

## *DRILLING UPDATE - COBB 12-7 WELL*

Entek Energy Limited is providing the following update on the Cobb 12-7-HA1 (Cobb 12-7) well as part of the 2015 Battle Mountain AMI drilling program. The Cobb 12-7 well is the first of three wells scheduled to be drilled and tested this year by the Operator of the Battle Mountain AMI, GRMR. Entek owns a 20% working interest in the Battle Mountain AMI and related leases, with GRMR holding the remaining 80%.

The Cobb 12-7 well is located in the southern part of the Battle Mountain 3D seismic survey (refer map below) and was drilled as a high angle directional well aimed to intersect naturally fractured fault zones within the Niobrara oil bearing formation.

The well has reached a total measured depth of 9,089 feet within the Niobrara target zone. The well was targeting highly fractured Niobrara while drilling at high angle and underbalanced in order to limit damage to potential hydrocarbon bearing zones. The decision was made at 9,089 feet, after encountering encouraging shows, to stop drilling due to tight hole conditions related to the highly fractured nature of the Niobrara, that required successful remedial action following stuck drill pipe.

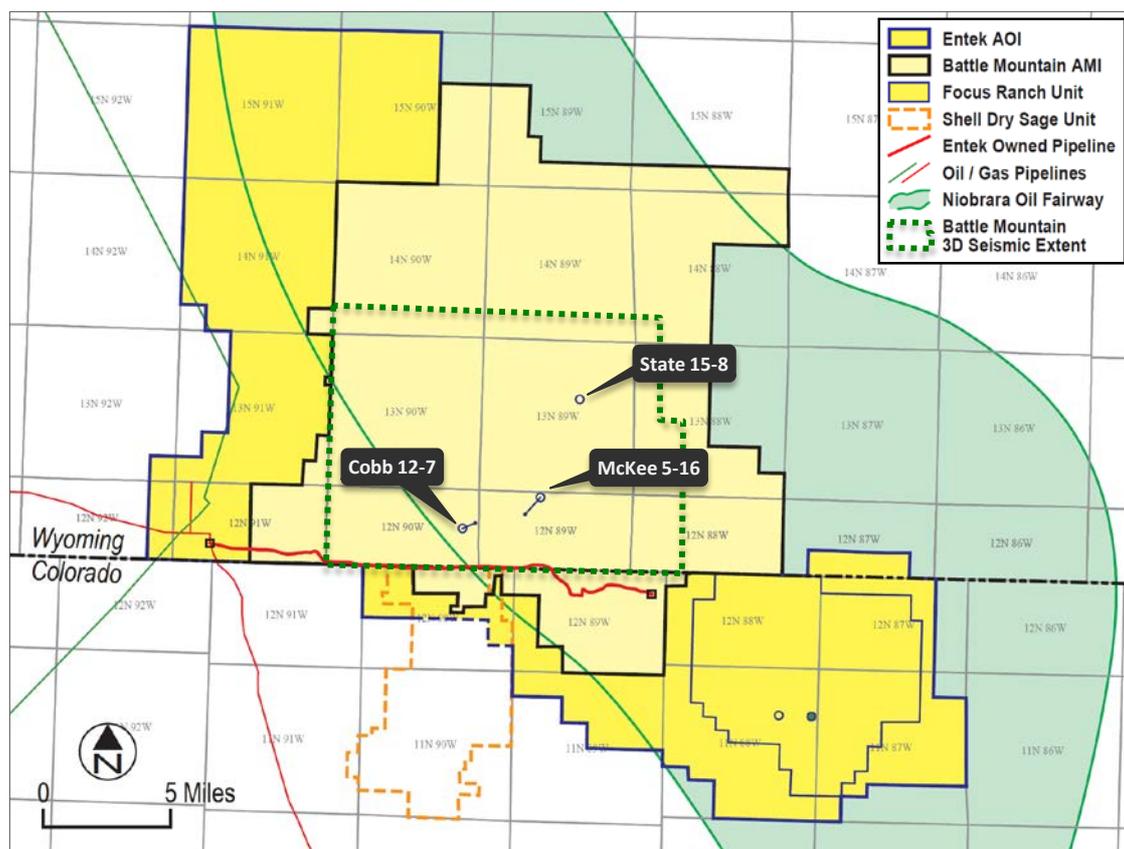
Operations on the well have been suspended while the operator considers options for the well given the poor hole conditions within the Niobrara section. An update will be provided in due course once the operator determines the next course of action for the well.



*Drilling Rig on Cobb 12-7 Well Location*

The rig is now being mobilised to the McKee 5-16-H1 (McKee 5-16) well location which is expected to spud within the next week. The McKee 5-16 is scheduled to be followed by the drilling of the State 15-8 well.

McKee 5-16 is to be drilled as a horizontal well, with the lateral section of the well targeting interpreted highly fractured zones within the Niobrara Formation. State 15-8 will be drilled as a vertical well to test a clearly defined structural closure with multiple conventional reservoir targets as well as the Niobrara Formation.



*Map showing Entek's Niobrara Land Position & Location of the 3 Battle Mountain AMI Wells*

Please refer to the recent Company Announcement (6 July 2015) and Investor Presentation release (9 July 2015) for further details on the 2015 drilling campaign and prospectivity of the Niobrara in this area.

For further information contact:

**TRENT SPRY**

**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.

**ENTEK AT A GLANCE**

Entek is US focussed with a substantial acreage position in the Niobrara Oil Resource Play, including an area of enhanced potential due to embedded igneous intrusive sills. Entek's US portfolio is balanced with non-operated production and royalty interests in the Gulf of Mexico.

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