

OPERATIONS UPDATE

Entek Energy Limited is pleased to provide the following update on its current onshore operations in relation to the Niobrara Oil Resource Play.

State 15-8 Well (Battle Mountain AMI)

The State 15-8 well has reached its final measured Total Depth (TD) of 7,977 feet as planned. Wireline logging is complete and the well has been cased ready for production testing. Testing will start in the next week.

The main objectives of the well were the formations below the Niobrara within interpreted structural closure, with the Niobrara being a secondary stratigraphic test in this well.

While drilling the main objectives, shows were seen which have now been confirmed by logs, indicating a number of hydrocarbon saturated sands which will be tested, starting next week.

McKee 5-16 Well (Battle Mountain AMI)

Although the well did not reach the desired TD within the Niobrara, the Operator has perforated the liner where shows were seen and performed swabbing operations across these Niobrara intervals. Operational results have been sufficiently positive to justify test pumping this well to assess its full productivity potential. Pumping operations will commence next week.

Cobb 12-7 Well (Battle Mountain AMI)

The Operator is still reviewing forward options for the well. At this point the well will be put in temporarily abandoned status while these options are considered. The Niobrara section, where geological and mechanical problems caused cessation of operations on the well, will not be re-drilled this year.

FRU 12-1 Well (Focus Ranch Unit)

The well has been naturally flowing at around 1.5 MMCFD of gas, 100 barrels of water, and 10 barrels of oil per day. Analysis of the flow data led to the running of a new production log which has shown that a significant amount of the gas and water is coming from below the bridge plug separating the Niobrara from the Carlile Formation (Gamma) sill and Frontier Formation sands.

The results of the well to date suggest that the plug between the Alpha sill and Beta sills within the Niobrara, believed to be sealing by the previous operator, may never have been truly competent. Early in the operations this year Entek removed this plug. The bottom plug separating the Niobrara from the Gamma sill and Frontier sands did appear competent before the recent propellant treatment, but has since failed. This is not unusual given it was set over six years ago.

It is believed that the gas and water flow from below the bridge plug is masking and inhibiting the flow from the sills within the Niobrara section.

The forward plan for the well is to set a new plug above the Gamma sill to isolate it and the frontier sands, then to set tubing and flow both gas and fluids up the tubing until gas rates subside, where a pumping unit will be placed on the well and long term testing will continue.

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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