

QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

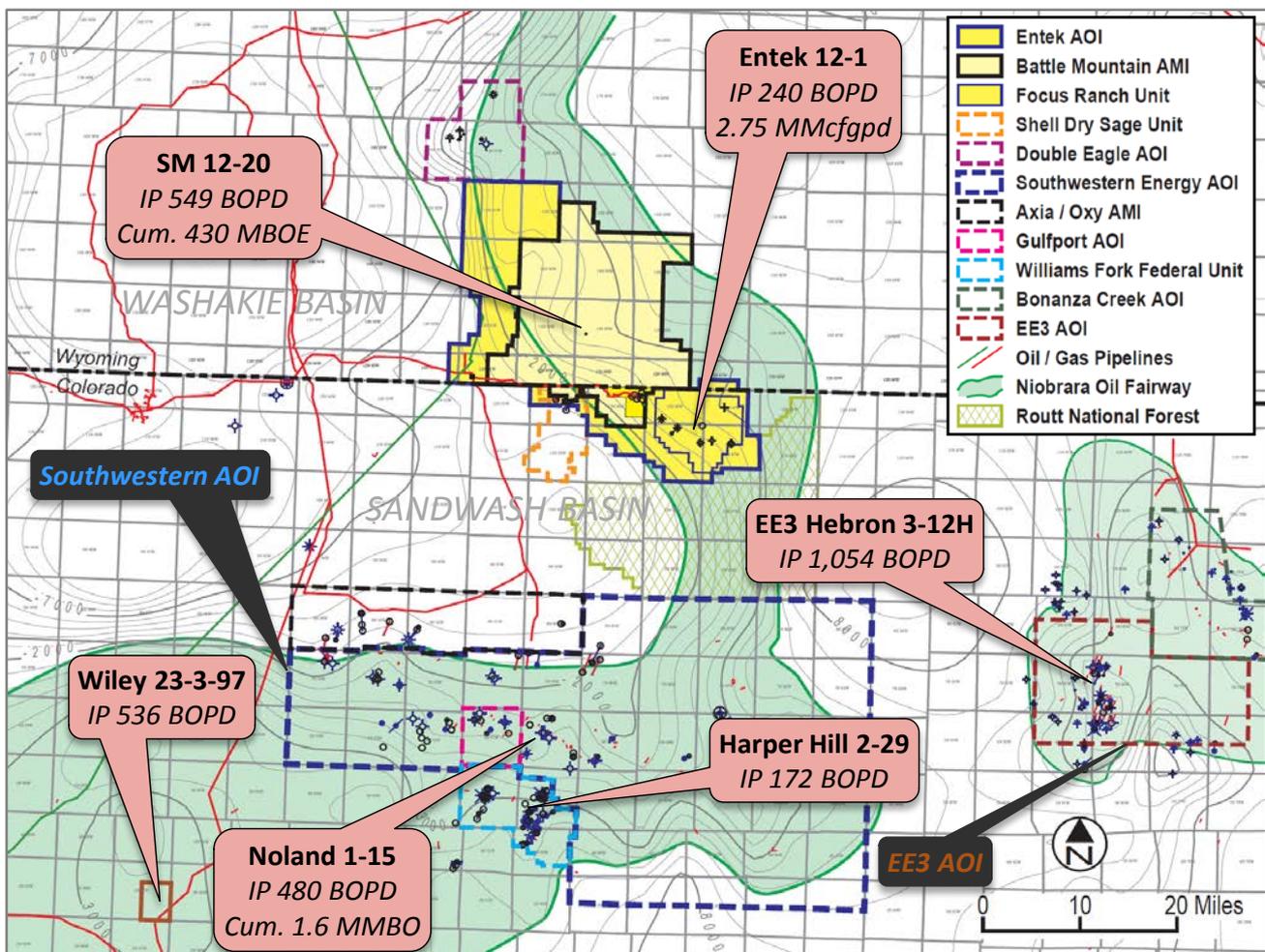
- Subsequent to the end of the quarter, the 2015 Battle Mountain AMI drilling program commenced with the spudding of the Cobb 12-7 well on 5 July 2015. The Cobb 12-7 well is the first of three wells to be drilled and tested as part of this program by the Operator of the Battle Mountain AMI, GRMR, a private company associated with East Resources, Inc. The Cobb 12-7 well is scheduled to be followed by the drilling of the McKee 5-16 and the State 15-8 wells which are all located within the Battle Mountain 3D seismic survey. The wells are all scheduled to be drilled and tested sequentially, with initial well results expected to become available progressively during the third quarter this year.
- All requisite regulatory approvals have now been received to facilitate access to the highly prospective portion of the Focus Ranch Unit including the FRU 12-1 well. It follows the recent denial by the highest court in the United States (US Supreme Court) of the opposing surface owner's petition to reconsider the significant decision made by the U.S. 10th Circuit Court of Appeals. That decision, which has since also been confirmed by the District Court of Colorado, provides Entek the right to access the Focus Ranch Unit including the FRU 12-1 well across Federal Minerals committed to the Unit, regardless of surface ownership.
- The ability to regain access to this well and the adjoining prospective area within the Focus Ranch Unit is considered a major step forward for Entek to finally being able to explore and prove the production potential of this geologically unique area. Significantly, work has already commenced to secure and safely re-open the FRU 12-1 well which was last production tested in 2009. The initial production test will focus on the upper most productive sill within the Niobrara formation.
- As at the end of June 2015 the Company had cash reserves of approximately A\$6.3 million and it is noted that Entek is free carried, on an uncapped basis, in the current three well Battle Mountain AMI drilling program.

NIORRARA OIL RESOURCE PROJECT

The Company's Niobrara lease position now totals about 66,500 net acres across some 165,000 gross acres under lease which represents a significant holding for a company of Entek's size. This includes a 20% working interest in the Battle Mountain AMI comprising some 21,400 net acres, in addition to the Focus Ranch Unit in which Entek now has an operating working interest in excess of 99% comprising some 40,000 net acres.

Leases	State/County	Operator	Gross Acres	WI %	Net Acres to Entek
Battle Mountain AMI	WY/Carbon	GRMR	~115,600	20%	~21,400
Entek AOI (including the FRU)	WY/Carbon & CO/Routt	Entek	~49,500	99%+	~45,100
Total			~165,100		~66,500

The map below shows Entek's acreage position in this liquids rich Niobrara resource play in the Sandwash Basin alongside key industry players.



Sandwash Basin Niobrara Resource Play competitor map

Southwestern (SWN) drilled 5 wells in 2014 and have a 3 well program, consisting of 2 horizontal wells and 1 vertical well, planned for 2015. The wells are currently drilling.

Adjacent to SWN's acreage the Harper Hill #2-29 horizontal well, owned by GRMR, has produced 149 MBO and 35 MMCFG from the Niobrara to date and was drilled on high resolution 3D seismic data similar, but pre-dating the 3D seismic data acquired by GRMR in the Battle Mountain AMI with Entek. The decline rate observed from this non-fracture stimulated well is considered very encouraging and suggests the existence of natural fracturing within the Niobrara formation at that location.

To the west where the play extends geographically into the Piceance Basin, Endeavor drilled a lateral Niobrara well last year which was fracture stimulated, the Wiley 23-3-97; it is still producing at 414 BOPD and around 1 MMCFG. Endeavor has permitted two more laterals from this pad.

Battle Mountain AMI

Subsequent to the end of the quarter Entek announced the commencement of the long awaited 2015 Battle Mountain AMI drilling program with the spudding of the Cobb 12-7-HA1 ("Cobb 12-7") well on 5 July 2015. 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, a private company associated with East Resources, Inc. 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 is being drilled as a high angle directional well aimed to intersect naturally fractured fault zones within the Niobrara oil bearing formation. The target measured depth of the well is 9,995 feet.

The Cobb 12-7 well is scheduled to be followed by the drilling of the McKee 5-16-H1 (McKee 5-16) and State 15-8 wells which are also located within the Battle Mountain 3D seismic survey. 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.

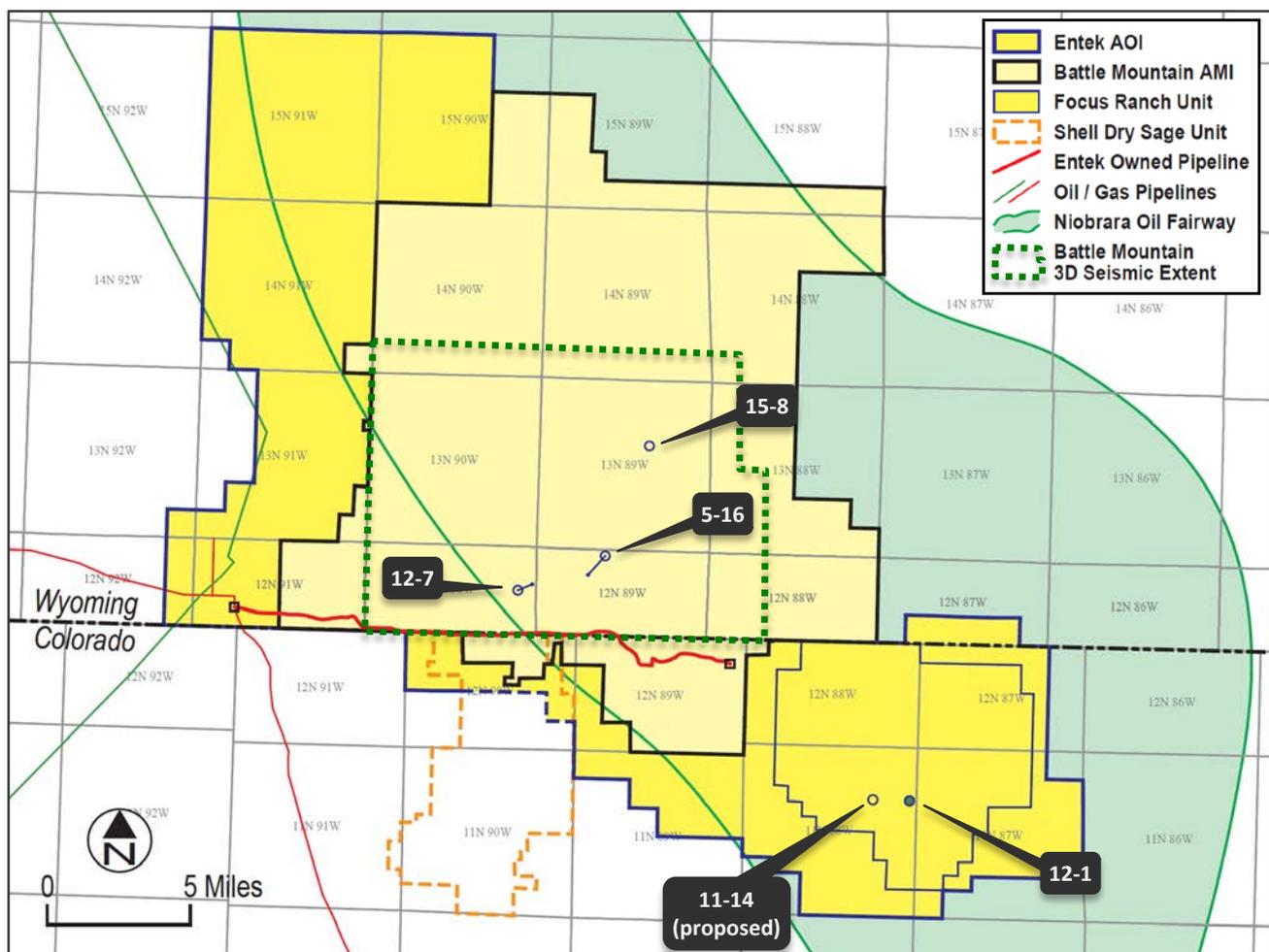
The three well locations chosen for this program provide an excellent combination of target types spread across the 3D seismic area to test the commercial flow potential of both the Niobrara Oil Resource Project as well as conventional targets. Significantly, in contrast to previous exploration efforts undertaken by both Entek and earlier operators of these leases, this drilling campaign has the key advantage of being based on 3D seismic data which enables the more robust identification of highly fractured zones within the Niobrara Formation.

This will be the first time that horizontal drilling is utilised to target the Niobrara Formation within Entek's lease position of over 165,000 gross acres. This has been a significant step in the evolution of resource plays in other areas where horizontal well designs have enabled commercial oil and gas production.

For these wells, GRMR is drawing on its previous drilling and well completion experience in the southern part of the Sandwash Basin where it successfully produces from the Niobrara with horizontal well designs without the need for fracture stimulation. This significantly shifts the economics for this play.

This three well drilling program forms part of the 2013 transaction between Entek and GRMR pursuant to which Entek is fully free carried in all drilling, completion and testing costs associated with these three wells for its 20% working interest. GRMR is entitled to receive 100% of any revenue earned from these wells until it has recovered all relevant costs incurred on these wells on a combined well basis (“Payout”). Following Payout, Entek will be entitled to receive net revenue applicable to its 20% working interest in these wells.

The map below shows the location of the three wells (Cobb 12-7, McKee 15-8 and State 15-8) discussed above within Entek’s significant land position including the Focus Ranch Unit.



Map showing Entek’s Niobrara Land Position & Key Wells

Access to the Focus Ranch Unit 12-1 Well

During June 2015 Entek was pleased to obtain all requisite regulatory approvals to facilitate access to the highly prospective portion of the Focus Ranch Unit including the FRU 12-1 well. This followed the recent denial by the highest court in the United States (US Supreme Court) of the opposing surface owner’s petition to reconsider the significant decision made by the U.S. 10th Circuit Court of Appeals last year. That decision, which has since also been confirmed by the District Court of Colorado, provides Entek the right to

access the Focus Ranch Unit including the FRU 12-1 well across Federal Minerals committed to the Unit, regardless of surface ownership.

Subsequent to the end of the quarter, a short section of new road was built to reconnect with the existing FRU 12-1 well access road and work has now commenced to secure and safely re-open this existing well which was last production tested in 2009. The initial production test of this well will focus on the upper most productive sill within the Niobrara formation.

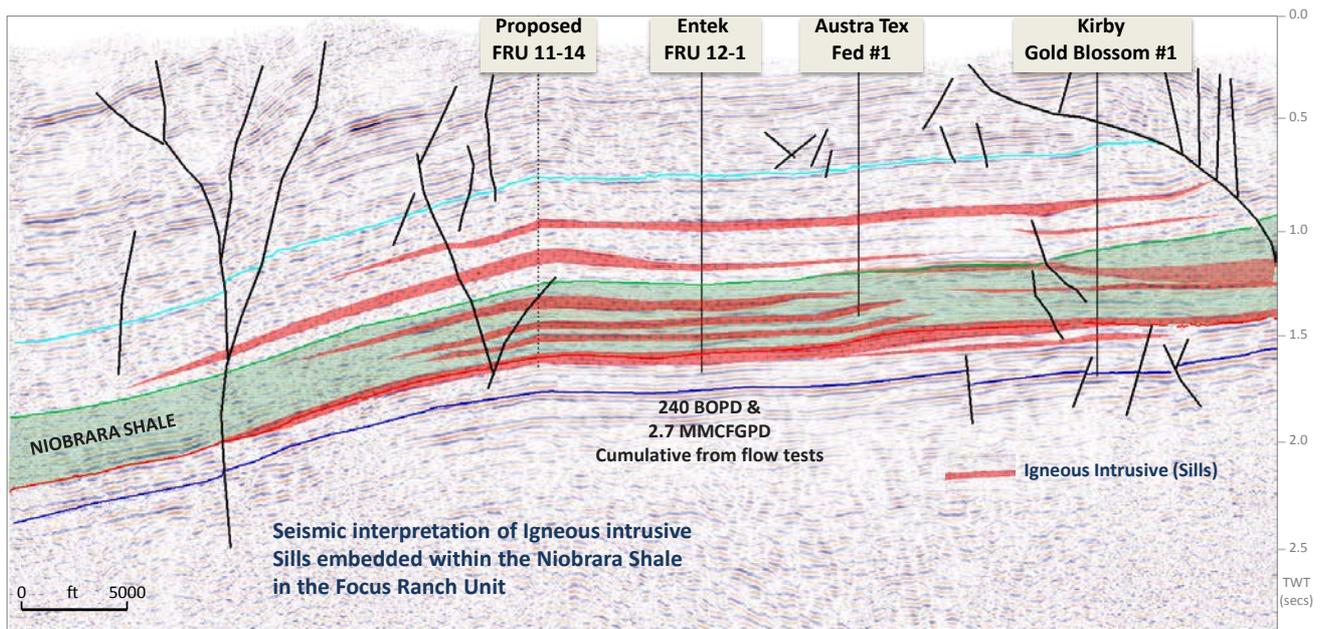


The FRU 12-1 Well being production tested in 2009

The ability to regain access to this well and the adjoining prospective area within the Focus Ranch Unit is considered a major step forward for Entek to finally being able to explore and prove the production potential of this geologically unique area. Historically, these leases have only been explored sporadically due to long running and protracted landowner access issues which have overshadowed its prospectivity and potential over the years.

It should also be noted that the potential of the volcanic intrusives sills embedded within the Niobrara formation which is relatively unique to this area, has only been recognized in recent years, with none of the previous wells drilled within the Unit having been designed to target this play. This also applies to the

existing FRU 12-1 well which was designed and drilled to target the deeper Frontier gas bearing formation in 2006. As can be seen on the seismic schematic shown below, the well did intersect a series of thick volcanic sills within the Niobrara formation which are now recognized as an added source of fractured and extensive productive reservoir as evidenced by the previous flow tests undertaken on this well.



Focus Ranch Unit (FRU) – Seismic Section, Niobrara & Sills

The significant potential that exists in this area due to its unique geological setting has been demonstrated by a series of analogue fields in other parts of the US and this is discussed in some detail in Entek’s latest investor presentation which is available on our website at www.entekenergy.com.au.

The current flow test being undertaken on the FRU 12-1 well is designed to provide us with a better understanding of these volcanic sills in terms of their connectivity and longer term production potential. It should be acknowledged however that this well had not been ideally drilled and completed to test these sills and had been shut in for the last 6 years which may further have affected its production potential.

Looking forward, Entek’s objective is to initially drill and test this unique Niobrara/Volcanic Sill Play by way of a new and suitably designed well, with the proposed FRU 11-14 well location providing an ideal candidate to access these sills as shown above. Now that the access related issues have been resolved, we will be seeking to introduce a new strategic partner at an appropriate time to farm down our close to 100% working interest in these leases to assist with the funding of an extended exploration program akin to the neighbouring Battle Mountain AMI.

GULF OF MEXICO

The Company currently has working interests in two gas producing blocks in the Gulf of Mexico in addition to an overriding royalty interest in two additional blocks. The map below shows these holdings.



Map of the Gulf of Mexico showing Entek lease holdings

During the quarter the Company continued to generate cash flow from the Gulf of Mexico as shown in the attached Appendix 5B.

The main source of revenue from the GoM is presently from the VR341/342 oil development royalty following the natural decline and periodic shut-ins of the two gas production wells. The remaining options to extend the productive lives of these gas wells are presently under review by the operator.

The production and hence royalty receipts from VR341/342 has increased over the last quarter following the addition of a further production well and the successful removal of previous production facility “bottle necks” but still remains below expectations due to the lower oil price environment.

It should be noted that the production cost numbers for this quarter as shown in the Appendix 5B include annual insurance premiums for all US operations and well workover costs for one of the offshore gas wells.

CORPORATE

Cash Position

As at 30 June, 2015 the Company had approximately A\$6.3 million in cash as shown in the attached Appendix 5B.

With Entek being free carried, on an uncapped basis, in the current Battle Mountain AMI three well drilling program by GRMR, the majority of its forward capital spend is expected to be directed towards the Focus Ranch Unit asset, additional Battle Mountain AMI wells as well as any new lease acquisitions.

Top 20 Shareholders

The current Top 20 Shareholders of the Company as at 21 July 2015 are set out below:

Rank	Name	Units	% of Units
1.	UBS NOMINEES PTY LTD	24,980,398	4.89
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	22,588,417	4.42
3.	MININGNUT PTY LTD	21,500,000	4.21
4.	TOPSPEED PTY LTD <SKINNER NO 1 SUPER A/C>	18,145,545	3.55
5.	GDR PTY LTD <THE RILEY SUPER FUND A/C>	14,174,919	2.78
6.	MR JAMES DAVID TAYLOR	13,095,933	2.56
7.	MR JAMES DAVID TAYLOR + MRS MARION AMY TAYLOR <ITS MANAGEMENT S/F A/C>	8,452,494	1.66
8.	IAN SANDOVER & ASSOCIATES PTY LTD <SANDOVER SUPER A/C>	8,325,000	1.63
9.	STRUVEN NOMINEES PTY LTD <ALAN STRUNIN STAFF S/F A/C>	6,125,000	1.20
10.	A F CONSULTING PTY LTD <A F INVESTMENTS S/FUND A/C>	6,000,000	1.17
11.	J P MORGAN NOMINEES AUSTRALIA LIMITED	5,745,411	1.13
12.	MR KIEREN JAMES MANN	5,471,441	1.07
13.	MR KENNETH JOHN BULL	5,000,000	0.98
14.	VECTOR NOMINEES PTY LIMITED <THE WRIGHT FAMILY A/C>	5,000,000	0.98
15.	CITICORP NOMINEES PTY LIMITED	4,914,966	0.96
16.	WEINER PTY LTD	4,406,124	0.86
17.	A M RILEY PTY LTD <A M RILEY SUPER FUND A/C>	4,174,919	0.82
18.	MR ALEXANDER FORCKE	4,000,000	0.78
19.	ICE COLD INVESTMENTS PTY LTD	4,000,000	0.78
20.	MR ANTHONY NOEL SANDOVER <A & W SANDOVER FAMILY A/C>	3,987,982	0.78
Totals: Top 20 holders of ORDINARY SHARES		190,088,549	37.22

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

Graham Riley
Chairman
Trent Spry
CEO/Managing Director
Andrew Padman
Non-Executive Director
Alexander Forcke
Non-Executive Director

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