

ASX CODE: ETE

31 July, 2012

QUARTERLY ACTIVITIES REPORT

Entek Energy Limited provides the following Activities Report for the quarter ended 30 June 2012.

This quarter's onshore activities involved continued leasing and planning of the 2012 Appraisal Program for the Niobrara Oil Resource Play.

In the Gulf of Mexico, block MP252 was relinquished, technical review of blocks GA 212/213 continued; and production continued from blocks GA-A133 and PN975.

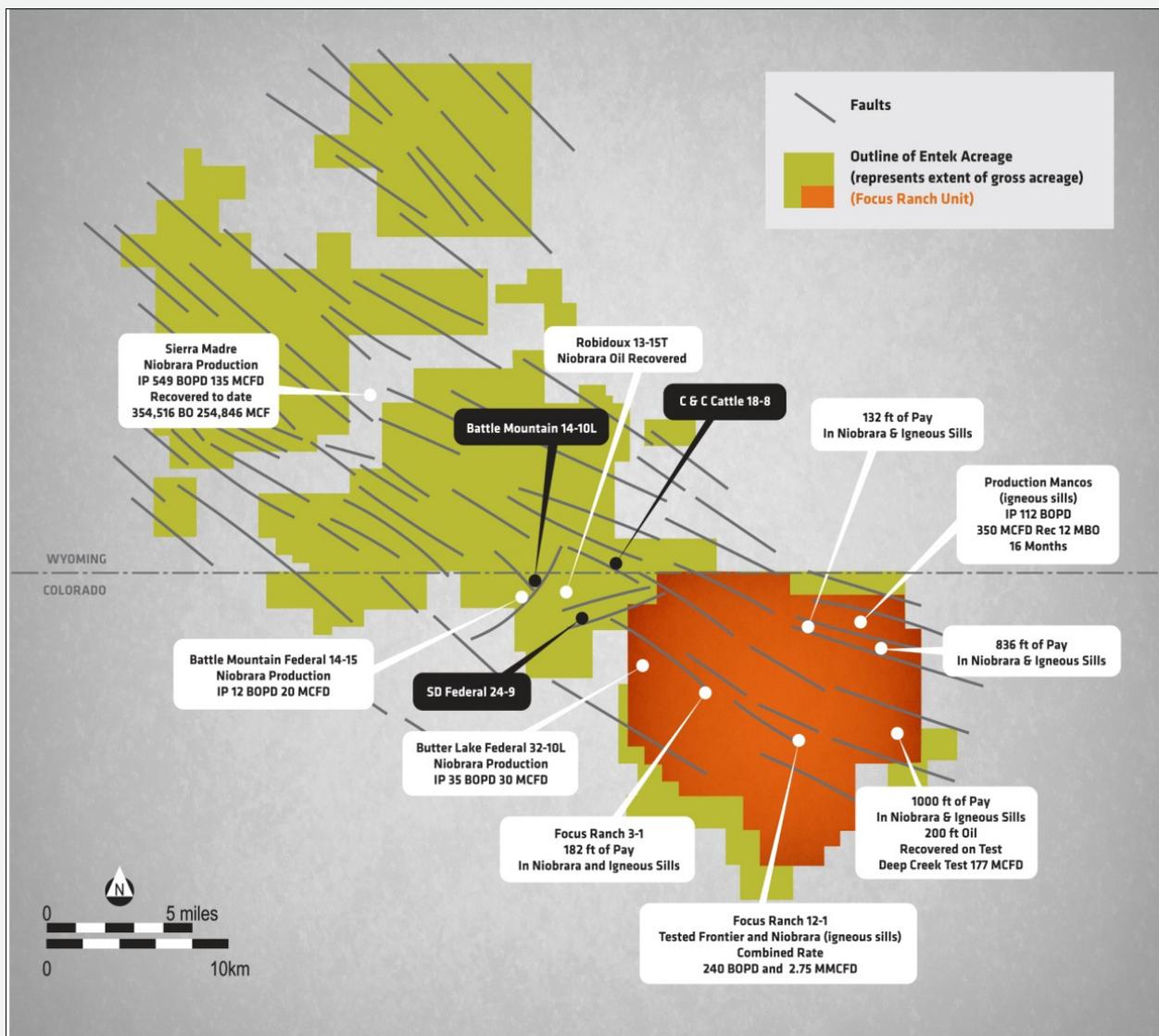


Preparation for the 2012 Appraisal program

NIOBRARA OIL RESOURCE PROJECT

During the quarter the Company continued to strengthen its dominant position in the play with the addition of more acreage resulting in approximately 115,000 gross operated acres with around 55,000 acres net to Entek.

The map below represents the geographic extent of the gross acreage position.



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

The 2011 onshore work program achieved three vertical appraisal wells being drilled and completed (but not yet stimulated) through the Niobrara section. All of these wells intersected multiple, naturally fractured, oil charged zones within the Niobrara shale (as well as within the lower Mancos and Frontier Formations).

These wells were drilled to identify the most productive zones within the Niobrara and to obtain geo-technical information necessary to optimise fracture stimulation treatments intended for 2012.

During the quarter, planning for the 2012 appraisal program has been advanced.

The 2012 work program will include the fracture stimulation of the 2011 wells. Further, there is the additional potential for testing and completing wells where volcanic intrusives (which have proved highly productive in previous wells drilled in the Focus Ranch Unit) have potentially enhanced the productivity of the Niobrara play.

Permitting is also in progress for drilling new vertical wells later this year to the northwest of the Focus Ranch and Slater Dome areas where appraisal operations have been concentrated in the past.

Horizontal well planning is also advanced and is awaiting finalization pending early fracture stimulation results from the 2012 program.

The Company's strong and debt-free capital position ensures its ability to pursue its onshore strategy of proving the commercial viability of its Niobrara Oil Resource Play.

GULF OF MEXICO

During the quarter the Company continued to implement its Gulf of Mexico strategy by rationalizing and high-grading its portfolio in order to maintain exposure to the offshore conventional oil potential whilst preserving the Company's capital base, allowing the required funds to be deployed in its onshore work program in the Niobrara Oil Resource Play where the potential exists for significantly greater value creation.

The Company relinquished block MP252 due to continued low gas price forecasts and limited term remaining on the block.

In the oil prospective blocks, GA212 and GA213, technical review and preparation for the farmout process continued, seeking to achieve a free carried interest during the exploration and development phase to first oil production.

Revenue from the Gulf of Mexico is presently from production of blocks GA-A133 and PN975. In addition a future royalty stream from the VR341 and VR342 blocks is expected to commence around the end of 2012 / early 2013 based on the oil project development schedule.

The Company currently has working interests in seven blocks in the Gulf of Mexico in addition to the overriding royalty interest in blocks VR341 and VR342. The map below shows the Company's Gulf of Mexico portfolio.



Map Showing Entek's Gulf of Mexico Portfolio

SW QUEENSLAND – ATP269P

As part of the strategic focus in the US the Company has agreed to sell this asset to a third party subject to completion of documentation. Closing is expected next quarter with \$1.7 million to be received representing sales proceeds and adjustments to the closing date.

CORPORATE

The Appendix 5B Quarterly Cash Flow Report lodged in conjunction with this report shows receipts from product sales of \$2.7 million for the 12 months and advises the Company had \$11.0 million in cash at the end of the quarter. In addition the company will receive approximately \$1.7 million from the sale of ATP269P in the next quarter.

Quarterly revenue was lower compared to the previous quarter mostly due to production downtime on PN975 where the gas pipeline to sales (not owned by Entek) was undergoing maintenance for a significant period of time, and on GA A133 where the production platform (across which the well's production flows) had downtime for routine maintenance. Both wells are now back on line and performing as expected at pre-downtime rates.

In the quarterly cash flow report, exploration expenditure includes long lead items and engineering work for the 2012 appraisal program, a significant component being the purchase of crude oil for fracture stimulation which will be sold after flow back.

The current Top 20 shareholders of the Company are as follows:

Rank	Name	Units
1.	NATIONAL NOMINEES LIMITED	30,940,364
2.	JP MORGAN NOMINEES AUSTRALIA LIMITED	26,317,777
3.	UBS NOMINEES PTY LTD	24,317,766
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	21,916,264
5.	TOPSPEED PTY LTD <SKINNER NO 1 SUPER A/C>	15,699,750
6.	MR JAMES DAVID TAYLOR	13,095,933
7.	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	11,011,573
8.	MR GRAHAM DOUGLAS RILEY + MRS ANNE MARIE RILEY <THE RILEY SUPER FUND A/C>	8,349,838
9.	CITICORP NOMINEES PTY LIMITED	8,159,885
10.	ZERO NOMINEES PTY LTD	6,707,930
11.	IAN SANDOVER & ASSOCIATES PTY LTD <SANDOVER SUPER A/C>	5,400,000
12.	MR KENNETH JOHN BULL	5,000,000
13.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	4,812,795
14.	ESCOR INVESTMENTS PTY LTD	4,794,905
15.	MR JAMES DAVID TAYLOR + MRS MARION AMY TAYLOR <ITS MANAGEMENT S/F A/C>	4,152,494
16.	ICE COLD INVESTMENTS PTY LTD	4,000,000
17.	MRS JANICE IVY SKINNER <SKINNER FAMILY A/C>	3,725,000
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.