

2011 NIOBRARA APPRAISAL PROGRAM UPDATE

Entek provides the following update on its 2011 Niobrara Appraisal Program.

Three vertical Niobrara appraisal wells were successfully drilled and completed on budget in 2011. The wells were designed as appraisal wells to identify the most productive zones within the Niobrara and to gather technical information necessary to design and execute effective fracture stimulation treatments for the 2012 drilling program, where both directional and horizontal wells are being planned.

The 2011 wells intersected multiple naturally fractured oil bearing zones within the Niobrara shale as well as penetrating the hydrocarbon bearing Frontier Formation which was tested in the Battle Mountain 14-10 well at over 20 BOPD and 200 MCFGD.

Following the installation of production facilities at all three well sites, pumping operations have recently been commenced. The wells are all producing 40⁰ API oil with no water from the Niobrara. To date consistent rates have not been achieved as the Company trials different downhole pump configurations and surface production systems. Production updates will be provided once stabilised production rates have been achieved over the next few weeks.

Individual zones in the wells were treated with water based and CO₂ based mini fracture stimulation treatments as well as oil breakdowns to establish communication of the natural fracture systems with the wellbore. The small size of these treatments mean that the wells are understimulated relative to wells designed for oil production and are demonstrating the results of connection to natural fractures in the immediate area of the wellbore only. Data gathered while drilling, logging, testing and completing each well is being analysed to determine the contribution from each of the Niobrara zones. A vast amount of data was collected from the 2011 appraisal program significantly advancing our understanding of the Niobrara Shale in the Company's area of interest.

In addition to drilling three new wells this year, the Butter Lake 32-10 vertical well has been re-entered and suspended ready for side tracking and fracture stimulation next year based on the results seen in the 2011 wells. The Butter Lake 32-10 well flowed oil at an average rate of 35 BOPD, interpreted to be from a single un-stimulated Niobrara zone with significant formation damage and completion limitations.

The fractured igneous intrusive reservoirs that are present in this area will be further evaluated in 2012. The Company's Focus Ranch 12-1 well (which was tested in 2009 at a cumulative rate of 240 BOPD and 2.75 MMCFD) has already indicated the potential of the igneous intrusive reservoirs in the area.

Information on industry results to date has been scarce, as a competitive environment exists and companies generally disclose as little as possible until required to do so by regulation.

Australian Securities Exchange
Code: ETE

Ordinary shares
510,657,387

Board of Directors
Graham Douglas Riley
(Non-Executive Chairman)
Trent Spry
(Managing Director)
Alexander Forcke
(Non-Executive Director)
Andrew Padman
(Non-Executive Director)

Key Projects and Interests
Green River Basin, USA (GRB)
Gulf of Mexico, USA (GoM)

Entek is focused on a strategy of acquiring and exploring potentially high impact oil and gas opportunities in proven and producing areas. Entek has acquired a significant portfolio of acreage in the offshore shallow waters of the Outer Continental Shelf of the Gulf of Mexico. The Company has a total of 5 blocks in the Gulf of Mexico prospective for oil with a combined gross prospective resource of over 30 MMBOE some of which (VR342 and VK818) have been proven by recent and previous drilling. Onshore in the Green River Basin the Company's interest covers approximately 86,000 gross acres of highly prospective leasehold that includes existing producing coal bed methane wells, infrastructure and long life conventional and shale resource reserves. The primary focus of the Company onshore is the appraisal of its Niobrara Oil Resource Play.

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In the Green River Basin (GRB), around the Craig Dome area located approximately 30 miles to the South of Entek's acreage, Gulfport, Shell and Quicksilver have publically disclosed information.

Gulfport has drilled 3 vertical appraisal wells, has installed pumps and is currently commencing production operations. No information on oil production rates is yet available.

Quicksilver has drilled 6 vertical wells and 1 horizontal well in 2011 and have experimented with various fracture stimulation designs. To date they have only publically announced flow rates from two wells between 50 and 100 BOPD from single fracture stimulated intervals in each well, a positive result given the multiple stacked potentially productive zones that exist in the Niobrara in this area.

Quicksilver have established a type curve for vertical wells with initial production (IP) of 70 BOPD with an estimated ultimate recovery (EUR) of 225,000 BO, which has a very respectable 30% IRR.

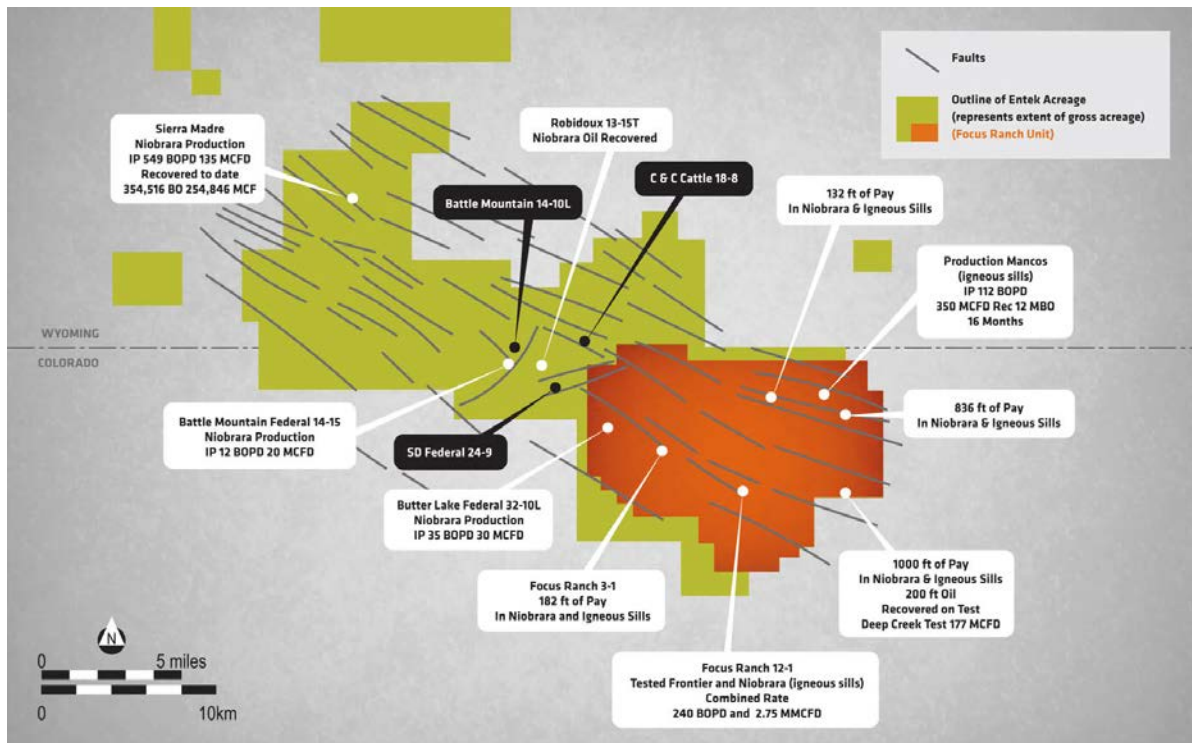
Shell commenced a significant drilling program using 2 rigs, which they intend to complete by the end of 2011. A number of wells including at least 2 horizontal wells from the same drill pad have been drilled to date, with initial production expected in December and January. In addition to their new wells, Shell upgraded two existing Niobrara wells which are currently producing between 80 and 100 BOPD.

While in the North Park Basin, only 50 miles to the East of Entek's acreage the latest well, Silver Spur Minerals 35-2 (believed to be vertical with a possible short lateral section and fracture stimulated) has reported an initial rate of 245 BOPD. In close proximity EOG had previously drilled four horizontal wells that reported initial rates of between 223 BOPD and 550 BOPD. It is believed that EOG has been following up these wells with a drilling program this year. No information on oil production rates from this year's wells is yet available.

The drilling activity is evidence that experienced US shale companies are committing substantial expenditure to accelerate proving the potential of the GRB Niobrara shale play around the Company's acreage. The result to date, based on limited production information available, is very encouraging. Based on this activity, Entek believes acreage values will rise significantly within the next 12 months.

It is also worth noting that several vertical Niobrara wells in the GRB have produced at rates of several hundred BOPD. This includes a vertical, unstimulated well in the Sierra Madre Field. The Sierra Madre 12-20 well owned by Anadarko is approximately 8 miles from the wells drilled by Entek this year, had initial production of around 550 BOPD, has recovered in excess of 355,000 BO and is still on production. Similarly, another vertical unstimulated well in the Buck Peak Field 30 miles to the south initially produced at 480 BOPD and has recovered over 1.3 million BO.

Entek currently controls close to 86,000 gross acres, approximately 72,000 net acres, covering the Niobrara Shale Oil Play. Entek is Operator and holds a 55% working interest (approx. 40,000 net acres) in the project with Emerald Oil & Gas NL ("Emerald") holding 45%.



Commenting on the recent production testing, Entek's Executive Director, Trent Spry, said:

"We are encouraged by the results we have seen so far this year and will report stabilised production rates as they become available.

The Green River Basin is an exciting area to have such a dominant position in the Niobrara Shale Oil Play given the high rate, high recovery vertical unstimulated well results historically seen in the basin including Sierra Madre and Buck Peak.

With the vast amount of data collected from the 2011 appraisal program significantly advancing our understanding of the Niobrara Shale we are in a position to compare our results with those of other companies in the greater Green River Basin, who have been trialing alternative fluid types, breakdowns and stimulation methods including larger oil and gas fracture stimulations which are at a significantly higher cost compared to the program run by Entek. During 2011 each company has invested considerable capital in trailing alternatives that will result in the unlocking of the Niobrara in this area in the coming year.

The 2011 wells drilled by Entek were designed to deliberately allow re-entry for future fracture stimulations optimized after analysis of recent industry results. These wells also allow for horizontal drilling out of the existing well bores.

This year Entek, as a relatively small company, has effectively placed itself in a position to be able to benefit in a cost effective manner from the technical work, including larger fracture stimulation trials, performed by larger companies to unlock the potential of the Niobrara Sale Play.

The Company is maintaining its strategy to acquire more acreage in this highly prospective area."

Further information on the Company is available at: www.entekenergy.com.au

All enquiries should be directed to:

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Competent Persons Statements: Information in this report that relates to Hydrocarbon Reserves / Resources is based on information compiled by Mr Trent Spry, Chief Executive Officer & Managing 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 has over 20 years experience in the petroleum industry, both in Australia and internationally. His qualifications are: University of Adelaide, Bachelor of Science, Double Major Geology & Biochemistry, National Centre of Petroleum Geology & Geophysics (NCPGG), First Class Honours, 1993.