

**NON-RENOUNCEABLE RIGHTS ISSUE - NOTICE GIVEN UNDER SECTION
708AA(2)(f) OF THE CORPORATIONS ACT 2001**

This notice is given by Entek Energy Limited (**Entek** or the **Company**) under section 708AA(2)(f) of the Corporations Act 2001 (**Act**), as notionally modified by ASIC Instrument [2016/84] (**ASIC Instrument**).

The Company today announced that it would be offering eligible shareholders the opportunity to acquire additional fully paid ordinary shares in the capital of the Company (**Shares**) via a non-renounceable pro-rata entitlement offer (**Offer**) on the basis of one (1) Share for every one (1) Share held at 5.00pm (WST) on the record date of 24 February 2017.

Shares under the Offer will be offered at \$0.02 per Share. The maximum number of Shares which may be issued under the Offer is 143,614,467 to raise up to \$2,872,289 (before costs).

An Offer Document will be mailed to eligible shareholders on or about 1 March 2017 together with an Entitlement and Acceptance Form. For informational purposes, a sample copy of this Offer Document has been attached to this notice.

The Company hereby gives notice under section 708AA(2)(f) of the Act that:

- a) the Company will offer the Shares under the Offer for issue without disclosure to investors under Part 6D.2 of the Act, as notionally modified by the ASIC Instrument;
- b) the Company is providing this notice under section 708AA(2)(f) of the Act, as notionally modified by the ASIC Instrument;
- c) at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
- d) at the date of this notice, the Company has complied with section 674 of the Act;
- e) at the date of this notice, there is no information that is “excluded information” within the meaning of section 708AA(8) and section 708AA(9) of the Act; and

- f) the potential effect that the issue of the Shares under the Offer will have on the control of the Company is as follows:
- i. if all eligible shareholders take up their Entitlements under the Offer, the issue of Shares under the Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Offer;
 - ii. in the more likely event that there is a shortfall, eligible shareholders who do not subscribe for their full Entitlement of Shares under the Offer and ineligible shareholders unable to participate in the Offer will be diluted relative to those shareholders who subscribe for some or all of their Entitlement;
 - iii. in respect of any shortfall, eligible shareholders may seek to increase their shareholding by subscribing for Additional Shares to be issued from the shortfall (Shortfall Offer). The Company shall determine the allocation of Shares under the Shortfall Offer and accordingly there is no guarantee that eligible shareholders will receive their full subscription under the Shortfall Offer. The Company will only issue such Shares pursuant to an application received where the Directors are satisfied, in their discretion, that the issue of the Shares will not increase the applicant's voting power above 19.9%; and
 - iv. three of Entek's directors, Mr Graham Riley (via his controlled entity), Mr Howard Dawson and Ms Kim Parsons (the **Related Party Underwriters**), have committed to partially underwrite the Offer as follows: Mr Riley (\$58,250.80 of any shortfall, being 2,912,540 Shares), Mr Dawson (\$50,000 of any shortfall, being 2,500,000 Shares) and Ms Parsons (\$50,000 of any shortfall, being 2,500,000 Shares). No fees are payable in relation to the underwriting, which relates to the last of the shortfall. In the unlikely event Shares are only issued under the Offer and shortfall to the Related Party Underwriters in respect of their entitlements and underwriting commitments, Mr Riley's current shareholding of ~2.47% will increase to ~6.45%, while Mr Dawson and Ms Parson's shareholding will each increase from nil to ~1.61%.

ENTEK AT A GLANCE

Entek is US focussed with a substantial acreage position in the Niobrara Oil Resource Play, including an area of enhanced potential due to embedded Igneous Intrusive Sills.

DIRECTORS & OFFICERS

Graham Riley
Chairman
Kim Parsons
Executive Director/CEO
Alex Forcke
Non-Executive Director
Howard Dawson
Non-Executive Director

CONTACT

338 Hay Street
Subiaco, WA 6008
Australia

T +61 8 9213 4388
E info@entekenergy.com.au
www.entekenergy.com.au

ASX Code: ETE

Further details regarding the Offer are set out in the Offer Document.

For further enquiries, please contact:

Graham Riley or Nerida Schmidt

Phone: 08-9213 4388

ENTEK ENERGY LIMITED

ACN 108 403 425

NON-RENOUNCEABLE RIGHTS ISSUE OFFER DOCUMENT

A non-renounceable pro rata offer of New Shares at an issue price of \$0.02 each on the basis of one (1) new fully paid ordinary share in the Company (New Share) for every one (1) existing fully paid ordinary share held in the Company (Shares) on the Record Date to raise up to approximately \$2.87 million (Offer).

This Rights Issue Offer Document is dated 20 February 2017. This document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares being offered by this document.

THE OFFER IS CURRENTLY SCHEDULED TO CLOSE AT 5.00PM WST ON 23 MARCH 2017

VALID APPLICATION FORMS MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Rights Issue Offer Document and on the Entitlement and Acceptance Form regarding the acceptance of Shares under the Offer.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL FINANCIAL ADVISER BEFORE DECIDING TO ACCEPT OR DECLINE THE OFFER.

THE SHARES OFFERED BY THIS RIGHTS ISSUE OFFER DOCUMENT SHOULD BE CONSIDERED SPECULATIVE IN NATURE.

IMPORTANT INFORMATION

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Rights Issue Offer Document. Any information or representation not so contained may not be relied on as having been authorised by Entek in connection with the Offer.

Eligibility

Applications for New Shares by Eligible Shareholders can only be made on the original Entitlement and Acceptance Form, as sent with this Rights Issue Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

Privacy

Entek collects information about each applicant provided on an Entitlement and Acceptance Form for the purposes of processing the application and, if the application is successful, to administer the applicant's security holding in Entek.

By submitting an Entitlement and Acceptance Form, each applicant agrees that Entek may use the information provided by an applicant on the Entitlement and Acceptance Form for the purposes in this privacy disclosure statement and may disclose it for those purposes to the share registry, Entek's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, Entek may not be able to accept or process your application.

An applicant has a right to gain access to the information that Entek holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to Entek's registered office.

Overseas Shareholders

No Offer will be made to Shareholders resident outside Australia and New Zealand.

This Rights Issue Offer Document and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Rights Issue Offer Document. The distribution of this Rights Issue Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Rights Issue Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

New Zealand

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Notice to nominees and custodians

Nominees and custodians may not distribute any part of this Offer Document or any Entitlement and Acceptance Form in any country outside Australia and New Zealand, except in such other country as the Company may determine it is lawful and practical to make the Offer. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

This document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares being offered by this document.

This document has been prepared in accordance with section 708AA of the Corporations Act and applicable ASIC Instrument 2016/84 which in general terms, permits certain companies to undertake entitlement offers without being required to use or provide to shareholders a prospectus or other disclosure document.

1. Details of Offer

1.1 Offer

Pursuant to this Offer Document, Entek is making a non-renounceable pro-rata offer of Shares to Shareholders whose registered address is in Australia and New Zealand (**Eligible Shareholders**) on the basis of 1 Share for every 1 Share, each at an issue price of \$0.02, held at the Record Date (**Offer**). The Offer is partially underwritten as detailed in Section 1.14.

As at the Record Date (and assuming no existing Options are exercised and converted into Shares prior to the Record Date), Entek will have on issue 143,614,467 Shares. The Company expects that up to 143,614,467 New Shares will be issued under the Offer to raise up to \$2,872,289 before costs.

Entek will accept Entitlement and Acceptance Forms until 5.00pm WST on the Closing Date in Section 1.3 or such other date and time as the Directors in their absolute discretion shall determine, subject to the requirements of the ASX Listing Rules.

Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Rights Issue Offer Document. You may accept the Offer only by applying for Shares on the Entitlement and Acceptance Form.

Unless you apply to participate in the Shortfall Offer described on the Entitlement and Acceptance Form, acceptances must not exceed your maximum Entitlement (as shown on the Entitlement and Acceptance Form), although you may accept for a lesser number of New Shares should you wish to take up only part of your Entitlement. If your acceptance of the Offer exceeds your Entitlement, and you have not applied to participate in the Shortfall Offer, your acceptance may be deemed to be for your maximum Entitlement in which case any surplus Application Monies will be returned to you.

Refer to Section 1.13 for information in relation to the Shortfall Offer.

Acceptance of a completed Entitlement and Acceptance Form by Entek creates a legally binding contract between the applicant and Entek for the number of Shares accepted or deemed to be accepted by the applicant. The Entitlement and Acceptance Form does not need to be signed by the applicant to be legally binding. The Offer and contract formed on acceptance are governed by the laws of Western Australia.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

Shares offered by the Offer are expected to be issued, and security holder statements dispatched, on the date specified in the timetable in Section 1.3.

It is the responsibility of applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

1.2 Background to the Offer

On 11 November, 2016 the Company announced that it had received commitments from sophisticated and professional investors for a Share and Option placement utilising its 15% placement capacity under Listing Rule 7.1 to raise \$319,000 before costs (**Placement**). The Placement was the first of a four-step process by Entek to restructure its capital base and raise additional funds pursuant to the final step in the process by way of a rights issue to all Shareholders.

The second step provided an offer to all Shareholders with unmarketable parcels to sell their Shares into a facility set up for that process without incurring applicable transaction fees. 1,746 Shareholders took advantage of this opportunity with approx. 28.6 million Shares comprising their combined unmarketable parcels sold on market in early January 2017 at an average Share price of approximately 0.63 cents. The sale of these Shares significantly reduced the number of small Shareholders on Entek's register which will reduce the Company's future share registry related administration costs.

The third step of the process, a four (4) for one (1) capital consolidation was completed following Shareholder approval at an EGM held on 8 February 2017. This consolidation reduced the number of outstanding ordinary Shares issued by the Company to 143,614,467 Shares.

The Company, having now completed the Placement, the sale of unmarketable parcels and the subsequent consolidation of its share capital, is making this Offer to Shareholders to participate in the non-renounceable rights issue at a price of 2 cents per Share which reflects the pre-consolidation placement price of 0.5 cents. For avoidance of doubt, this Offer Document and all the numbers included have been prepared on a post consolidation basis.

For more information on the Placement and the consolidation of Shares, please refer to the Company announcement made to ASX on 11 November 2016 and the Notice of Meeting lodged with ASX on 9 January 2017.

1.3 Indicative Timetable

Lodgement of Offer Document, Appendix 3B and s708AA notice Notice to Optionholders	20 Feb 2017
Notice to Shareholders	22 Feb 2017
Existing Shares quoted on an "ex" basis	23 Feb 2017
Record Date	24 Feb 2017
Opening Date – Rights Issue Offer Document and Entitlement and Acceptance Form sent to Eligible Shareholders	1 March 2017
Last day to extend the Closing Date	20 Mar 2017
Closing Date	23 Mar 2017
Shares quoted on a deferred settlement basis	24 Mar 2017
Company to notify ASX of under subscriptions (if any)	28 Mar 2017
Anticipated date for the issue of the Shares. Deferred settlement trading ends	30 Mar 2017
Normal trading (on a T+2 basis) commences	31 Mar 2017

Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer. Any extension of the Closing Date will have a consequential effect on the anticipated date for the issue of the Shares.

1.4 Use of Funds

It is proposed that the current cash reserves of Entek and the proceeds raised from the Offer be allocated as follows:

	\$'000
Pre Offer cash available *	2,250
Funds raised from the Offer	2,872
Total funds available	5,122
Well P&A/Rehabilitation Costs	1,200
Project evaluation and exploration	3,000
Expenses of the Offer	130
General working capital	792
Total funds applied	5,122

** comprising approx. US\$1.6MM and A\$0.2MM*

Any funds not applied to project evaluation and exploration will be used for general working capital. The above table is a statement of the Board's current intentions as at the date of this Offer Document and, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors. In light of this, the Board reserves the right to alter the way the funds are applied.

1.5 No Rights trading

The pro-rata offer of Shares is non-renounceable, which means that Eligible Shareholders may not sell or transfer all or any part of their Entitlement to subscribe for Shares under the Offer. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse. The New Shares in your Entitlement that are not taken up by you will form part of the Shortfall.

1.6 ASX quotation

Application will be made to ASX for the Official Quotation of the Shares to be issued under the Offer. If permission is not granted by ASX for the Official Quotation of the Shares to be issued under the Offer, Entek will repay, as soon as practicable, without interest, all application monies received pursuant to the Offer.

1.7 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are described in Section 3.

1.8 Capital Structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and the Shortfall Shares are otherwise placed will be as follows:

Shares currently on issue	143,614,467
Shares offered under the Offer	143,614,467
Total Shares on issue on completion of the Offer	287,228,934

1. Assumes no Options are exercised prior to the Record Date.

Entek also has the following Options to acquire Shares on issue. To participate in the Offer, the holders of Options must exercise their Options and be registered as an Eligible Shareholder prior to the Record Date.

Option Class	Number
Unlisted Options each having an exercise price of \$0.04 per Option, expiring 31 December 2017	3,190,000
Unlisted Options each having an exercise price of \$0.24 per Option, expiring 31 December 2017	500,000
Unlisted Options each having an exercise price of \$0.32 per Option, expiring 31 December 2017	500,000

Upon completion of the Offer and subject to the Shortfall Shares being applied for in full, the Board intends to issue a further 10,000,000 Options to facilitators of the Offer. The issue of these Options was approved by Shareholders on 8 February 2017.

1.9 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 50% (as compared to their holding as a percentage based on the number of Shares on issue prior to the Offer). An example of how the dilution may impact Shareholders if they do not participate in the Offer is set out in the table below.

Shareholding pre-Offer	Approximate % at Record Date	Approximate % post Offer
6,000,000	4.18%	2.09%
3,000,000	2.09%	1.04%
1,000,000	0.70%	0.35%
500,000	0.35%	0.17%

1.10 Effect of the Offer on control and capital structure of the Company

If all Eligible Shareholders take up their Entitlement for New Shares under the Offer, each Eligible Shareholder's percentage in the total issued Shares of the Company will remain the same and will not be diluted, and the Offer will have no effect on the control of the Company.

If all Eligible Shareholders fail to take up their Entitlement for New Shares under the Offer, it may increase the voting power of new or existing Shareholders who apply for Shortfall Shares.

The Directors, when allocating any Shortfall Shares, do not intend to issue a quantum of Shortfall Shares to any individual Shareholder that will result in any material change in the control of the Company.

Based on publicly available information as at the date of this Offer Document, there is no Shareholder who has a relevant interest in the Company of more than 5%.

1.11 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale price of the Shares on ASX subsequent to the consolidation of the Company's Shares, is as follows:

	\$	Date
Highest	0.025	17 Feb 2017
Lowest	0.021	20 Feb 2017
Last	0.021	20 Feb 2017

The highest, lowest and last market sale price of the Shares on ASX pre-consolidation during the three months immediately preceding the date of release of this Offer Document is as follows:

	\$	Date
Highest	0.01	21 Dec 2016
Lowest	0.004	15 Nov 2016
Last	0.007	7 Feb 2017

1.12 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Rights Issue Offer Document. Entek, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Shares under this Rights Issue Offer Document.

1.13 Shortfall and Shortfall Offer

If you do not wish to take up any part of your Entitlement you are not required to take any action. Any part of your Entitlement not taken up will form part of the Shortfall and will revert to the Directors to allocate at their absolute discretion to other Eligible Shareholders who apply for additional Shares out of the Shortfall as well as to other professional and sophisticated investors who are not current Shareholders.

You may, in addition to taking up your Entitlement in full, apply for additional Shares out of the Shortfall (**Shortfall Shares**) in excess of your Entitlement pursuant to the shortfall offer (**Shortfall Offer**) by completing the relevant part of the Entitlement and Acceptance Form relevant to the Shortfall Offer.

Shortfall Shares will only be available where there is a Shortfall between Entitlement and Acceptance Form applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

The Shortfall Offer is a separate offer made pursuant to this Offer Document and will remain open for up to two months following the Opening Date. Shortfall Shares will be issued at the issue price of \$0.02 per Shortfall Share. Eligible Shareholders who apply for Shortfall Shares may be allocated a lesser number of Shortfall Shares than applied for, or may be allocated no Shortfall Shares at all, in which case excess Application Monies will be refunded without interest.

Any allocation of Shortfall Shares to Eligible Shareholders would generally be commensurate with the number of Shares held by each applicant. All decisions regarding the allocation of Shortfall Shares will be made by the Directors (at their discretion) and will be final and binding on all Eligible Shareholders. The Company will only issue Shortfall Shares pursuant to an application received where the Directors are satisfied, in their discretion, that the issue of the Shares will not increase the applicant's voting power above 19.9%.

1.14 Underwriting

Three of Entek's directors, Mr Graham Riley, Mr Howard Dawson and Ms Kim Parsons, have committed to partially underwrite the Offer (**Underwriters**). The terms of their respective letter agreements with Entek are set out below:

A. Letter agreement with Mr Graham Riley

1. Mr Riley has entered into the letter agreement for and on behalf of, and in his capacity as a director of, GDR Pty Ltd as trustee for The Riley Super Fund which owns 3,543,730 Shares. Mr Riley is a beneficiary of The Riley Super Fund.
2. Mr Riley has irrevocably committed to take up his full entitlement under the Offer, being 3,543,730 Shares (**Commitment**).
3. Mr Riley has irrevocably committed to underwrite up to \$58,250.80 of any Shortfall (**Underwritten Amount**), which represents 2,912,540 Shares (**Underwriting**).
4. The Underwriting is in relation to the last of the Shortfall (that is, any Shortfall applications received from other investors will not reduce this Underwriting obligation), and the Company intends to allocate any Shortfall to other investors in priority to this Underwriting.
5. The terms of the letter agreement have been negotiated on an arm's length basis and no fees are payable to Mr Riley for the Commitment and Underwriting.

Mr Riley's current shareholding in the Company represents approximately 2.47% of Entek's current issued share capital. Assuming that all Shares are issued under the Offer and the Company issues Mr Riley the maximum amount pursuant to his Underwriting in case of a Shortfall, his shareholding will increase to 10,000,000 Shares, representing approximately 3.48% of the share capital of Entek after the Offer. In the unlikely event that Shares are only issued under the Offer and Shortfall to the Underwriters in respect of their Commitments and Underwriting, his shareholding will represent approximately 6.45% of the share capital of Entek after the Offer.

B. Letter agreement with Mr Howard Dawson

1. Mr Dawson has irrevocably committed to underwrite up to \$50,000 of any Shortfall (**Underwritten Amount**), which represents 2,500,000 Shares (**Underwriting**).
2. The Underwriting is in relation to the last of the Shortfall (that is, any Shortfall applications received from other investors will not reduce this Underwriting obligation), and the Company intends to allocate any Shortfall to other investors in priority to this Underwriting.
3. The terms of the letter agreement have been negotiated on an arm's length basis and no fees are payable to Mr Dawson for the Underwriting.

Mr Dawson currently has no Shares in the Company. Assuming that all Shares are issued under the Offer and the Company issues Mr Dawson the maximum amount pursuant to his Underwriting in case of a Shortfall, his shareholding will represent approximately 0.87% of the share capital of Entek. In the unlikely event that Shares are only issued under the Offer and Shortfall to the Underwriters in respect of their Commitments and Underwriting, his shareholding will represent approximately 1.61% of the share capital of Entek after the Offer.

C. Letter agreement with Ms Kim Parsons

1. Ms Parsons has irrevocably committed to underwrite up to \$50,000 of any Shortfall (**Underwritten Amount**), which represents 2,500,000 Shares (**Underwriting**).
2. The Underwriting is in relation to the last of the Shortfall (that is, any Shortfall applications received from other investors will not reduce this Underwriting obligation), and the Company intends to allocate any Shortfall to other investors in priority to this Underwriting.
3. The terms of the letter agreement have been negotiated on an arm's length basis and no fees are payable to Ms Parsons for the Underwriting.

Ms Parsons currently has no Shares in the Company. Assuming that all Shares are issued under the Offer and the Company issues Ms Parsons the maximum amount pursuant to her Underwriting in case of a Shortfall, her shareholding will represent approximately 0.87% of the share capital of Entek. In the unlikely event that Shares are only issued under the Offer and Shortfall to the Underwriters in respect of their Commitments and Underwriting, her shareholding will represent approximately 1.61% of the share capital of Entek after the Offer.

1.15 Overseas Shareholders

No Offer will be made to Shareholders resident outside Australia and New Zealand. The Company has decided that it is unreasonable to make the Offer to Shareholders outside Australia and New Zealand having regard to the relatively small number of Shareholders with addresses in other jurisdictions, the number and value of Shares they hold and the cost of complying with the legal requirements and the requirements of regulatory authorities to extend the Offer in those jurisdictions.

This Rights Issue Offer Document and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Rights Issue Offer Document. The distribution of this Rights Issue Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Rights Issue Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Notwithstanding the above, the Company may (in its absolute discretion) extend the Offer to certain shareholders who have registered addresses outside the Eligible Countries in accordance with applicable law.

1.16 CHES and issuer sponsorship

The Company participates in the Clearing House Electronic Subregister System, known as CHES. All trading on ASX in Shares will be settled through CHES. ASX Settlement, a wholly owned subsidiary of ASX, operates CHES in accordance with the Listing Rules and the ASX Settlement Rules.

The Company's Registry operates an electronic issuer-sponsored sub-register and an electronic CHES sub-register. Both these sub-registers constitute the Company's principal register of Shareholders.

Holders of Shares will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored or other participant in CHES, ASX Settlement will send you a CHES statement. The CHES statement will set out the number of Shares issued under this Rights Issue Offer Document, provide details of your holder identification number, and provide the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Company's Registry and will contain the number of Shares issued to you under this Rights Issue Offer Document and your security holder reference number.

A CHES statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.17 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of its securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not

include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website www.entekenergy.com.au or the ASX www.asx.com.au.

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the Company's and the ASX websites.

This Offer Document (including the Entitlement & Acceptance Form) and the contracts that arise from acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the nonexclusive jurisdiction of the courts of Western Australia.

1.18 Entitlement Offer Notice

The Company has lodged with ASX a notice in accordance with section 708AA of the Corporations Act which sets out, amongst other information, the effect of the Offer on the control of the Company. This notice may be reviewed on the websites of the Company and ASX.

1.19 Enquiries

Enquiries concerning the Entitlement and Acceptance Form can be made by contacting the Company by telephone on +61 8 9213 4388 or for any registry related queries contacting Computershare Investor Services on 1300 850 505 (Within Australia) and +61 3 9415 4000 (Overseas). Replacement entitlement and acceptance forms can be accessed at www.investorcentre.com and following the below:-

- If you have not logged into Investor Centre previously, select the "Access a Single Holding button", enter your HIN/SRN and postcode and follow the prompts.
- Click on Statements and Documents then choose "Entitlement Acceptances" to view your personalised form. The online form includes your BPAY reference number for immediate payment. You may also print out your form and send with your cheque, bank draft or money order to the address noted on the form.

Further information may also be obtained by visiting the Company's website at www.entekenergy.com.au

2. Action Required

2.1 Acceptance of Offer under this Rights Issue Offer Document

You may accept all, part, or none of your Entitlement under this Offer. If you accept your Entitlement in full, you may also apply to participate in the Shortfall Offer.

2.2 If you wish to accept all of your Entitlement

Should you wish to accept all of your Entitlement to subscribe for Shares, then applications for Shares under this Rights Issue Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Rights Issue Offer Document or by completing a BPAY payment, in accordance with the instructions referred to in this Rights Issue Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

If you wish to pay via BPAY® you must follow the instructions on the Entitlement and Acceptance Form and quote your personalised reference number that has been provided on the personalised Application Form. You will be deemed to have applied for Securities upon receipt of the BPAY® payment by the Company. Eligible Shareholders who elect to pay via BPAY® do not need to return their completed Entitlement and Acceptance Form. If you elect to pay via BPAY® then your payment must be made before 2.00pm (WST) on the Closing Date. Please read the instructions carefully.

Completed Application Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Entek Energy Limited" and lodged and received at any time after the issue of this Offer Document and on or before the Closing Date at the Company's share registry (by post) at:

Computershare Investor Services Pty Limited
GPO Box 505
MELBOURNE VIC 3001

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

2.3 If you wish to accept all of your Entitlement and apply for additional Shortfall Shares

Should you wish to apply for Shortfall Shares, you must first accept all of your Entitlement to subscribe for Shares, then an application for Shortfall Shares under this Rights Issue Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Rights Issue Offer Document or by completing a BPAY payment, in accordance with the instructions referred to in this Rights Issue Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

If you wish to pay via BPAY® you must follow the instructions on the Entitlement and Acceptance Form and quote your personalised reference number that has been provided on the personalised Application Form. You will be deemed to have applied for Securities upon receipt of the BPAY® payment by the Company. Eligible Shareholders who elect to pay via BPAY® do not need to return their completed Entitlement and Acceptance Form. If you elect to pay via BPAY® then your payment must be made before 2.00pm (WST) on the Closing Date. Please read the instructions carefully.

Completed Application Forms must be accompanied by a cheque in Australian dollars, crossed “Not Negotiable” and made payable to “**Entek Energy Limited**” and lodged and received at any time after the issue of this Offer Document and on or before the Closing Date at the Company’s share registry (by post) at:

Computershare Investor Services Pty Limited
GPO Box 505
MELBOURNE VIC 3001

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

2.4 If you wish to take up only part of your Entitlement

Should you wish to only take up part of your Entitlement, then applications for Shares under this Rights Issue Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Rights Issue Offer Document or by completing a BPAY payment in respect of the portion of your Entitlement you wish to take up in accordance with the instructions referred to in this Rights Issue Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

If you wish to pay via BPAY® you must follow the instructions in the Entitlement and Acceptance Form and quote your personalised reference number that has been provided on the personalised Application Form. You will be deemed to have applied for Securities upon receipt of the BPAY® payment by the Company. Eligible Shareholders who elect to pay via BPAY® do not need to return their completed Entitlement and Acceptance Form. If you elect to pay via BPAY® then your payment must be made before 2.00pm (WST) on the Closing Date. Please read the instructions carefully.

Completed Application Forms must be accompanied by a cheque in Australian dollars, crossed “Not Negotiable” and made payable to “**Entek Energy Limited**” and lodged and received at any time after the issue of this Offer Document and on or before the Closing Date at the Company’s share registry (by post) at:

Computershare Investor Services Pty Limited
GPO Box 505
MELBOURNE VIC 3001

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

2.5 BPAY®

It is your responsibility to ensure that your BPAY® payment is received by the share registry **by no later than 2:00pm (WST) on the Closing Date**. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

2.6 If you do not wish to take up your Entitlement

If you do not wish to accept any of your Rights, you are not obliged to do anything. In that case, Shares not accepted by the Closing Date will become Shortfall Shares and you will receive no benefit.

The number of Shares you hold and the rights attaching to those Shares will not be affected should you choose not to accept any part of your Entitlement, however your percentage holding in the capital of Entek will be diluted.

3. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Additional risks and uncertainties may also become important factors that adversely affect the Company's operating and financial performance or position.

Before investing further in the Company, you should consider whether a further investment in the Company is suitable for you. Shareholders should carefully consider the following factors in addition to the publicly available information on the Company (such as that available on the website of the Company and the ASX). Shareholders should also carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional advisor before making an investment decision.

3.1 Oil and Gas Industry Risks

The Company operates in the oil and gas sector and is subject to risks relating to exploration, drilling and production of oil and gas which may not generally be associated with other sectors. The exploitation of oil and gas reserves and successful project development is considered to be of a high-risk nature and contains inherent risks including, but not limited to, the following:

(a) **Hydrocarbon Product Price and Volatility**

The demand for, and price of, oil and natural gas is dependent on a variety of factors, including supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments.

The market price of hydrocarbon products is volatile and cannot be controlled. Oil and gas prices have fluctuated widely in recent years. If the price of hydrocarbons should drop significantly and remain depressed, the economic prospects of the projects which the Company has an interest in could be significantly reduced or rendered uneconomic. There is no assurance that, even if significant quantities of hydrocarbon products are discovered, that they can be delivered to market or that a profitable market may exist for their sale.

The marketability of hydrocarbons is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of oil and gas and petroleum products, the effect of which cannot be accurately predicted.

(b) Exploration and Development Risks

Oil and gas exploration involves significant risk which only occasionally provides high rewards. There is no assurance that exploration and development of the prospects in the Oil and Gas Properties, or any other projects that may be acquired in the future, will result in the discovery of an economic oil and gas deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

Furthermore, the Company will only seek to proceed to the next stage of exploration or development when data supports the existence of a potentially economic oil and gas deposit. Should the empirical data not support the existence of a potentially economic oil and gas deposit, the Company will likely not proceed to the next stage of exploration or development.

(c) Drilling Risks

Oil and gas drilling activities are subject to numerous risks, many of which are beyond the Company's control. The Company's drilling operations may be curtailed, delayed or cancelled due to a number of factors including weather conditions, mechanical difficulties, shortage or delays in the delivery of rigs and/or other equipment and specialist service providers as well as compliance with governmental requirements. Hazards incident to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures or other factors are inherent in drilling and operating wells and may be encountered by the Company.

Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. Whilst wells drilled may yield some hydrocarbons there can be no guarantee that the discovery will be sufficiently productive to justify commercial development or cover operating costs.

(d) Commercialisation of Discoveries

It may not always be possible for the Company to participate in the exploitation of successful discoveries made in any areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licenses or clearances from the relevant authorities, that may require conditions to be satisfied and/or the exercise of discretions by such authorities in addition to ensuring the Company has adequate access to infrastructure on a timely basis. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as the Company. Such further work may require the Company to meet or commit to financing obligations for which it may not have planned.

(e) Operating Risks

Industry operating risks include the risk of fire, explosions, blow-outs, pipe failure, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures or

discharges of toxic gasses, the occurrence of any of which could result in substantial losses to the Company due to injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation and penalties and suspension of operations, the occurrence of any of which could result in substantial losses to the Company. Damages occurring as a result of such risks may give rise to claims against the Company. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of operations of the Company.

Although the Company believes that it or the operator of a joint venture will carry adequate insurance with respect to its operations in accordance with industry practice, in certain circumstances the Company's, or the operator's, insurance may not cover, or be adequate to cover, the consequence of such events. In addition, the Company may be subject to liability for pollution, blow-outs or other hazards against which the Company or the operator does not insure or against which it may elect not to insure because of high premium costs or other reasons.

(f) Hydrocarbon Reserve Estimates

Hydrocarbon reserve estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may prove inaccurate. Should the Company encounter oil and/or gas deposits or formations different from those predicted by past drilling, sampling and similar examinations, then reserve estimates may have to be adjusted and production plans may have to be altered in a way which could adversely affect the Company's operations. Where possible, the Company will seek to have any such estimates verified or produced by an independent party with sufficient expertise in their chosen field.

(g) Competition

The Company will compete with other companies, including major oil and gas companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce oil and gas, but also carry out refining operations and market petroleum and other products on a worldwide basis. There can be no assurance that the Company will compete effectively with these companies and other industry participants and thereby be successful in acquiring additional oil and gas properties on reasonable commercial terms.

(h) Claims by Indigenous Inhabitants

The current and future oil and gas assets of the Company may be subject to land claims by indigenous people. Should this occur, the Company's ability to conduct exploration and/or development and production activities may be affected, which may have a material adverse effect on the Company's financial performance and the price at which its securities trade.

The Company is not currently aware of any land claims or potential claims by indigenous people in respect of its exploration and production activities that could significantly affect its license tenure or any future production operations.

(i) Insurance

Insurance of all risks associated with oil and gas exploration and production is not always available and, where insurance is available, the cost may be high. The Company will have insurance in place at levels considered appropriate for the Company's needs. The Company may not be insured against all losses due to either the insurance not being available or due to the premium being excessive in relation to the benefits accruing.

(j) Environmental and Other Regulatory Requirements

The Company's operations will be subject to environmental laws, including but not limited to, those governing the management of waste, the protection of water and air quality, the discharge of materials into the environment, and the preservation of natural resources which may impact and influence the Company's operations. If the Company fails to comply with environmental laws regarding the discharge of oil, gas, or other materials into the air, soil or water it may be subject to liabilities to the government and third parties, including civil and criminal penalties.

Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before exploration and production activity can commence on any property, the Company must obtain regulatory approvals and there is no assurance that such approvals will be obtained.

The Company may from time to time in the future agree to indemnify sellers or lessors of producing properties against some liabilities for environmental claims associated with these properties.

(k) Venture Parties and Contractors

Oil and Gas ventures are typically operated under Joint Operating Agreements (**JOAs**), which include provisions that often require certain decisions relating to the exploitation of the Oil and Gas Properties to be passed with unanimous or majority approval of all participants. Where a venture partner does not act in the best commercial interest of the project, it could have a material adverse effect on the interests of the Company.

The Directors are unable to predict the risk of:

- A. financial failure, non-compliance with obligations or default by a participant in any venture to which the Company is, or may become, a party; or
- B. insolvency or other managerial failure by any of the contractors used by the Company in its exploration activities; or
- C. insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(l) **Minority Interest in Projects**

There exists a risk that the Company, in the event it is a minority participant in its Oil and Gas Properties, may have the value of its interest in such properties reduced by actions undertaken by the majority venture participants.

Subject to relevant joint venture agreements, the Company cannot control the actions of joint venturers, and therefore, cannot guarantee that joint ventures will be operated or managed in accordance with the Company's preferred direction or strategy or guarantee that joint ventures will be operated in accordance with work programme commitments in respect of the relevant projects. This may result in projects being forfeited or fines imposed on the joint venture parties.

3.2 Oil and Gas Operations in USA

(a) **Battle Mountain AMI**

The Company has a 20% non-operated working interest in the Battle Mountain AMI located in Colorado and Wyoming, with approximately 17,300 net acres currently applicable to Entek. This joint venture area is operated by GRMR Oil & Gas, LLC (GRMR) and any new wells proposed by the operator are at Entek's option in terms of its participation.

Entek is continuing to market its working interest in this area, either for sale or farm-out and is only selectively renewing and participating in high value or strategic leases due to its limited funding position. There is a risk that Entek's net lease position will progressively reduce over time due to expiring leases unless Entek is able to sell its interest or elect to pay requisite renewal bonuses to retain those leases.

(b) **Focus Ranch Unit**

Entek owns and operates approximately 35,000 net acres across the Focus Ranch Unit (FRU) in Colorado. Due to prolonged legal challenges by local landowners, Entek had been unable to access key areas of FRU until 2015 which quarantined this geological prospective area from sustained exploration activities for over five years. Entek has recently negotiated a suspension of the Unit and has proposed a number of new well locations which are subject to an environmental review to integrate new sage grouse habitat protection guidelines. Entek is actively seeking third party

participation for FRU to assist in funding forward exploration activities or to sell this asset outright.

There is a risk that such sale or farm-out may not be achievable given current industry conditions in general and specific factors as they relate to FRU, including environmental and regulatory matters, potential continued legal challenges by local landowners and royalty and other burdens payable to previous FRU operators upon commencement of production from this area.

(c) Slater Dome Gas Gathering System/CBM Wells

Entek owns 100% of an approximate 19-mile gas export pipeline which has been shut-in due to lack of economic gas production from Entek's Slater Dome coalbed methane (CBM) wells. The pipeline is strategically located to capture gas production from new gas field developments in the area but there is a risk that this may not eventuate in which case the pipeline has little value. Entek remains liable to plug and abandon up to 16 coalbed methane (CBM) wells which are currently scheduled to be undertaken in mid-2017.

(d) Abandonment and rehabilitation of lands

The Company is required to comply with various federal and state regulations regarding plugging, abandonment and rehabilitation of oil and natural gas wells and production sites, which may have a material adverse effect on the Company's financial performance if the abandonment and rehabilitation obligations materially increase in future years. The Company makes provision in the financial statements for the expected future cost of abandonment and rehabilitation.

Including the CBM wells mentioned above, Entek's well plugging and rehabilitation obligations in the Green River Basin area are currently estimated by Entek to total approximately US\$0.9 million of which approximately US\$0.3 million has been bonded (in cash) with the regulatory authorities. This estimate was recently revised upwards by Entek upon receipt of current costings for this program. It is currently planned to undertake the well plugging and rehabilitation program during the second and third quarters of 2017. There is a risk that the actual costs for this program will exceed the current estimates and the refunding of the bonds may be delayed by the regulatory authorities until all required rehabilitation work has been passed.

(e) Title

The system for obtaining title to oil and gas leases in the United States is complex given that numerous parties may hold the undivided mineral rights to a particular tract of land. Securing the leases to those rights often requires lengthy negotiation with the various parties. In order to independently verify that the parties with whom a company is dealing are the correct and sole holders of the mineral rights and to analyse the full rights and restrictions applying to the interest held by those parties requires that a company obtain detailed title opinions from appropriately qualified and experienced lawyers. This can be a lengthy and expensive

process and the final opinions are often the subject of numerous qualifications. It is therefore customary that such title opinions are not sought until a company proposes to conduct a drilling operation and/or expend significant amounts of money on a particular lease.

The Company has adopted this customary approach and, accordingly, may not have obtained the detailed title opinions on all the leases that it has, or will acquire, an interest in other than those on which drilling may be proposed in the near future. As a consequence, there may be third parties that hold or claim mineral rights in relation to the leases that the Company has an interest in which have not previously been identified.

(f) Petroleum land leases and licences

Oil & Gas exploration and production are activities usually carried out under licences and / or leases which have a fixed duration and are issued by the mineral rights owners.

These leases and licences usually specify royalties or other forms of compensation payable to government or mineral rights owners. Amounts payable may change due to decisions of the legislator or the courts and such changes might impact the cost base and hence the profitability of a particular project. The leases in the US are also subject to competition and there can be no assurance that the Company will be able to compete effectively with other industry participants to extend or maintain its leases (not otherwise secured or held by production) on reasonable commercial terms.

The leases and licences might also contain conditions relating to operations including, but not limited to, environmental management issues, occupational health and safety, operating procedures, plant and equipment design specifications etc. Such conditions or regulations might be subject to change from time to time and might impact the cost base and hence the profitability of a particular project.

(g) Regulation in the United States - General

The oil and gas industry in the United States of America is extensively regulated. Extensive federal, state, local and foreign laws and regulations relating to the exploration for and development, production, gathering and marketing of oil and gas will affect the Company's operations with respect to its United States based projects. From time to time, regulatory agencies have imposed price controls and limitations on production. Numerous environmental laws impact and influence operations and compliance with existing and future regulations increases the overall cost of business. Environmental regulations have historically been subject to frequent change and, therefore, one cannot predict with certainty the future costs or other future impacts of environmental regulations on future operations. If the Company fails to comply with environmental laws it may be subject to liabilities to the government and third parties, including civil and criminal penalties. New laws or regulations, or modifications of or new interpretations of existing laws and regulations, may increase substantially the cost of compliance or adversely affect oil and gas operations and financial conditions.

(h) Regulation in the United States – Sale of Oil and Gas

Most sales of natural gas in the United States are not currently regulated and are generally made at market prices. The price realized from the sale of these products is affected by a number of factors, including, but not limited to, the cost of transporting the products to market.

(i) Regulation in the United States – Exploration and Production

Oil and natural gas exploration, production and related operations are subject to extensive rules and regulations promulgated by federal, state and local agencies. Failure to comply with such rules and regulations can result in substantial penalties. The regulatory burden on the oil and gas industry increases the cost of doing business and affects profitability. Because such rules and regulations are frequently amended or reinterpreted, the Company is unable to predict the future cost or impact of complying with such laws. As with many jurisdictions around the world, there is an active movement in various States within the United States (including Colorado and Wyoming) that are pushing for further regulation or the complete banning of the technique of fracture stimulation, a practice now extensively used in the United States for extracting hydrocarbons from “unconventional reservoirs”.

3.3 Other Risks

(a) Funding of Commitments

The funds raised pursuant to the Offer will provide the funding to meet various expenditures associated with Entek’s Oil and Gas Properties, general working capital and new venture projects. If the Company does not raise sufficient funds pursuant to the Offer the Company may not be in a position to adequately fund these activities.

(b) Additional Requirements for Funding

The Company's ongoing funding requirements depend on numerous factors including the Company's ability to farm-out or sell its Oil and Gas Properties. It may require further financing in addition to amounts raised pursuant to the Offer with regards to the acquisition of new projects. Additional equity financing, if available, may be dilutive to Shareholders and at lower prices than the current market price. Debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

(c) Changes in Legislation and Government Regulation

Changes to legislation or government policy in Australia, and the United States of America (in addition to any other jurisdictions that may be assessed by Entek in the future), including changes to the taxation system, may affect future earnings and the relative attractiveness of investing in the Company. The Company cannot predict how existing, or future laws and regulations may be interpreted by enforcement agencies or court rulings, whether additional laws and regulations will be adopted, or the effect such changes may have on the Company's business or financial condition.

(d) Economic Conditions

Economic conditions in Australia and the United States of America and globally, may affect the performance of the Company. Factors such as currency fluctuations, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenue and securities price can be affected by these factors all of which are beyond the control of the Company or its Directors. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. In addition, the Company's ability to raise additional capital, should it be required, may be affected by such economic conditions.

(e) Foreign Exchange Risk

The Company's operating Oil and Gas Properties are located in the United States of America. As a result, revenues, cash flows, expenses, capital expenditure and commitments will be primarily denominated in United States dollars.

The Company's interest in the Oil and Gas Properties is currently accounted for in United States dollars. This will result in the Company being exposed to the fluctuations and volatility of the US dollar and the Australian dollar exchange rates upon translation or repatriation of US dollars to Australian dollars.

(f) Unforeseen expenditure risk

Expenditure may need to be incurred that has not been taken into account in the preparation of this Offer Document. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(g) Insurance

The Company will, where possible and economically practicable, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover. While the Company will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers, there will remain the risk that an insurer defaults in payment of a legitimate claim by the Company under an insurance policy.

(h) Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Offer Document. Therefore, the Shares to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Offer Document.

4. Glossary of terms

\$ means Australian dollars.

Applicant means a person who submits an Application Form.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532.

Business Day has the same meaning as in the Listing Rules.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date means 5:00pm (WST) on the date identified as such in the indicative timetable, or such other date as announced to ASX by the Company.

Company or **Entek** means Entek Energy Limited ACN 108 403 425

Corporations Act means the *Corporations Act 2001 (Cth)*.

Directors mean the directors of the Company as at the date of this Rights Issue Offer Document.

Eligible Countries means Australia and New Zealand.

Eligible Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the entitlement to subscribe for 1 New Share for every 1 Share held by an Eligible Shareholder on the Record Date.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the Listing Rules of ASX.

New Share means a Share proposed to be issued pursuant to this Offer.

Offer is as defined in Section 1.1.

Official List means the official list of ASX.

Official Quotation means quotation of New Shares on the Official List.

Oil and Gas Properties means the Company's existing onshore US assets located in Colorado and Wyoming.

Opening Date means the date identified as such in the indicative timetable, or such other date as announced to ASX by the Company.

Option means an option to acquire a Share.

Record Date means 5:00pm (WST) on the date identified as such in the indicative timetable, or such other date as announced to ASX by the Company.

Registry means the Company's share registry, Computershare Investor Services Pty Limited.

Related Corporation means a "related body corporate" of the Company as that expression is defined in the Corporations Act and includes (where applicable) the Company itself and a body corporate which is at any time after the date of the Offer Document a "related body corporate" but ceases to be a "related body corporate" because of an amendment, consolidation or replacement of the Corporations Act.

Rights Issue Offer Document or **Offer Document** means this document.

Section means a section of this Rights Issue Offer Document.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall or **Shortfall Shares** means those New Shares for which valid Applications have not been received by the Closing Date.

Shortfall Offer means the offer for the Shortfall at the same price per Share as the Offer.

WST means Australian Western Standard Time.

For all enquiries:

Phone:
 (within Australia) 08 9213 4388
(outside Australia) +61 8 9213 4388



ETE
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See overleaf for details of the Offer and how to make your payment

Non-Renounceable Rights Issue — Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (WST) Thursday 23 March 2017**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for Additional New Shares as part of any Shortfall Offer in accordance with section 1.13 of the Rights Issue Offer Document dated 20 February 2017 (**Offer Document**). Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares. By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Offer Document.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Entek Energy Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →

Entitlement and Acceptance Form with Additional Shares

X 9999999991

I ND

STEP 1 Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details: Existing shares entitled to participate as at
5:00pm (WST) Friday 24 February 2017:

Entitlement to New Shares
on a 1 New Share for every 1 Share basis:

Amount payable on full acceptance
at \$0.02 per New Share:

1
1
\$0.02

STEP 2 Make Your Payment

	Biller Code: 344176 Ref No: 1234 5678 9123 4567 89
--	---

Pay by Mail:



Make your cheque, bank draft or money order payable to "Entek Energy Limited" and cross "Not Negotiable".

Return your cheque with the below payment slip to:

Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Contact your financial institution to make your payment from your cheque or savings account.

Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (WST) Thursday 23 March 2017. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Entek Energy Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (WST) Thursday 23 March 2017. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Entek Energy Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

[Detach here](#) - - -

Entek Energy Limited Acceptance Payment Details

Entitlement taken up:

Number of Additional New Shares applied for:

Amount enclosed at \$0.02 per New Share: **A\$**



Entitlement No: 12345678

Payment must be received by 5:00pm (WST) Thursday 23 March 2017

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Contact Details

Contact Name _____ **Daytime Telephone** _____

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

123456789123456789+0000000001-3051+14