

QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

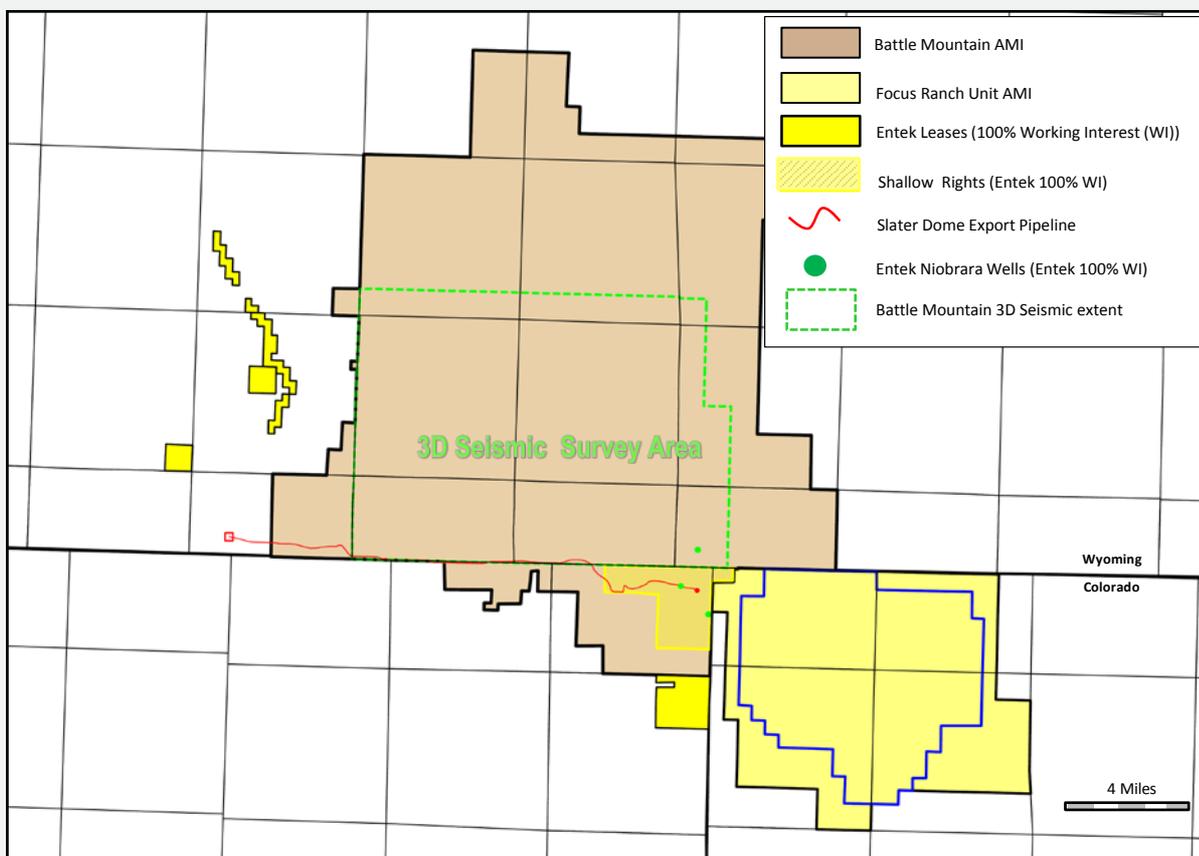
- Successful acquisition of an extensive modern 3D seismic survey across a significant portion of the Battle Mountain AMI in preparation for the 2014 drilling campaign which will see the first ever horizontal wells being drilled on any part of Entek's significant Niobrara lease position.
- Entek has developed a close and strong working relationship with its new Niobrara partner and operator, GRMR Oil and Gas, LLC (an affiliate of East Resources, Inc. (East), a highly successful private US E&P company) and is very pleased and encouraged by the professional and diligent approach being demonstrated by GRMR.
- During the quarter Entek was granted formal regulatory approval to construct an alternative access route to the Focus Ranch 3-1 well location and construction of the new route was immediately commenced. The new access route represents a significant step towards the appraisal and development of this area by opening up a large part of the Focus Ranch Unit.
- In conjunction with this important development for Focus Ranch, Entek also successfully bought out all of the remaining Niobrara assets of a previous partner which significantly increased its Focus Ranch net acre and gas export pipeline interests. Significantly, this timely acquisition enables Entek to more easily progress and deal with new potential partners for the Focus Ranch Unit as part of progressing the exploration program for this major oil resource play.
- Entek's Niobrara lease position now totals some 50,000 net acres across 131,000 gross acres under lease which represents a significant holding for a company of Entek's size.
- Recent Niobrara oil production results from horizontal wells reported by industry peers within the wider Sandwash Basin are highly encouraging and strongly support GRMR's exploration strategy involving high quality 3D seismic to optimally target and position horizontal laterals within the highly fractured oil saturated Niobrara shales.
- Entek remains well funded with cash reserves of approximately \$10 million as at 31 December 2013 and being free carried on an uncapped basis for the 2014 Battle Mountain drilling program.

NIOBRARA OIL RESOURCE PROJECT

Battle Mountain AMI

Subsequent to the formation of the Battle Mountain AMI in early 2013 as part of a transaction with GRMR where GRMR acquired an 80% interest and operatorship and Entek retained a 20% interest, the first phase of the work program that Entek is fully free-carried through was initiated. This work comprised a 3D seismic survey of approximately 233 square kilometres. Acquisition of the new 3D seismic was completed in the December quarter and processing of the raw data started.

The map below shows the extent of the new seismic survey within the Battle Mountain AMI.



Niobrara Resource Play lease position showing new 3D seismic survey area

Data processing and interpretation is expected to be completed in early 2014 in preparation for the drilling campaign later in the year. Three wells are expected to be drilled during the second half of 2014 all of which Entek is free carried through on an uncapped basis.

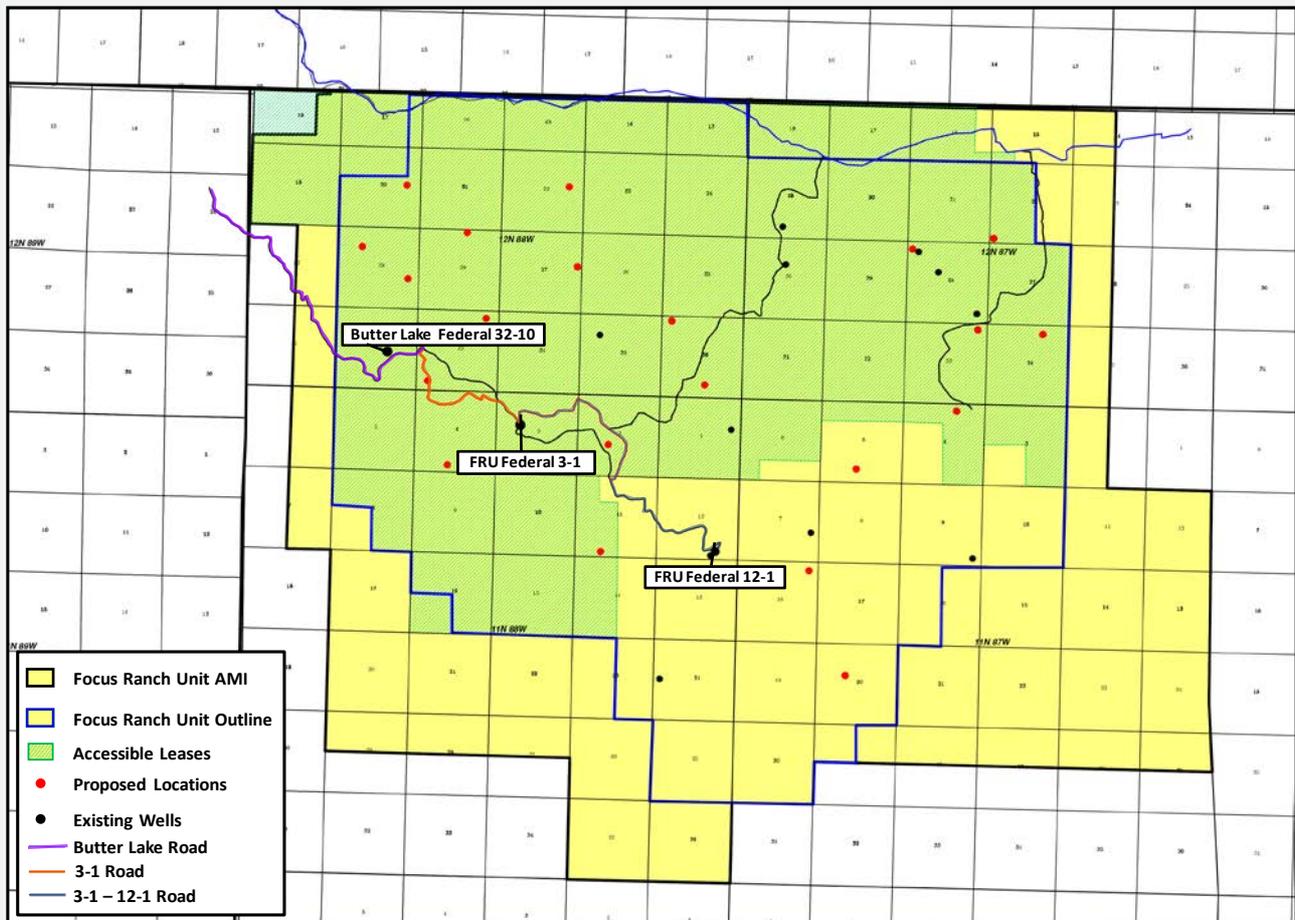
The new seismic data will be used to optimally target these horizontal wells to maximize flow rates and recoverability. Backed up by GRMR's extensive prior experience in this play, the results are expected to considerably improve the understanding of the underlying fracture distribution and orientation which are critical aspects in advancing and developing this unconventional oil resource.

Additionally this quarter GRMR and Entek have continued to grow and maintain their lease holdings within the AMI which is reflected in the additional lease costs as shown in the attached Appendix 5B.

Focus Ranch Unit AMI

During the quarter Entek was granted formal regulatory approval to construct an alternative access route to the Focus Ranch 3-1 well location and construction of the new route was completed during the quarter.

The new access route represents a significant step towards the appraisal and development of this area opening up a large part of the Unit as shown in the map below.



Focus Ranch Unit area showing key wells and access roads

The resolution of the access issues has involved concurrent efforts to a) resolve a private landowner dispute to re-establish access on the existing route (which is ongoing), and b) to secure alternate access with the Bureau of Land Management (BLM) to the Focus Ranch 12-1 and 3-1 wells.

Entek will continue to work with regulatory authorities in the US on the requirements to obtain access approval to the 12-1 well location, and will also continue its industry-backed legal proceedings in relation to the existing access route into the Focus Ranch Unit.

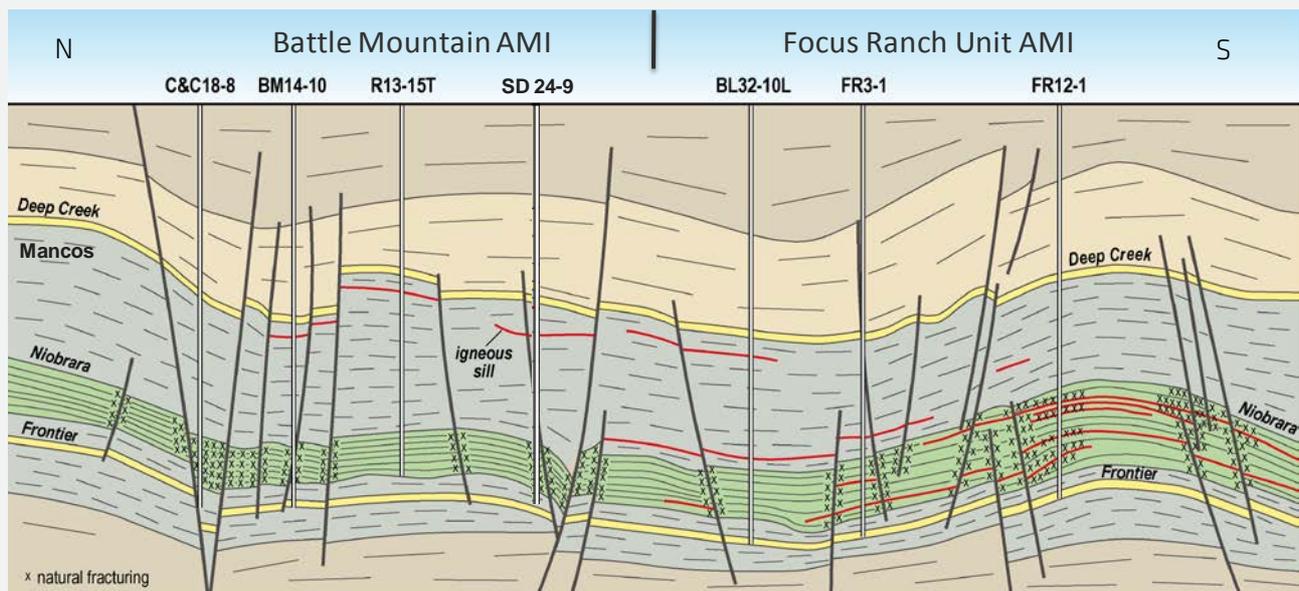
Also during the quarter Entek acquired all of the remaining jointly held Niobrara assets within Colorado and Wyoming from a former partner, covering the Niobrara Oil Resource Play. The acquisition comprises approximately 13,500 net acres in the Focus Ranch Unit in addition to an approximately 42% net interest in the Slater Dome export pipeline. The total consideration paid by Entek for these assets was US\$2 million, with no retained royalties or ongoing obligations on the former partner's part in relation to these assets.

This acquisition has increased Entek’s interest in the Focus Ranch Unit to approximately 32,000 net acres across the total 36,000 gross acres under lease, with its interest in the Slater Dome pipeline having increased to approx. 98%. Both assets are operated by Entek.

The map on page 2 of this report and the table below illustrate the total lease and asset holdings of Entek’s Niobrara Oil Resource Project subsequent to this acquisition.

Leases	Operator	Gross Acres under Lease	Net Acres to Entek
Battle Mountain AMI	GRMR	~90,300	~15,300
Focus Ranch AMI	Entek	~36,000	~32,000
Other Non-AMI Leases	Entek	~4,700	~2,700
Total		~131,000	~50,000

Below is a diagrammatic cross section showing the distribution of the igneous intrusives embedded within the Niobrara Oil Resource Play. These igneous intrusives are a result of late tectonic activity and are embedded within the already highly fractured Niobrara target zones, further enhancing the play’s potential. The nature and style of embedment of these intrusives provide potential for massive hydrocarbon storage and flow potential due to their highly fractured character.



Focus Ranch Unit diagrammatic cross-section, showing the Niobrara Oil Resource Play with embedded igneous intrusives unique to this area & significantly adding to the potential of the play

The Focus Ranch 12-1 well (which was tested in 2009 by Entek with a cumulative rate of 240 BOPD and 2.75 MMCFD from multiple unstimulated intervals) has already demonstrated the potential of the Niobrara and the embedded igneous intrusive intervals in the area. The well has been designated a producing well by the BLM which holds the Focus Ranch Unit.

Meanwhile, in other parts of this play, several companies have reported highly encouraging commercial flow rates with both stimulated and unstimulated wells.

EE3 LLC, an independent oil and gas exploration and production company, has announced the highest reported 30-day initial production rate of a horizontal Niobrara well drilled in the North Park Basin, located 30 miles southeast of Entek’s land position in almost geologically identical Niobrara strata.

The Damfino #02-06H produced 20,542 barrels of oil equivalent (BOE) during the 30-day test period averaging approximately 685 barrels of oil equivalent per day (BOEPD). A peak daily rate exceeded 1,000 BOEPD during the 30-day test. The average flowing casing pressure was 727 pounds per square inch from 5.5 inch casing with no production tubing. Two days after the 30-day test, on December 5, 2013, the well was flowing 715 BOEPD on a 25/64 inch choke with a flowing casing pressure of 340 PSIG. The Damfino #02-06H was drilled to 7,205 vertical feet before being completed with a 3,330 foot lateral in the Niobrara. The well was completed with 18 stages of the plug and perforation process using a total of 3.7 million pounds of sand.

Earlier in October 2013, another EE3 well, the Hebron #3-12H horizontal well in North Park Basin, had produced 1,054 barrels of oil in a 24-hour test period.

Shell's Harper Hill 2-29 horizontal well, located approximately 36 miles south of Entek's lease position, was drilled on a target defined by a 3D seismic survey shot and processed by East (GRMR) prior to selling to Shell in 2010. The well was drilled and deliberately completed without any stimulation using an East (GRMR) drilling and completion design with a lateral length of around 3,000 feet. The well flowed at a maximum rate of 628 BOPD, with oil production over a 12 months period having been reported in excess of 56,000 barrels.

These recently reported well results provide significant encouragement for a successful GRMR/Entek drilling campaign this year during which at least three wells will be drilled and targeted based on the recently acquired Battle Mountain AMI 3D seismic survey and using similar drilling and completion techniques as described above.

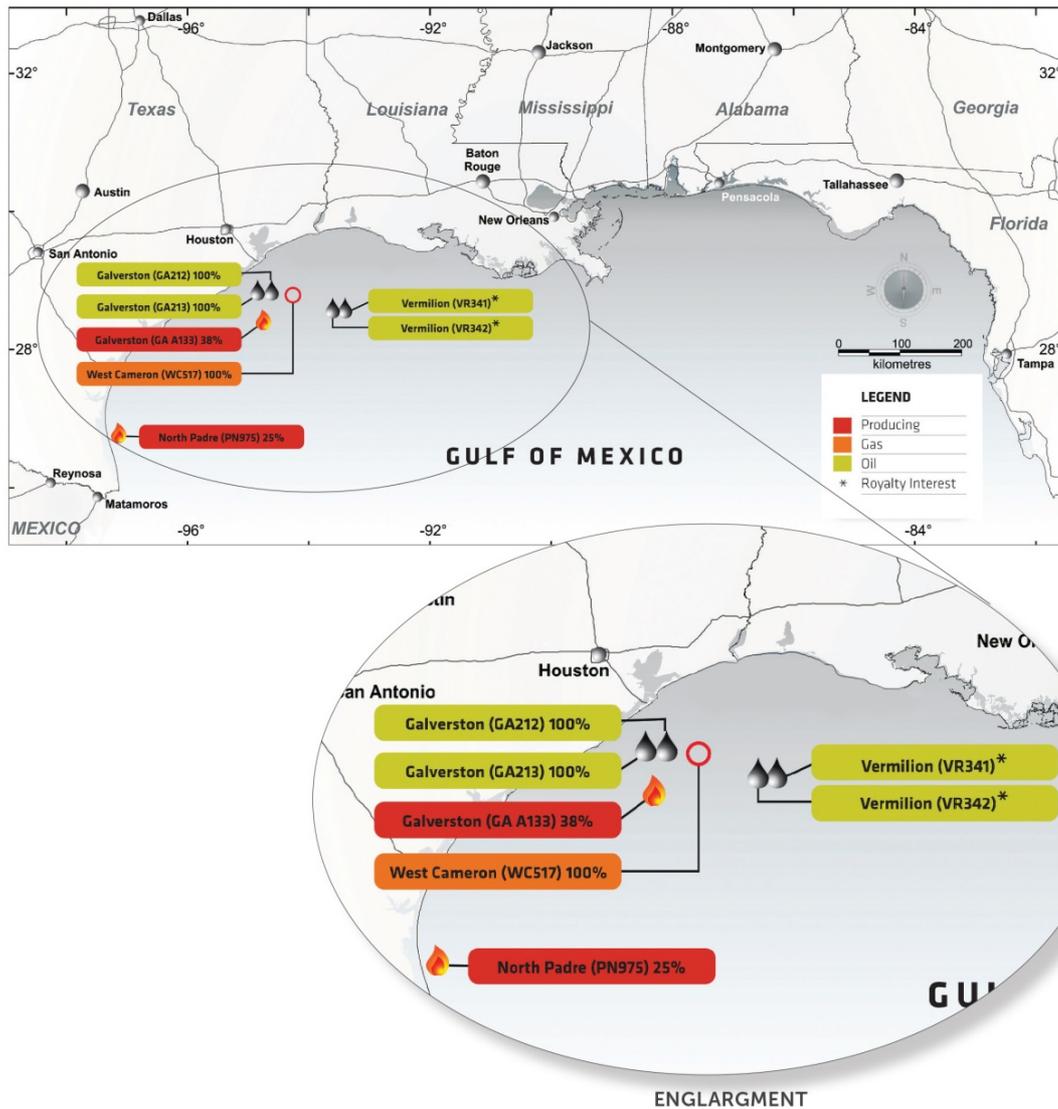
GULF OF MEXICO

During the quarter the Company continued to generate positive cash flow from its Gulf of Mexico (GoM) 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.

In addition revenue from the VR 341/342 development continued to strengthen Entek's positive GoM cash flow. Production from this development is still being ramped up by the operator as a result of progressively resolving production facility bottlenecks. Entek expects to see an increase in future monthly royalty receipts.

As shown on the map below (current at the end of the December quarter), Entek has working interests in five blocks in the Gulf of Mexico in addition to the overriding royalty interest in blocks VR341 and VR342.

Subsequent to the quarter's end, Entek has relinquished block West Cameron 517 (WC517) due to its limited remaining term and the gas prospectivity of the block. Efforts are continuing to farm out the two remaining exploration blocks in which Entek currently has 100% working interests, being the Galveston blocks GA 212 and GA 213.



Map of the Gulf of Mexico – Entek Blocks Shown

CORPORATE

Cash Position

As at 31 December, 2013 the Company had approximately \$10 million in cash as shown in the attached Appendix 5B.

With Entek being free carried in the Battle Mountain AMI by GRMR, the majority of its future capital spend is expected to be directed towards the Focus Ranch asset as well as any new lease acquisitions.

Top 20 Shareholders

The current top 20 shareholders of the Company as at 31 December 2013 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	19,317,141	3.78
3.	TOPSPEED PTY LTD <SKINNER NO 1 SUPER A/C >	18,850,000	3.69
4.	MR GRAHAM DOUGLAS RILEY + MRS ANNE MARIE RILEY <THE RILEY SUPER FUND A/C >	18,349,838	3.59
5.	MR JAMES DAVID TAYLOR	13,095,933	2.56
6.	NATIONAL NOMINEES LIMITED	10,001,650	1.96
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 >	7,800,000	1.53
9.	A F CONSULTING PTY LTD <A F INVESTMENTS S/FUND A/C >	6,000,000	1.17
10.	MININGNUT PTY LTD	5,705,000	1.12
11.	MR KENNETH JOHN BULL	5,000,000	0.98
12.	VECTOR NOMINEES PTY LIMITED <THE WRIGHT FAMILY A/C >	5,000,000	0.98
13.	STRUVEN NOMINEES PTY LTD <ALAN STRUNIN STAFF S/F A/C >	4,982,500	0.98
14.	ESCOR INVESTMENTS PTY LTD	4,794,905	0.94
15.	ICE COLD INVESTMENTS PTY LTD	4,000,000	0.78
16.	WEINER PTY LTD	3,906,124	0.76
17.	CITICORP NOMINEES PTY LIMITED	3,590,075	0.70
18.	ZERO NOMINEES PTY LTD	3,534,930	0.69
19.	MR ALEXANDER FORCKE	3,531,259	0.69
20.	MR PHILLIP JOHN COULSON <NOMINEE ACCOUNT >	3,300,000	0.65

For further information contact:

TRENT SPRY

ENQUIRIES: INFO@ENTEKENERGY.COM.AU (+618 9213 4388)

INFORMATION: WWW.ENTEKENERGY.COM.AU

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 and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

ENTEK ENERGY LIMITED

ABN

43 108 403 425

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (...6... months) \$A'000
1.1 Receipts from product sales and related debtors	774	1,334
1.2 Payments for (a) exploration & evaluation	(807)	(1,801)
(b) development	(360)	(408)
(c) production	(351)	(940)
(d) administration	(433)	(873)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	8
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	(1,175)	(2,680)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	(2,886)	(2,886)
(b) equity investments	-	-
(c) other fixed assets	(6)	(9)
1.9 Proceeds from sale of: (a) prospects	-	-
(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	(2,892)	(2,895)
1.13 Total operating and investing cash flows (carried forward)	(4,067)	(5,575)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(4,067)	(5,575)
	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	(4,067)	(5,575)
1.20	Cash at beginning of quarter/year to date	13,555	15,091
1.21	Exchange rate adjustments to item 1.20	496	468
1.22	Cash at end of quarter	9,984	9,984

Payments to directors of the entity, associates of the directors, 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	142
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	588
4.2 Development	-
4.3 Production	397
4.4 Administration	394
Total	1,379

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	9,984	13,555
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	9,984	13,555

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Battle Mtn AMI	Various Carbon County, Wyoming	0%	20%
	Focus Ranch AMI	Various Routt & Moffatt Counties, Colorado	55%	100%

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	+Convertible debt securities			
	<i>(description)</i>			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	1,500,000 5,500,000 5,500,000 500,000 500,000 500,000 500,000 1,000,000 1,000,000	Nil Nil Ni Nil Nil Nil Nil Nil Nil	<i>Exercise price</i> 70 cents 21 cents 28 cents 25 cents 30 cents 25 cents 30 cents 6 cents 8 cents	<i>Expiry date</i> 31-Jan-2014 24-May-2014 24-May-2014 30-Jun-2014 30-Jun-2014 30-Jun-2015 30-Jun-2015 30-Jun-2016 30-Jun-2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	1,250,000 1,250,000 2,500,000 250,000 250,000	Nil Nil Nil Nil Nil	25 cents 35 cents 50 cents 25 cents 30 cents	31-Oct-2013 31-Oct-2013 31-Oct-2013 27-Nov-2013 27-Nov-2013
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

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 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: 31 January 2014.....
(Director/Company secretary)

Print name: Andrew Gastevich.....

+ See chapter 19 for defined terms.

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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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