ASX CODE: ETE

8 January 2013

ENTEK PARTNERS WITH HIGHLY SUCCESSFUL AND EXPERIENCED OPERATOR FOR THE DEVELOPMENT OF ITS NIOBRARA OIL RESOURCE PROJECT

Entek Energy Limited has agreed to partner with a highly experienced, well funded and successful US operator (the Operator) to jointly explore and develop a significant portion of the Company's extensive Niobrara Oil Resource Project.

Highlights

Under the Agreement, which is subject to legal due diligence:

- Entek will assign a 35% working interest over most of its Sandwash Basin leases, and operatorship thereof, thereby retaining a 20% working interest, in consideration for:

    - an unlimited free carry in an approximate 90 square mile 3D seismic survey which is expected to be acquired by the Operator this season; and

    - an unlimited free carry in three new exploration wells to be drilled by the Operator following the seismic survey (the Operator will be entitled to cost recovery in relation to the first three wells from any production thereof); and

    - a cash payment of approximately US$7 million.

- The Agreement EXCLUDES the highly prospective Focus Ranch Unit, where Entek will retain its full current working interest and operatorship and where exploration will be pursued independently and irrespective of the new partner's program. The Company is confident that access issues related to the Focus Ranch Unit will be resolved in the near term to facilitate our forward program in that area.

At the same time, Emerald Oil & Gas Inc. will sell all its interest (45%) in the same leases (also excluding the Focus Ranch Unit) to Entek's new partner. Upon closing of the transaction, the Operator will have an interest of 80% with Entek holding the remaining 20%.

As a result of the transaction between the three parties, Entek will own 100% of all rights in the three existing Niobrara production wells (C&C Cattle 18-8, Battle Mountain 14-10 and SD Federal 24-9) as well as the rights to the shallow formations and the infrastructure associated with the Coal Bed Methane Project on the Slater Dome Structure. In addition, Entek will retain its approximate 50% interest in and operatorship of the gas export pipeline which starts at the Slater Dome site and terminates at the point of sale in Baggs (Wyoming).

The attached map illustrates the lease and infrastructure ownership position that will apply following the closing of this transaction, which is expected this quarter following due diligence and completion of the lease purchase by Operator from Emerald.

Entek's lease position post closing will comprise in the order of 34,000 net acres.

Commenting on the execution of this Agreement, Entek's Chairman Graham Riley said -

"The completion of this Agreement will be transformational for Entek, simultaneously introducing a new, experienced and aligned partner to undertake a professional assessment and exploration program on a large part of our lightly explored acreage, and providing a major cash injection to assist with the Company's future exploration activities on the retained prime Focus Ranch Unit, which will proceed independently of our new partner's program.

With a cash position of approximately A$16 million (post-closing) to pursue our own projects in parallel to the new partner's work program, the Company is set for active future exploration which will provide the opportunity to fully unlock the potential wealth in our extensive acreage."

For further information contact.

TRENT B SPRY
EXECUTIVE DIRECTOR

+618 9213 4388

info@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.