

QUARTERLY ACTIVITIES REPORT

NIORRARA OIL RESOURCE PROJECT

The Company's current Niobrara lease position totals 61,014 net acres across more than 163,682 gross acres under lease, including a 20% working interest in the Battle Mountain AMI and the Focus Ranch Unit area in which Entek has an operating working interest in excess of 99%. Entek has chosen to only participate selectively in certain low price, potentially high impact core lease renewals and acquisitions within the Battle Mountain AMI during the first quarter of 2016.

Battle Mountain AMI

As Operator of the Battle Mountain AMI, GRMR previously drilled three exploration/commitment wells comprising the Cobb 12-7, McKee 5-16 and State 15-8, all located within the extensive 3D seismic survey that was acquired as part of GRMR's work commitment.

Notwithstanding that the Cobb 12-7 well encountered encouraging oil shows in the Niobrara, it has since been abandoned due to mechanical issues. GRMR is evaluating the possible testing of the shallow gas sand in the well during the 2016 work season as soon as seasonal wildlife restrictions are lifted.

The State 15-8 well intersected hydrocarbon shows in the primary zones and was cased, with any decision to flow test this well being deferred by the Operator until the 2016 operating season, subject to further technical and commercial considerations.

Since the conclusion of last year's drilling program, well post mortem studies have been undertaken and workshopped, with the results integrated into forward planning to more effectively drill, test and complete wells in the naturally fractured Niobrara targets.

The Operator has permitted six new locations to date as they plan for an aggressive program in 2016, full details of which are currently awaited, prior to any final participation decisions being made.

Focus Ranch Unit 12-1 Well

As previously advised, testing of the FRU 12-1 well was completed during the 2015 work season, with the well now being shut in and secured for winter. Analysis of fluid and gas samples collected during the test period indicate 40 degree API sweet oil, as typical for the Niobrara, combined with the significant quantities of gas from beneath the Niobrara. Integration of this data with the earlier flow test and pressure build-up results

provide strong indication of the production potential of volcanic sills in the FRU 12-1 well and interaction with gas production potential of the Frontier.

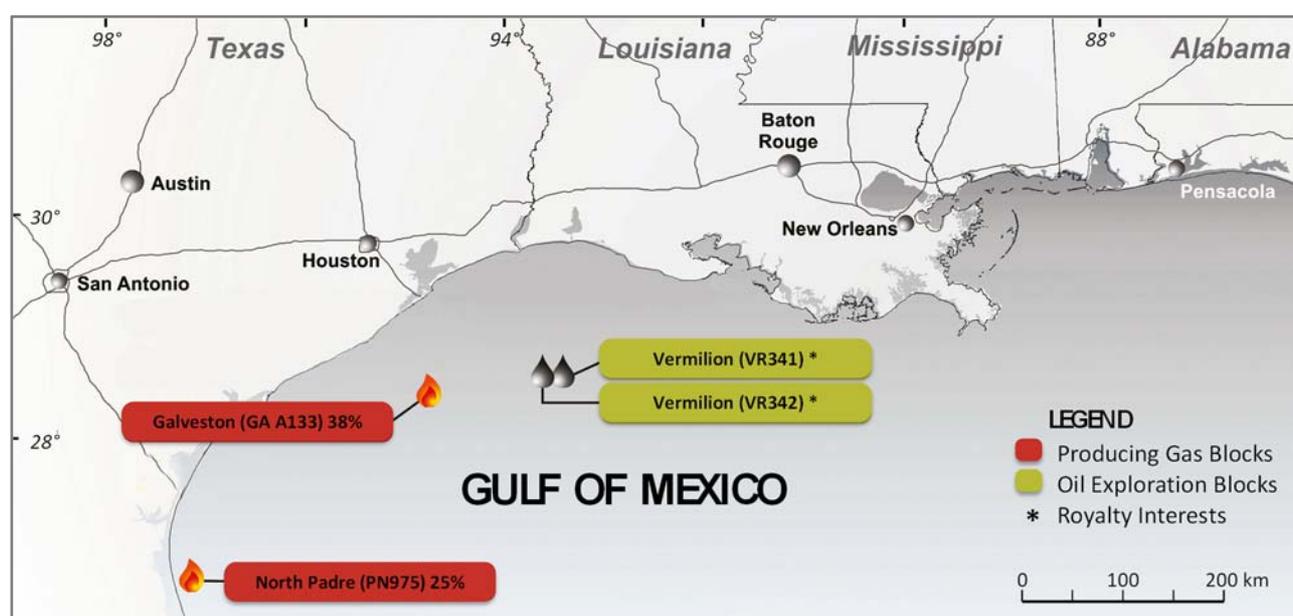
The 2015 legal success in regaining access rights to the Unit was a significant step forward for Entek, and we are now better able to both explore and prove the exploration/production potential of this geologically unique area, and potentially introduce new industry partner(s) to assist.

GULF OF MEXICO

Entek's Gulf of Mexico portfolio comprises 38% and 25% interests in the GA A133 and PN 975 blocks, respectively as well as an overriding royalty interest in the VR 341/342 blocks.

Despite stable production from the VR 341/342 blocks, Entek's royalty income reduced during the quarter (as shown in the attached Appendix 5B) due to the lower oil prices prevailing earlier this year. Higher oil prices since and a step-up in the underlying royalty rate (after reaching a pre-agreed production milestone towards the end of this quarter) will see an increase in royalty income in the next quarter.

The GA A133 and PN 975 gas developments have now both been shut in following their natural depletion and are scheduled to be plugged and abandoned (P&A) during 2016/17. As reported in the recent Half Year Report, new increased bonding requirements for these P&A obligations have recently been implemented by the relevant US Government authorities, with Entek's share of these bonding/P&A obligations estimated to total in excess of US\$1 million. At the date of this report, Entek is in advanced negotiations with a third party to divest its GoM asset portfolio which would monetize the future royalty stream and eliminate the P&A and bonding obligations for Entek. The Company expects to announce further details shortly.



Map of the Gulf of Mexico showing Entek lease holdings

CORPORATE

Top 20 Shareholders

The current Top 20 Shareholders of the Company as at 31 March, 2016 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	22,552,463	4.42
3	MININGNUT PTY LTD	21,750,000	4.26
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 >	7,500,000	1.47
9	MR KIEREN JAMES MANN	6,834,896	1.34
10	STRUVEN NOMINEES PTY LTD <ALAN STRUNIN STAFF S/F A/C >	6,125,000	1.20
11	A F CONSULTING PTY LTD <A F INVESTMENTS S/FUND A/C >	6,000,000	1.17
12	MR KENNETH JOHN BULL	5,000,000	0.98
13	ONE MANAGED INVT FUNDS LTD <1 A/C >	5,000,000	0.98
14	JP MORGAN NOMINEES AUSTRALIA LIMITED	4,759,081	0.93
15	MR TREVOR NEIL HAY	4,660,000	0.91
16	MR ANTHONY NOEL SANDOVER <A & W SANDOVER FAMILY A/C >	4,500,000	0.88
17	MR PETER BARRETT CAPP <CAPP FAMILY A/C >	4,488,796	0.88
18	WEINER PTY LTD	4,406,124	0.86
19	CITICORP NOMINEES PTY LIMITED	4,277,463	0.84
20	A M RILEY PTY LTD <A M RILEY SUPER FUND A/C >	4,174,919	0.82
Totals: Top 20 holders of ORDINARY SHARES		190,878,031	37.38

For further information contact:

KIM PARSONS or **GRAHAM RILEY**

Competent Persons Statement:

Information in this report that relates to Hydrocarbon Reserves / Resources is based on information compiled by Ms Kim Parsons, CEO of Entek Energy Limited who has consented to the inclusion of that information in the form and context in which it appears. Ms. Parsons is highly qualified and has over 30 years' experience in geoscience in the international petroleum industry.

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
Kim Parsons
Chief Executive Officer
Alexander Forcke
Non-Executive Director
Andrew Padman
Non-Executive Director

CONTACT

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