

## *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.

### **McKee 5-16 Well (Battle Mountain AMI)**

The McKee 5-16 well has been drilled to an intermediate section depth of 6,070 feet where 9 5/8 inch casing was set and cemented. Drilling of the lateral section has now commenced and is expected to reach planned total depth this week provided no significant operational issues arise.

### **FRU 12-1 Well (Focus Ranch Unit)**

Testing has continued on the FRU 12-1 well, both the upper and middle zones are currently open after successful removal of the failed plug which was previously separating the two zones. With tubing set above the top perforations the well continues to naturally flow gas, drilling and completion fluid and oil at unstabilized rates. It should be noted that the current downhole configuration is not optimal for fluid or gas recovery, but does allow the well to continue to flow without mechanical intervention while preparations are made for the next treatment on the well.

A production log has been run in the well and has confirmed that the second plug separating the lower zone in the well is competent. It further indicates that although gas and fluid is being recovered from both the upper and middle zones there appears to be limited entry when compared to the total perforated interval in each zone. This suggests that a significant proportion of the existing perforations have become blocked since last production tested.

Based on the results from the production log the next treatment on the well will be to re-perforate the well at key intervals identified from the open hole logs and to run a propellant treatment in order to clear any near well bore damage and to connect to less invaded reservoir.

The perforating and propellant treatment will commence later this week. Following this treatment the well will be set up for long term production testing with the tubing set below all perforations and a pumping unit placed on the well with gas flowing up the casing annulus. This is a more optimal set up for both fluid and gas production and should be in place during early September 2015.

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.

#### **DIRECTORS**

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