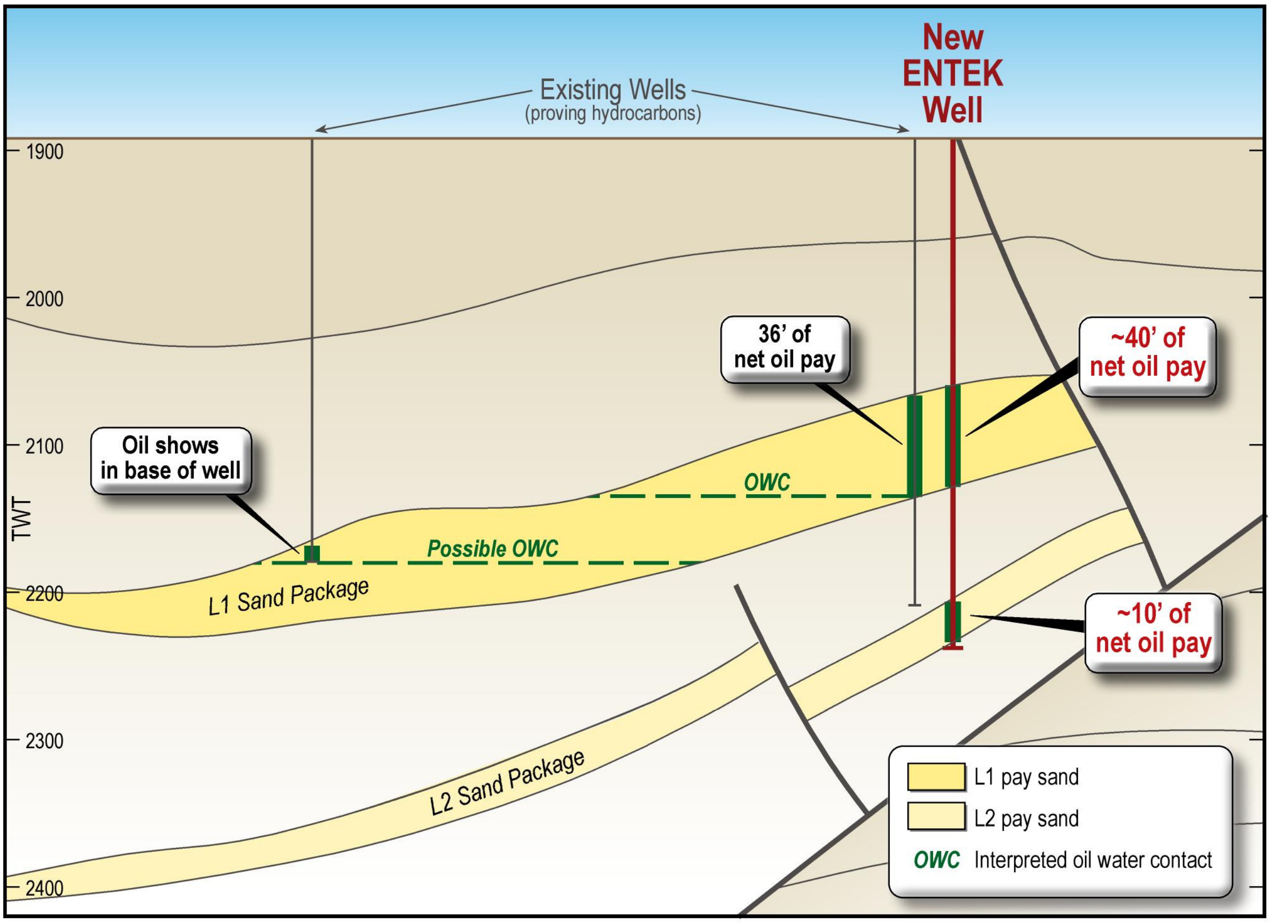
Previous gross 3P Reserves potential, established by previous drilling on the block, have been independently evaluated at circa 7.5 MMBO (1P 2.5 MMBO; 2P 4.8 MMBO; 3P 7.5 MMBO) and 9.5 BCFG (1P 3.8 BCFG; 2P 6.3 BCFG; 3P 9.5 BCFG), which did not include any reserves attributed to the L2 Sand in this fault block.

The 7 inch production liner has been run over both the L1 and L2 pay zones, the well has been suspended as a future producer and the rig has left location.

The schematic map and updated section below indicate the location and the results of the play that was tested. The ASX Release on the 16th May 2011 contains further details.



Section
1612800'W
1622800'W
154600'N
VR 342
New Entek Well
VR 341
OWC
OWC
OWC
Proposed new wells
Existing wells
OWC Interpreted oil water contact
N
0
1000 m
0
3000'
164600'N



Existing Wells
(proving hydrocarbons)
New ENTEK Well
1900
2000
2100
2200
2300
2400
TWT
36' of net oil pay
~40' of net oil pay
Oil shows in base of well
OWC
Possible OWC
L1 Sand Package
~10' of net oil pay
L2 Sand Package
L1 pay sand
L2 pay sand
OWC Interpreted oil water contact

CEO and Managing Director Trent Spry commented:

"Our intention was always to drill the current well deep enough to test the L2 sand section in this fault block. The L2 and L3 Sands are the target zones for two new wells (planned for 2012) in the fault blocks to the south of the one we have tested with this first well. In these fault blocks to the south both the L2 and L3 sands have been shown to contain hydrocarbons by previous drilling, as shown on the map above. It is a great result to have potential reserves in the L2 sand in the northern fault block as well. Development planning is now underway."

All enquiries should be directed to:

TRENT B SPRY

CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

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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