

QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Successful completion of the transaction with an affiliate company of East Resources over a substantial portion of Entek's Niobrara lease acreage as discussed in more detail below.
- Continuing evaluation of the 2012 Niobrara well test results as part of a major technical review in preparation for the 2013 activities.
- Completion of all necessary regulatory and environmental submissions to obtain approval for a new access route into the Focus Ranch Unit. The application is currently in the regulatory process.
- Continuing gas production from Entek's Gulf of Mexico interests, with US gas prices having seen a gradual recovery to over US\$4/MMBtu in recent times to boost Entek's near term revenue. In addition, Entek is anticipating royalty income that is due from the VR 341/342 development which went online in April 2013 with the successful completion and tie-in of the first three wells of the development presently producing close to 3,000 BOPD.

NIOBARRA OIL RESOURCE PROJECT

During the quarter Entek successfully closed the previously announced transaction over part of its Niobrara Oil Resource Project with an affiliated company of East Resources ("East"). The details of this key transaction, which has substantially transformed and strengthened Entek's position in relation to this project, are set out below.

EAST RESOURCES / BATTLE MOUNTAIN AMI

East is a successful private US E&P company with a strong track record and technical expertise in US unconventional shale plays, including previous exposure to the Niobrara in the Sandwash Basin (a Sub-basin of the Green River Basin). Following the closing of this transaction, East has now assumed operatorship with East holding an 80% interest and Entek holding the remaining 20%. This jointly held leased area together with an agreed area of mutual interest (AMI) for additional joint future leasing, is now referred to as the "Battle Mountain AMI" which is separate from the Focus Ranch area that has been retained by Entek. Entek holds approximately 14,000 net acres within the Battle Mountain AMI (covering approximately 79,000 gross acres).

In addition to the approximately US\$7.1 million cash payment received by Entek for assigning a 35% interest in, and operatorship of the Battle Mountain AMI leases to East, Entek will also be fully free-carried by East through an initial work program over the subject area comprising a 3D seismic survey of approximately 90 square miles; plus three exploration wells. East will be able to recover all costs relating to just the three wells from any future production therefrom.

East have deployed their operating team into the area for the planning and preparation of the 3D seismic survey, which is expected to be undertaken this year subject to receiving all pre-requisite regulatory approvals. Whilst it is possible for drilling operations by East to commence later this year, it is more likely that the three well program will be undertaken in 2014 in order to take full advantage of the newly acquired modern 3D seismic data.

The seismic survey, which extends over most of the Battle Mountain AMI is being designed to identify highly fractured zones within the Niobrara shale which will then be targeted with vertical and horizontal wells to maximize flow rates and recoverability. It will be the first time that 3D seismic has been acquired over this area and the results are expected to considerably improve the understanding of the underlying fracture distribution and orientation which are critical aspects in advancing and developing this unconventional oil resource.

By way of background, East has previously held an extensive acreage position to the south of the Battle Mountain AMI which they had sold as part of a larger asset deal to Shell in 2010 totaling some US\$4.7 billion. Their return to the Sandwash Basin Niobrara play now as part of this new partnership with Entek is testament to their confidence in the potential of this oil play. Similar views are illustrated also by the activities of Shell, Quicksilver and Occidental (to name only a few) who have similarly built substantial acreage positions over the last few years in this area and have been actively testing the play with positive results.

Given Entek's experience and established relationships in the area, the Company will work closely with East on the initial exploration program and will also continue to provide land management services to them during the transition phase out of its Denver and field offices.

Resulting from this transaction (which also involved Emerald Oil Inc. "Emerald"), Entek now owns 100% of all rights in the three existing Niobrara production wells (C&C Cattle 18-8, Battle Mountain 14-10 and SD Federal 24-9) as well as the rights to the shallow formations and all infrastructure on the Slater Dome Structure. In addition, Entek has retained its approximate 50% interest in and operatorship of the gas export pipeline which starts at Slater Dome and terminates at the point of sale in Baggs (Wyoming).

FOCUS RANCH UNIT AMI

Entek has retained its 55% interest and operatorship of the newly formed Focus Ranch Unit AMI (an AMI was set up covering the Focus Ranch Unit as part of the transaction to separate the East/Entek operating area from the Entek/Emerald operating area) and associated leases which make up 18,000 net acres to Entek (covering approximately 38,000 gross acres). Emerald has also retained its 45% interest in the AMI.

The Focus Ranch Unit area is considered highly prospective due to the extensive distribution of igneous intrusives that are interbedded within the Niobrara shale benches. The view of high prospectivity is supported by relatively strong unstimulated flow results from previous vertical wells in the Unit.

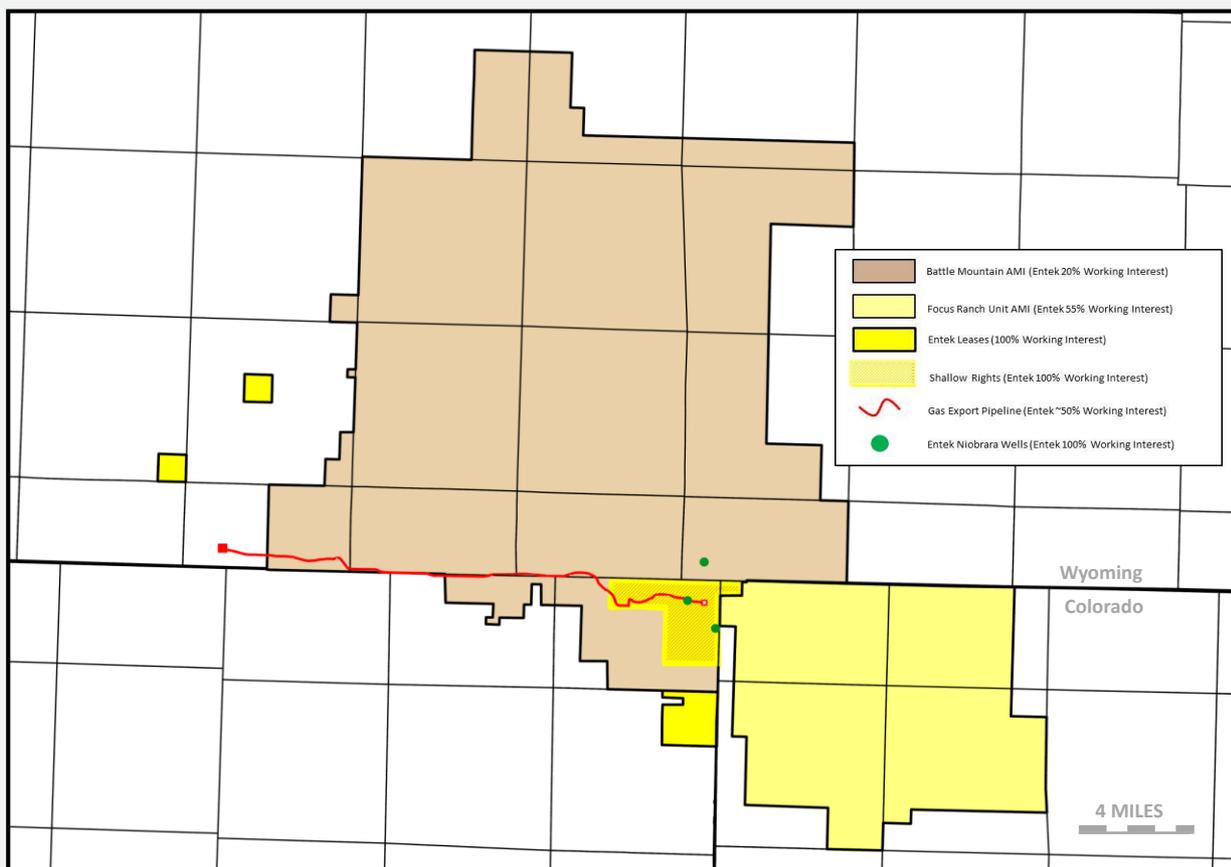
Entek's immediate task is to re-establish access into relevant areas of the Focus Ranch Unit where previous wells have been drilled and successfully flow tested from both the Niobrara and the associated igneous intrusives. Access to this particular area has been held up by surface owner issues. The Company has completed all necessary regulatory and environmental submissions to obtain approval for a new access route into the Focus Ranch Unit. The application is currently in

the regulatory process and whilst its timing is outside of our control, we expect to obtain all requisite approvals in time for the 2013 drilling season.

On the basis that access is achieved, the likely work program for 2013 would involve an extensive testing program of the existing Focus Ranch 12-1 well which has been shut in since 2009. This well has previously achieved a combined flow rate totaling 240 BOPD and 2.4 MMCFD on an unstimulated basis from all individually tested horizons.

Entek is also planning to drill a new well within Focus Ranch, with the option of adding a horizontal lateral completion, based on the existing geological control provided by the Focus Ranch 12-1 well and the Focus Ranch 3-1 well (which also had strong shows and log characteristics indicating igneous sills).

The map below illustrates the lease and infrastructure ownership position of Entek's assets in the Sandwash Basin subsequent to the closing of the transaction with East. Entek's total net acre position is approximately 35,000 net acres covering some 122,000 gross acres.



NIORARA PROJECT TECHNICAL REVIEW

During the quarter, the Company and several expert consultancy groups continued the multi-faceted post-mortem evaluation on the reservoir performance and underlying fracture network in the three vertical wells that were ineffectively fracture stimulated last year. The objective of this study is to better understand the subsurface parameters and to derive as much knowledge as possible for the design and execution of the forward drilling and fracking programme.

This study has now largely been completed and its findings are invaluable in understanding the characteristics of the play in the area where these three wells were drilled. Although the lessons from the 2012 program can be applied across the play it should be noted that the three wells were all in relatively close proximity; thereby representing only a small part of the play as shown in the above map.

Importantly, the forward exploration program as part of the transaction with East will include the acquisition of modern 3D seismic data which will help address many of the geological factors necessary for targeting and execution of more optimal drilling and well stimulation designs.

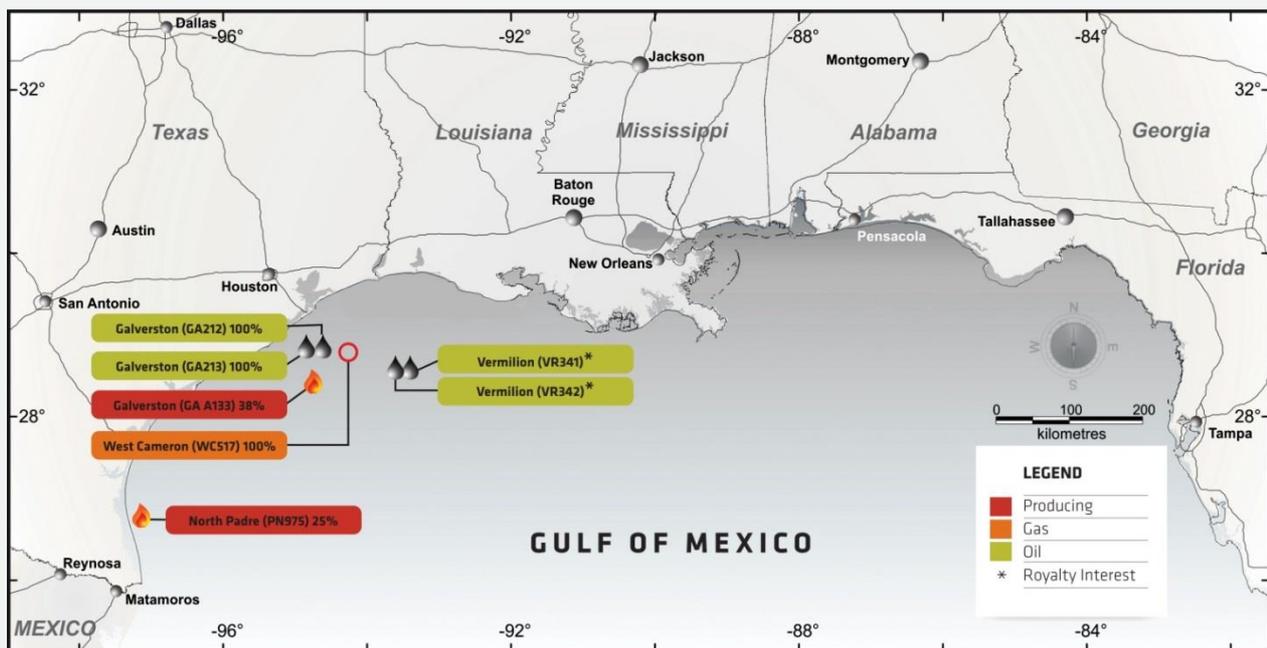
GULF OF MEXICO

During the quarter the Company continued to generate positive cash flow from its Gulf of Mexico production interests in blocks GA-A133 and PN975 as detailed in the attached Appendix 5B. Production performance of these wells continues to be in line with the Operator’s well decline predictions. It is noted that US gas prices have recently seen a recovery from previous lows to current levels in excess of US\$4/MMBtu.

Entek’s forward GoM revenue stream will be further enhanced with the commencement of production from the VR 341/342 development in which the Company has retained a royalty interest following the sale of its 50% working interest last year. The Company is pleased to report that the successful completion and tie-in of the first 3 wells on the development occurred in April 2013. These three wells are presently producing close to 3,000 BOPD. Entek holds a significant escalating royalty in these wells which will now become payable to Entek on a monthly basis.

During the quarter the Company relinquished two offshore exploration blocks which we were unable to farm-out in light of the low gas price environment. As shown on the map below, Entek now has working interests in five blocks in the Gulf of Mexico in addition to the overriding royalty interest in blocks VR341 and VR342.

Efforts are continuing to farm out the three remaining exploration blocks in which Entek currently has 100% working interests.



CORPORATE

CASH POSITION

As at 31 March 2013 the Company had approximately \$15 million in cash as shown in the attached Appendix 5B which includes the total cash consideration of US\$7.1 received from East as discussed earlier.

This strong and debt-free capital position ensures that Entek is well funded to pursue its onshore strategy of proving the commercial viability of its Niobrara Oil Resource Play during 2013 and beyond as discussed in detail above.

TOP 20 SHAREHOLDERS

The current top 20 shareholders of the Company as at late April 2013 are set out below:

Rank	Name	Units
1.	UBS NOMINEES PTY LTD	22,111,405
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	19,718,825
3.	JP MORGAN NOMINEES AUSTRALIA LIMITED	19,143,426
4.	TOPSPEED PTY LTD <SKINNER NO 1 SUPER A/C>	18,799,750
5.	NATIONAL NOMINEES LIMITED	13,342,216
6.	MR JAMES DAVID TAYLOR	13,095,933
7.	MR JAMES DAVID TAYLOR + MRS MARION AMY TAYLOR <ITS MANAGEMENT S/F A/C>	8,452,494
8.	MR GRAHAM DOUGLAS RILEY + MRS ANNE MARIE RILEY <THE RILEY SUPER FUND A/C>	8,349,838
9.	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	7,754,644
10.	IAN SANDOVER & ASSOCIATES PTY LTD <SANDOVER SUPER A/C>	5,088,711
11.	MR KENNETH JOHN BULL	5,000,000
12.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	4,812,795
13.	ESCOR INVESTMENTS PTY LTD	4,794,905
14.	CITICORP NOMINEES PTY LIMITED	4,203,447
15.	A F CONSULTING PTY LTD <A F INVESTMENTS S/FUND A/C>	4,000,000
16.	ICE COLD INVESTMENTS PTY LTD	4,000,000
17.	ZERO NOMINEES PTY LTD	3,534,930
18.	POUVOIR PTY LTD <BRIMAGE SUPER FUND A/C>	3,500,000
19.	MR DAVID KENNETH ANDERSON + MRS CHARMAYNE ANDERSON <THE CANTERBURY S/FUND A/C>	3,000,000
20.	PALAZZO NOMINEES PTY LTD <PALAZZO INVESTMENT A/C>	3,000,000

For further information contact.

TRENT SPRY

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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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

ENTEK ENERGY LIMITED

ABN

43 108 403 425

Quarter ended ("current quarter")

31 March 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	444	1,321
1.2 Payments for (a) exploration & evaluation	(615)	(3,691)
(b) development	-	-
(c) production	(453)	(1,326)
(d) administration	(451)	(1,372)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	23	37
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(1,052)	(5,031)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	(125)	(250)
(b) equity investments	-	-
(c) other fixed assets	(8)	(19)
1.9 Proceeds from sale of: (a) prospects	7,299	9,035
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	7,166	8,766
1.13 Total operating and investing cash flows (carried forward)	6,114	3,735

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	6,114	3,735
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	6,114	3,735
1.20	Cash at beginning of quarter/year to date	8,483	11,034
1.21	Exchange rate adjustments to item 1.20	(19)	(191)
1.22	Cash at end of quarter	14,578	14,578

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	147
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Remuneration for executive and non-executive directors

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	386
4.2 Development	-
4.3 Production	387
4.4 Administration	339
Total	1,112

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	14,578	8,483
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	14,578	8,483

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	VK 818	Viosca Knoll, Block 818	100%	0%
	GB 115	Garden Banks, Block 115	100%	0%
	Various - all in Battle Mtn. AMI	Various Colorado & Wyoming blocks (as part of East transaction)	55%	20%
6.2 Interests in mining tenements acquired or increased	Township 11 North	Range 89 West, Moffat County, Colorado	0%	100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	510,657,387	510,657,387		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Discovery Shares <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	1,250,000 1,250,000 2,500,000 750,000 1,500,000 5,500,000 5,500,000 500,000 500,000 750,000 750,000 750,000	Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil	<i>Exercise price</i> 25 cents 35 cents 50 cents 25 cents 70 cents 21 cents 28 cents 25 cents 30 cents 30 cents 25 cents 30 cents	<i>Expiry date</i> 31-Oct-2013 31-Oct-2013 31-Oct-2013 31-Dec-2013 31-Jan-2014 24-May-2014 24-May-2014 30-Jun-2014 30-Jun-2014 31-Dec-2014 30-Jun-2015 30-Jun-2015
7.8 Issued during quarter				

+ See chapter 19 for defined terms.

7.9	Exercised during quarter				
7.10	Expired during quarter	1,500,000	Nil	50 cents	31-Jan-2013
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

..... Date:30 April 2013.....

(~~Director~~/Company secretary)

Print name: Andrew Gastevich.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.