

30 April 2019

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2019

- *During the March 2019 quarter, Entek Energy Limited (“Entek”) exercised its option with Elixir Petroleum Limited (ASX:EXR) to acquire Emerald House LLC (“Emerald”), a wholly owned subsidiary of Elixir Petroleum Limited (“Elixir”).*
- *Subsequent to the end of the quarter on 15 April 2019, Entek completed the acquisition of Emerald from Elixir through the issue of 185 million Entek Shares and payment of US\$1.35M.*
- *Emerald has a 100% working interest in 13 leases in the North Slope of Alaska totalling 149,590 acres with no work commitments and long tenure.*
- *Emerald leases (“Project Peregrine”) interpreted to be on the same Nanushuk oil trend as Conoco’s Willow discoveries some 30 miles to the north of Project Peregrine*

On 29 November 2018 Entek entered into an Option Agreement with Elixir in connection with its’ Alaskan assets. To secure the option, Entek paid the sum of \$50,000 and acquired the right to exercise its’ option at any time before 31 January 2019.

On 13 December 2018, Elixir announced that Emerald was the successful high bidder on further leases covering 114,167 acres within the National Petroleum Reserve - Alaska (“NPRA”) following the 2018 Bureau of Land Management - NPRA bid round. This was in addition to the existing 35,423 acres held on three leases previously acquired by Emerald.

On 31 January 2019, Entek exercised its option to acquire Emerald from Elixir and on 18 February 2019, Elixir, on behalf of Entek, accepted all 10 NPRA leases for which it had been declared the successful high bidder. To assist Elixir in funding all 10 leases, Entek agreed to provide Elixir with an interim bridging loan of US\$500,000 whilst various shareholder approvals were sought to allow the transaction to complete.

Elixir and Entek both sought and received shareholder approvals to proceed with the transaction in late March and early April respectively, and subsequent to the end of the quarter on 15 April 2019, Entek completed the transaction through the issue of 185 million Entek shares to Elixir and the payment of US\$1.35M in cash consideration, being the balance (80%) of the bonus bids due on the additional 10 NPRA leases acquired in late 2018 and the annual lease rentals (US\$3/acre) for the year ending March 2020.

Offset against the cash consideration was the interim loan which was deemed repaid on completion, resulting in a net cash payment to Elixir of approximately US\$850,000. Following completion of the acquisition, no further commitments or payments are due on any of the 13 leases in the NPRA until Q1 2020.

On 29 April 2019, the 185 million Entek Convertible Preference Shares (“CPS”) issued to Elixir were distributed to Elixir shareholders via an in-specie distribution, resulting in Elixir having no ongoing shareholding in Entek. These CPS converted to fully paid ordinary shares today.

DIRECTORS & OFFICERS

Dougal Ferguson
Managing Director
Peter Stickland
Non-Executive Chairman
Mark McAuliffe
Non-Executive Director
Tony Walsh
Non-Executive Director
Nerida Schmidt
Company Secretary

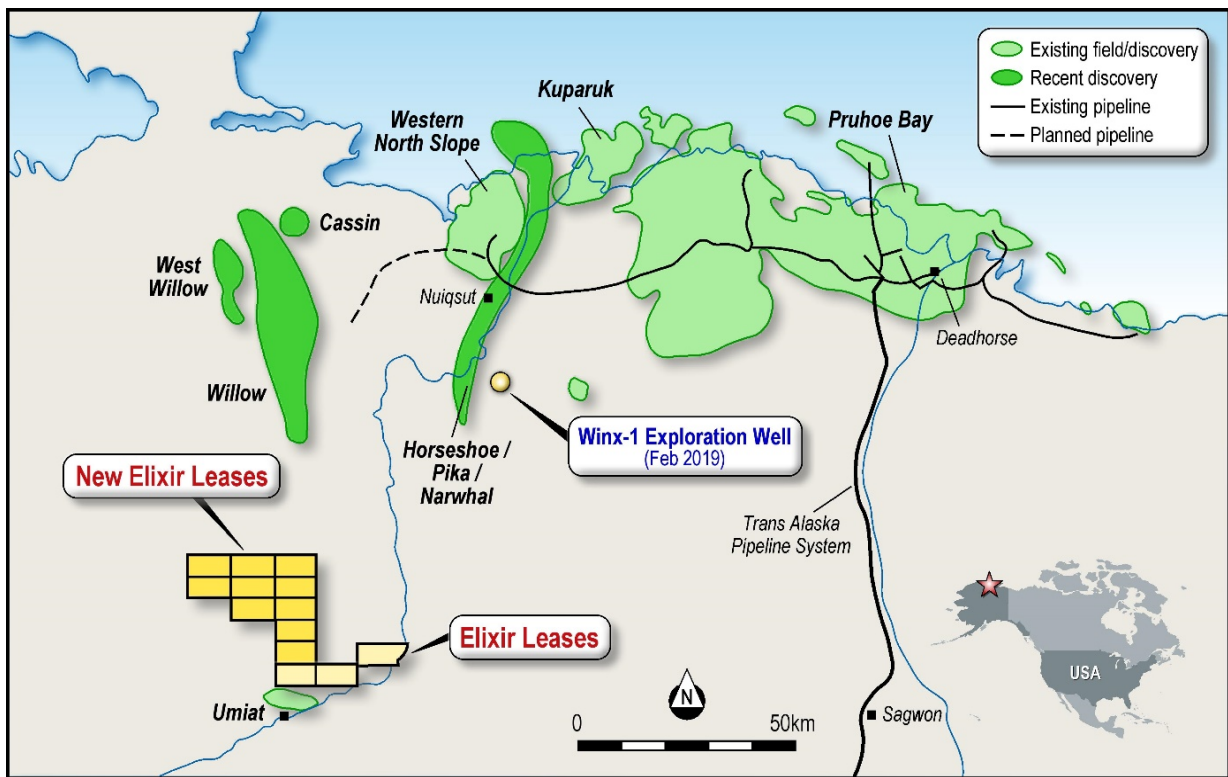
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On completion of the transaction, Mr Dougal Ferguson was appointed Managing Director of the Company and Mr Peter Stickland was appointed Non-Executive Chairman. Mr Mark McAuliffe has stepped down as Executive Chairman and remains on the Board as a Non-Executive Director. Ms Nerida Schmidt has resigned as Company Secretary effective 1 May 2019 and Mr Arron Canacais has been appointed as Company Secretary from that date.

The lease package, shown below with the 10 new leases together with the three previously acquired leases, is situated between ConocoPhillips' Willow Field, which is under appraisal immediately to the north, and the Umiat Field, immediately to the south.



Entek will soon commence a desktop exploration programme using existing data from the area in preparation for the planning and potential acquisition of a 3D seismic grid over the most prospective areas within the lease package. Further details of the exploration programme will be provided following a comprehensive review of the existing data in the area and a strategic review by the Company over the package of leases acquired as part of the transaction.

As at 31 March 2019, Entek held cash reserves of \$3.1 million and no debt.

For further information contact:

Dougal Ferguson
Managing Director