

QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Successful completion of the transaction with an affiliate company of East Resources over a substantial portion of Entek's Niobrara lease acreage as discussed in more detail below.
- Continuing evaluation of the 2012 Niobrara well test results as part of a major technical review in preparation for the 2013 activities.
- Completion of all necessary regulatory and environmental submissions to obtain approval for a new access route into the Focus Ranch Unit. The application is currently in the regulatory process.
- Continuing gas production from Entek's Gulf of Mexico interests, with US gas prices having seen a gradual recovery to over US\$4/MMBtu in recent times to boost Entek's near term revenue. In addition, Entek is anticipating royalty income that is due from the VR 341/342 development which went online in April 2013 with the successful completion and tie-in of the first three wells of the development presently producing close to 3,000 BOPD.

NIOBRARA OIL RESOURCE PROJECT

During the quarter Entek successfully closed the previously announced transaction over part of its Niobrara Oil Resource Project with an affiliated company of East Resources ("East"). The details of this key transaction, which has substantially transformed and strengthened Entek's position in relation to this project, are set out below.

EAST RESOURCES / BATTLE MOUNTAIN AMI

East is a successful private US E&P company with a strong track record and technical expertise in US unconventional shale plays, including previous exposure to the Niobrara in the Sandwash Basin (a Sub-basin of the Green River Basin). Following the closing of this transaction, East has now assumed operatorship with East holding an 80% interest and Entek holding the remaining 20%. This jointly held leased area together with an agreed area of mutual interest (AMI) for additional joint future leasing, is now referred to as the "Battle Mountain AMI" which is separate from the Focus Ranch area that has been retained by Entek. Entek holds approximately 14,000 net acres within the Battle Mountain AMI (covering approximately 79,000 gross acres).

In addition to the approximately US\$7.1 million cash payment received by Entek for assigning a 35% interest in, and operatorship of the Battle Mountain AMI leases to East, Entek will also be fully free-carried by East through an initial work program over the subject area comprising a 3D seismic survey of approximately 90 square miles; plus three exploration wells. East will be able to recover all costs relating to just the three wells from any future production therefrom.

East have deployed their operating team into the area for the planning and preparation of the 3D seismic survey, which is expected to be undertaken this year subject to receiving all pre-requisite regulatory approvals. Whilst it is possible for drilling operations by East to commence later this year, it is more likely that the three well program will be undertaken in 2014 in order to take full advantage of the newly acquired modern 3D seismic data.

The seismic survey, which extends over most of the Battle Mountain AMI is being designed to identify highly fractured zones within the Niobrara shale which will then be targeted with vertical and horizontal wells to maximize flow rates and recoverability. It will be the first time that 3D seismic has been acquired over this area and the results are expected to considerably improve the understanding of the underlying fracture distribution and orientation which are critical aspects in advancing and developing this unconventional oil resource.

By way of background, East has previously held an extensive acreage position to the south of the Battle Mountain AMI which they had sold as part of a larger asset deal to Shell in 2010 totaling some US\$4.7 billion. Their return to the Sandwash Basin Niobrara play now as part of this new partnership with Entek is testament to their confidence in the potential of this oil play. Similar views are illustrated also by the activities of Shell, Quicksilver and Occidental (to name only a few) who have similarly built substantial acreage positions over the last few years in this area and have been actively testing the play with positive results.

Given Entek's experience and established relationships in the area, the Company will work closely with East on the initial exploration program and will also continue to provide land management services to them during the transition phase out of its Denver and field offices.

Resulting from this transaction (which also involved Emerald Oil Inc. "Emerald"), Entek now owns 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 all infrastructure on the Slater Dome Structure. In addition, Entek has retained its approximate 50% interest in and operatorship of the gas export pipeline which starts at Slater Dome and terminates at the point of sale in Baggs (Wyoming).

FOCUS RANCH UNIT AMI

Entek has retained its 55% interest and operatorship of the newly formed Focus Ranch Unit AMI (an AMI was set up covering the Focus Ranch Unit as part of the transaction to separate the East/Entek operating area from the Entek/Emerald operating area) and associated leases which make up 18,000 net acres to Entek (covering approximately 38,000 gross acres). Emerald has also retained its 45% interest in the AMI.

The Focus Ranch Unit area is considered highly prospective due to the extensive distribution of igneous intrusives that are interbedded within the Niobrara shale benches. The view of high prospectivity is supported by relatively strong unstimulated flow results from previous vertical wells in the Unit.

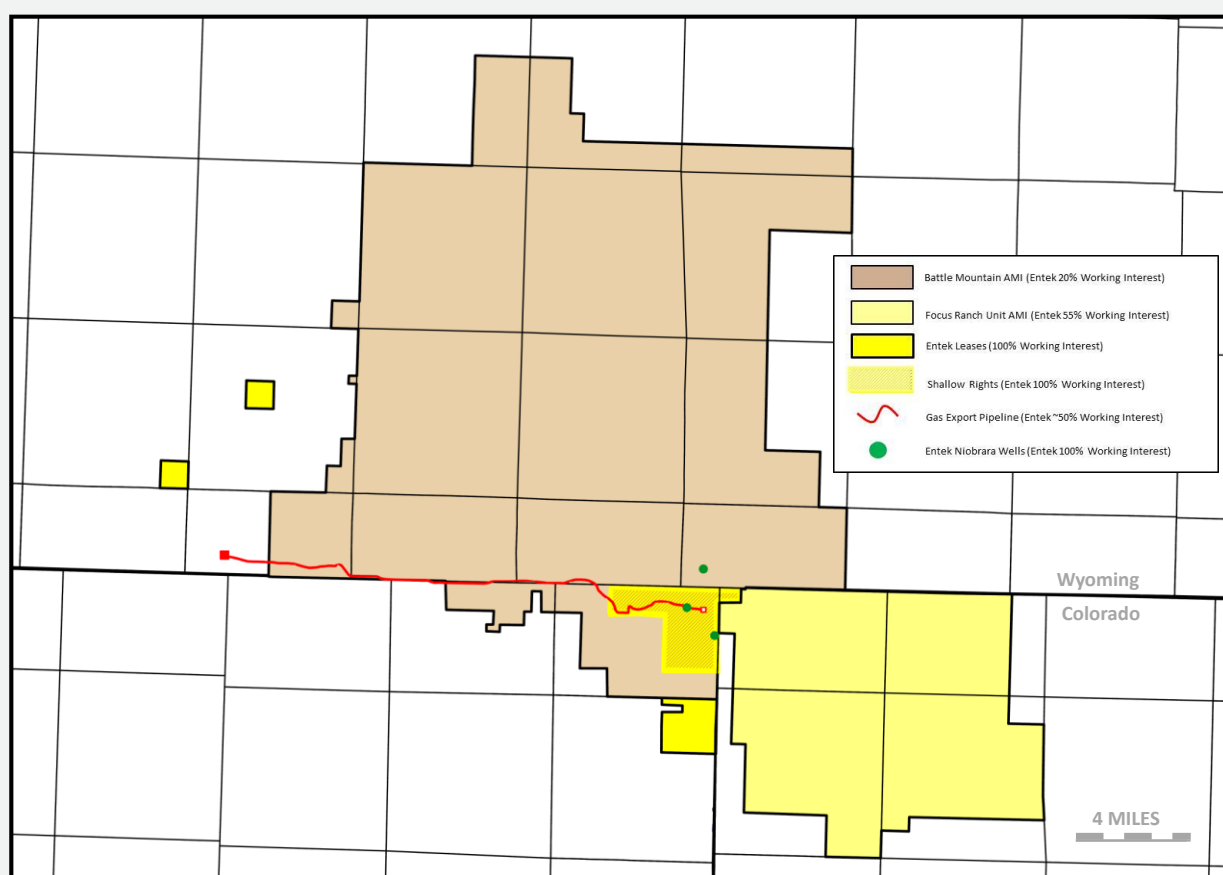
Entek's immediate task is to re-establish access into relevant areas of the Focus Ranch Unit where previous wells have been drilled and successfully flow tested from both the Niobrara and the associated igneous intrusives. Access to this particular area has been held up by surface owner issues. The Company has completed all necessary regulatory and environmental submissions to obtain approval for a new access route into the Focus Ranch Unit. The application is currently in

the regulatory process and whilst its timing is outside of our control, we expect to obtain all requisite approvals in time for the 2013 drilling season.

On the basis that access is achieved, the likely work program for 2013 would involve an extensive testing program of the existing Focus Ranch 12-1 well which has been shut in since 2009. This well has previously achieved a combined flow rate totaling 240 BOPD and 2.4 MMCFD on an unstimulated basis from all individually tested horizons.

Entek is also planning to drill a new well within Focus Ranch, with the option of adding a horizontal lateral completion, based on the existing geological control provided by the Focus Ranch 12-1 well and the Focus Ranch 3-1 well (which also had strong shows and log characteristics indicating igneous sills).

The map below illustrates the lease and infrastructure ownership position of Entek's assets in the Sandwash Basin subsequent to the closing of the transaction with East. Entek's total net acre position is approximately 35,000 net acres covering some 122,000 gross acres.



NIOBARA PROJECT TECHNICAL REVIEW

During the quarter, the Company and several expert consultancy groups continued the multi-faceted post-mortem evaluation on the reservoir performance and underlying fracture network in the three vertical wells that were ineffectively fracture stimulated last year. The objective of this study is to better understand the subsurface parameters and to derive as much knowledge as possible for the design and execution of the forward drilling and fracking programme.

This study has now largely been completed and its findings are invaluable in understanding the characteristics of the play in the area where these three wells were drilled. Although the lessons from the 2012 program can be applied across the play it should be noted that the three wells were all in relatively close proximity; thereby representing only a small part of the play as shown in the above map.

Importantly, the forward exploration program as part of the transaction with East will include the acquisition of modern 3D seismic data which will help address many of the geological factors necessary for targeting and execution of more optimal drilling and well stimulation designs.

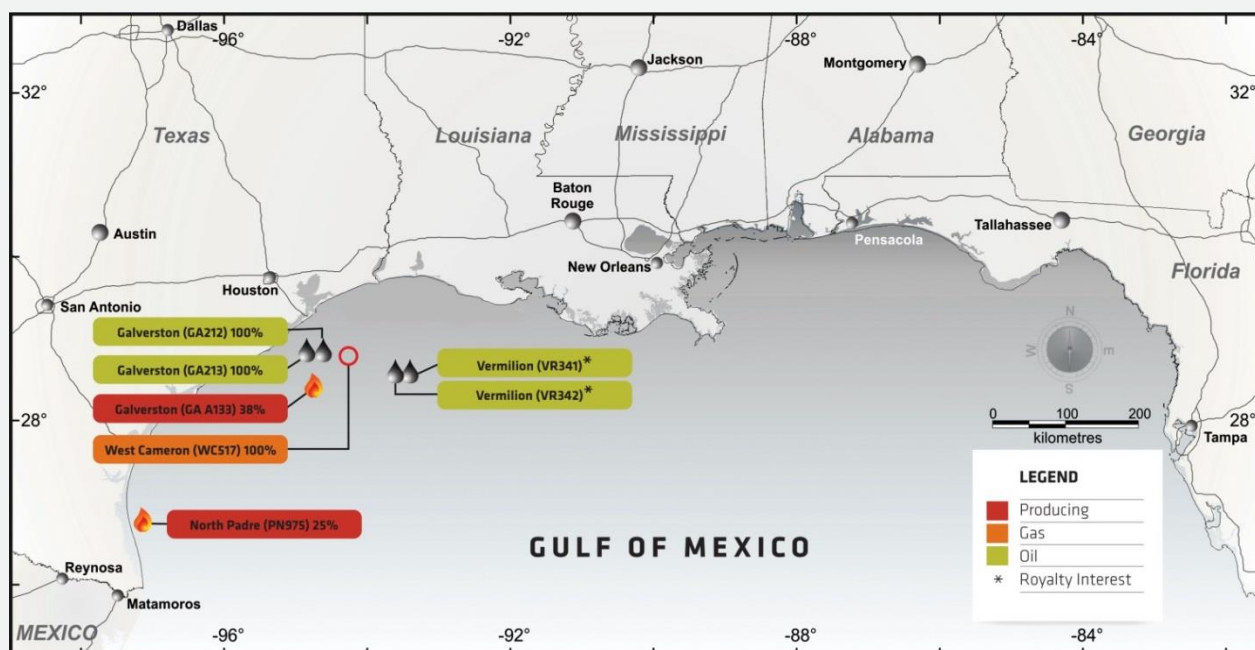
GULF OF MEXICO

During the quarter the Company continued to generate positive cash flow from its Gulf of Mexico production interests in blocks GA-A133 and PN975 as detailed in the attached Appendix 5B. Production performance of these wells continues to be in line with the Operator's well decline predictions. It is noted that US gas prices have recently seen a recovery from previous lows to current levels in excess of US\$4/MMBtu.

Entek's forward GoM revenue stream will be further enhanced with the commencement of production from the VR 341/342 development in which the Company has retained a royalty interest following the sale of its 50% working interest last year. The Company is pleased to report that the successful completion and tie-in of the first 3 wells on the development occurred in April 2013. These three wells are presently producing close to 3,000 BOPD. Entek holds a significant escalating royalty in these wells which will now become payable to Entek on a monthly basis.

During the quarter the Company relinquished two offshore exploration blocks which we were unable to farm-out in light of the low gas price environment. As shown on the map below, Entek now has working interests in five blocks in the Gulf of Mexico in addition to the overriding royalty interest in blocks VR341 and VR342.

Efforts are continuing to farm out the three remaining exploration blocks in which Entek currently has 100% working interests.



CORPORATE

CASH POSITION

As at 31 March 2013 the Company had approximately \$15 million in cash as shown in the attached Appendix 5B which includes the total cash consideration of US\$7.1 received from East as discussed earlier.

This strong and debt-free capital position ensures that Entek is well funded to pursue its onshore strategy of proving the commercial viability of its Niobrara Oil Resource Play during 2013 and beyond as discussed in detail above.

TOP 20 SHAREHOLDERS

The current top 20 shareholders of the Company as at late April 2013 are set out below:

Rank	Name	Units
1.	UBS NOMINEES PTY LTD	22,111,405
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	19,718,825
3.	JP MORGAN NOMINEES AUSTRALIA LIMITED	19,143,426
4.	TOPSPEED PTY LTD <SKINNER NO 1 SUPER A/C>	18,799,750
5.	NATIONAL NOMINEES LIMITED	13,342,216
6.	MR JAMES DAVID TAYLOR	13,095,933
7.	MR JAMES DAVID TAYLOR + MRS MARION AMY TAYLOR <ITS MANAGEMENT S/F A/C>	8,452,494
8.	MR GRAHAM DOUGLAS RILEY + MRS ANNE MARIE RILEY <THE RILEY SUPER FUND A/C>	8,349,838
9.	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	7,754,644
10.	IAN SANDOVER & ASSOCIATES PTY LTD <SANDOVER SUPER A/C>	5,088,711
11.	MR KENNETH JOHN BULL	5,000,000
12.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	4,812,795
13.	ESCOR INVESTMENTS PTY LTD	4,794,905
14.	CITICORP NOMINEES PTY LIMITED	4,203,447
15.	A F CONSULTING PTY LTD <A F INVESTMENTS S/FUND A/C>	4,000,000
16.	ICE COLD INVESTMENTS PTY LTD	4,000,000
17.	ZERO NOMINEES PTY LTD	3,534,930
18.	POUVOIR PTY LTD <BRIMAGE SUPER FUND A/C>	3,500,000
19.	MR DAVID KENNETH ANDERSON + MRS CHARMAYNE ANDERSON <THE CANTERBURY S/FUND A/C>	3,000,000
20.	PALAZZO NOMINEES PTY LTD <PALAZZO INVESTMENT A/C>	3,000,000

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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.