

ASX CODE: ETE

9 August, 2012

NIOBRARA OIL RESOURCE PLAY UPDATE

ACTIVITY UPDATE

The Niobrara B/C zone has now been successfully fracture stimulated in the Battle Mountain 14-10 well (BM 14-10). The zone was stimulated with around 211,000 pounds of sand delivered with an oil based fluid system. The well is still flowing back unassisted and has recovered around 60% of the oil volume used in the fracture stimulation treatment. Over the next week as planned the well will be prepared for swabbing and pumping operations, after which initial oil and gas rates can be determined and provided. The photo below shows the successful Baker Hughes fracture stimulation operation.



Photo showing fracture stimulation operations at Battle Mountain 14-10



ASX Announcement



FORWARD PROGRAM

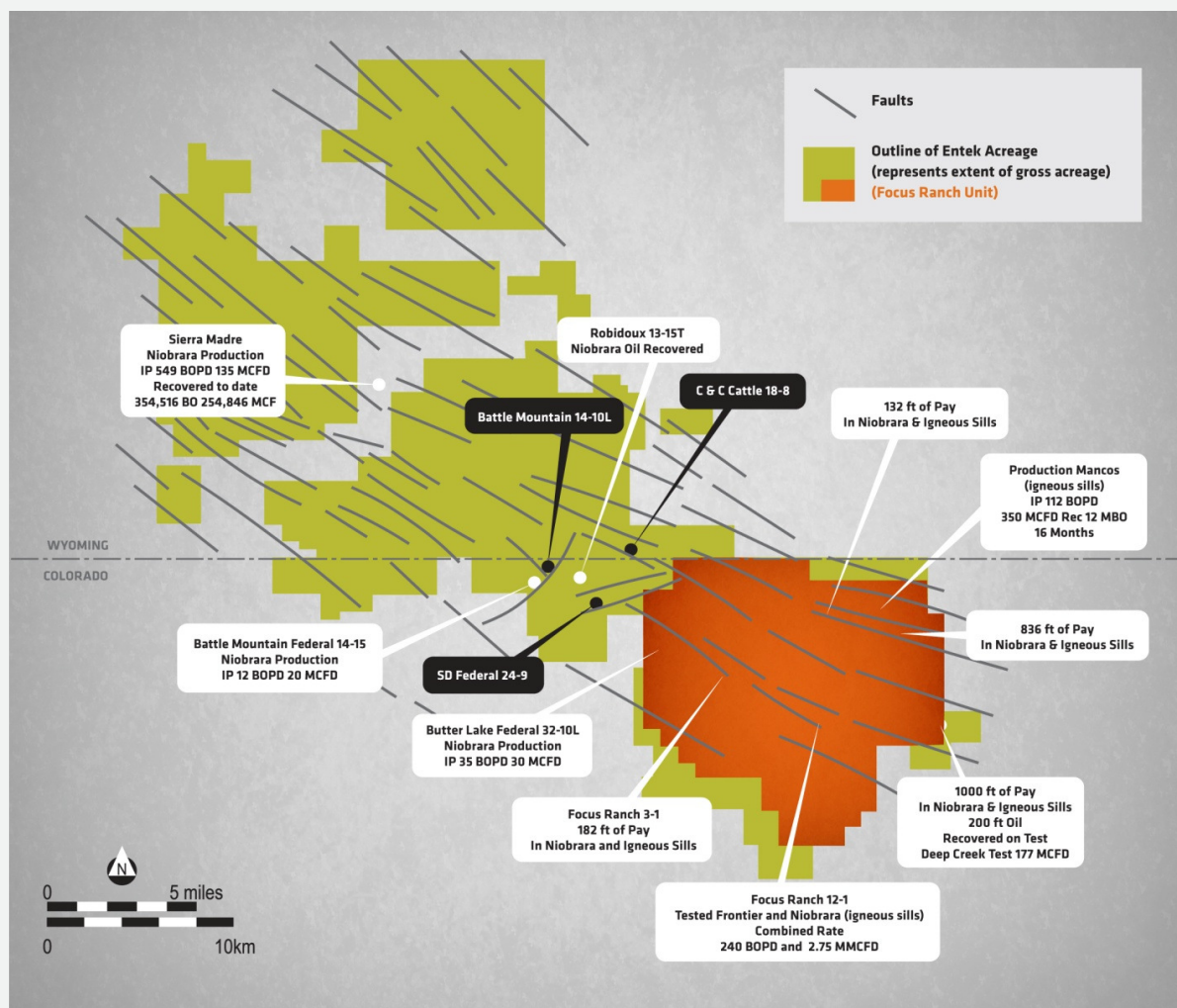
Fracture stimulation of the Niobrara A zone is scheduled next week for the Slater Dome Federal 24-9 (SDF 24-9) well and fracture stimulation of the Niobrara D zone in the C&C Cattle 18-8 (C&C 18-8) well will follow shortly after flow back from the BM 14-10 and SDF 24-9 wells.

BACKGROUND

There are four distinct hydrocarbon bearing zones within the Niobrara and additionally potential in the Frontier Sandstone and Mowry Shale below, all of which have previously produced oil and gas from wells within Entek's acreage position.

The Entek Appraisal Program is seeking to gain production characteristics from all Niobrara zones. It is important to note that, in each well, each zone only represents a portion of the total Niobrara potential. In our first round of fracture stimulations our plan is to stimulate the Niobrara A zone in the Slater Dome Federal 24-9 well; the Niobrara B/C zone in the Mountain 14-10 well; and the Niobrara D zone in the C&C Cattle 18-8, after which we should have a good estimation of the total potential of the full Niobrara section penetrated in a vertical well.

The location map below shows the key wells in the area, in particular the three vertical wells drilled in 2011, which are being fracture stimulated this year, highlighted in black.



Map Showing the Extent of Entek's Gross Acreage Position, with Key Wells Highlighted

ASX Announcement



Entek's Executive Director Trent Spry said:

"With the integration of additional information from recent industry results and the engaging of service providers with Sandwash Basin Niobrara fracture stimulation experience, I have confidence in the frac designs and their implementation, as evidenced by the successful treatment of the Niobrara B/C zone in the Battle Mountain 14-10 well. The results of the initial fracture stimulations in each well will be integrated in to future frac designs and the drilling program for 2012. Initial production rates around 20 BOPD from any individual zone is in line with recent industry results from vertical wells and will be very encouraging for the play."



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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.