

22 February 2017

 ETE
 MR SAM SAMPLE
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 123 SAMPLE STREET
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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:

	\$'000
Pre Offer cash available	2,250
Funds raised from the Offer	2,872
Total funds available	5,122
Allocation	
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

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.

Ineligible Shareholders

A Shareholder who has a registered address outside Australia or New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Offer Document. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

If you have any queries concerning the Rights Issue, please contact your financial adviser or the Company on +61 8 9213 4388.

Yours sincerely



Graham Riley
CHAIRMAN