


22 February 2017



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 MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

Dear Shareholder,

### Entek Energy Limited – Pro rata Non-renounceable Rights Issue

As announced on 11 November 2016, Entek Energy Limited (ACN 108 403 425) (**Entek** or the **Company**) is undertaking a 1 for 1 pro rata non-renounceable rights issue (**Rights Issue** or **Offer**) of up to 143,614,467 fully paid ordinary shares (**New Shares**) to raise up to \$2,872,289 (before costs). The price of New Shares under the Offer is \$0.02 each (**Issue Price**). The Company lodged an offer document for the Offer (**Offer Document**) with ASX on 20 February 2017. The Offer Document has been prepared in accordance with section 708AA of the Corporations Act and applicable ASIC Instrument 2016/84.

Completion of the Offer will result in an increase in cash in hand of up to \$2,872,289 (before the payment of costs associated with the Offer). The Company intends to apply the funds raised under the Offer together with its existing cash reserves as follows:

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

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 the 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.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5pm (WST) on 24 February 2017 (**Record Date**), whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued up to 143,614,467 New Shares resulting in total Shares on issue of up to 287,228,934.

A copy of the Offer Document is available on both the ASX and the Company's website. Eligible Shareholders will be mailed an Offer Document together with an Entitlement and Acceptance Form on or about 1 March 2017. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Offer Document.

## 1. ACTIONS REQUIRED OF ELIGIBLE SHAREHOLDERS

There are a number of actions Eligible Shareholders may take:

- (a) You may wish to accept all of your rights to subscribe for New Shares pursuant to the Offer Document (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Computershare Investor Services Pty Limited (**Share Registry**) by no later than 5:00pm (WST) on 23 March 2017, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- (b) You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 5:00pm (WST) on 23 March 2017, by completing and returning your Entitlement and Acceptance Form by filling in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- (c) You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

**2. KEY DATES FOR THE OFFER**

Lodgement of Offer Document, Appendix 3B and s708AA notice Notice to Option holders	20 Feb 2017
Notice to Shareholders	22 Feb 2017
Existing Shares quote 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 Mar 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

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or the Company on +61 8 9213 4388.

Yours sincerely



**Graham Riley**  
**CHAIRMAN**

