

## **CHAIRMAN'S ADDRESS**

### **AGM 2017**

Shareholders and Guests,

Thank you for attending the 2017 AGM of Entek Energy Limited.

2017 has been a challenging year for Entek. The Company entered the year facing the need to rationalise its assets in the United States and to refocus upon the identification and acquisition of new assets.

#### **The Board**

In July 2017, following interaction with shareholders, the then board, consisting of Howard Dawson, Graham Riley and Kim Parsons felt that it was in the best interests of all shareholders that there should be an orderly transition to a newly constituted board. On 26 July 2017, Mark McAuliffe, Clare Pope, Tony Walsh and Peter Stern were appointed to the board. Following a transition period, the former members of the Board resigned on 1 September 2017.

Mark McAuliffe was subsequently appointed Chairman and Managing Director. Regrettably, Peter Stern resigned from the board on 24 November 2017.

The new Board is pleased to report that an orderly transfer of management both in Australia and with the US subsidiary companies was achieved. The process of rationalisation of assets and reduction of expenditure continued up to the moment of their departure. The search for additional projects was well underway with a number of projects under active evaluation.

I would like to formally express the appreciation of the new Board for the work undertaken by all the former directors during their time in office. The Company has been left in a state that enables it to rapidly progress to additional projects.

The Company is in good financial standing with \$4.7 million in the bank. Overheads have been substantially reduced.

Going forward, the new Board will make sure it develops a strong relationship of trust and confidence with shareholders. I am pleased to report that since its appointment the new Board has actively sought out shareholders to keep them apprised of the Company's activities and seek shareholder feedback. This is an ongoing process. The views of each and every shareholder are very important to the Board. Open and ongoing dialogue is essential to the ongoing success of the Company.

We all have a common goal, to rebuild shareholder value. With our focus on that common goal by all, past difficulties can be put behind the Company, and we can move forward with a unity of vision to rebuild.

## **Assets**

Since mid-2017 in excess of 60 projects have been reviewed by the Company. Several have been the subject of intense analysis and evaluation. A handful of projects remain under active evaluation.

Consideration was given to whether the company should refocus in commodities other than oil and gas. Opportunities were considered. The current view of the Board is that we appear to be seeing the emergence of a recovery in oil and gas prices. As a result, opportunities in the oil and gas sector may have more upside than other commodities in the near to medium term.

The Board is focussing on its search for conventional oil and gas opportunities. Whilst the door is not closed to unconventional opportunities, great caution will be exercised before the Board commits the Company down the path of acquiring any interests in unconventional assets.

The asset search is focussed primarily upon finding a flagship project. Whilst many other projects, some with merit, have been identified, a flagship project to rebuild the Company is preferable. I am pleased to report that several potential flagship projects have been identified and are currently under evaluation by the Board and its advisors. The Board remains optimistic that a flagship project can be secured in the months to come.

I take this opportunity to also express my gratitude to the staff and consultants to Entek both here and in the United States. Much has been demanded of the staff and our consultants, often on short notice and in trying circumstances. Their commitment to the Company and the benefits that the Company has received from their tireless efforts is acknowledged by the Board, and I am sure by the shareholders. The Board looks forward to working with our staff, consultants and all shareholders in the year ahead.