

Quarterly Operations Update

Highlights – Quarter Ending 31 March 2017 (Q3)

- Non renounceable rights issue and share placement successfully completed raising \$3,222,289 before costs.
- Rationalisation of US based oil and gas assets accelerated with potential sale a targeted priority.
- Active search for new projects continued.

Rights Issue and Placement

On 23 March 2017 Entek closed the non renounceable 1 for 1 rights issue with a take-up by shareholders of around 36%.

The shortfall was subsequently allocated to a range of professional and sophisticated investors such that the rights issue raised the fully subscribed total of \$2,872,289 before costs.

As a result of strong shortfall demand the Company issued an additional 17,500,000 shares raising a further \$350,000 before costs.

A total of 161,114,467 new shares were issued at a price of \$0.02 pursuant to the rights issue, placement of shortfall and placement.

Working capital at the completion of these issues increased to approximately \$5.2 million.

US Oil and Gas Interests

Entek has a portfolio of oil and gas interests within the Green River Basin located across Wyoming and Colorado in the United States. Wholly owned and held through joint venture, these assets cover a range of conventional and unconventional plays with a total land holding of 53,271 net acres.

During late 2016 the decision was made to rationalise these holdings through joint venture, sale, or other favourable disposition. As a consequence the Company commenced a process to test the market and determine the best avenue available for divestment.

BOARD

Howard Dawson
Chairman
Graham Riley
Non-Executive Director
Kim Parsons
Non-Executive Director

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This process has now been directed to an evaluation of sales options and the Company has initiated discussions with a range of parties in order to achieve the most suitable outcome.

Leases	State/County	Operator	Gross Acres	WI %	Net Acres to Entek
Battle Mountain AMI	WY/Carbon & CO/Routt	GRMR	98,118	Up to 20%	17,299
Focus Ranch Area incl. FRU	CO/Routt	Entek	41,282	99%+	35,009
Other Areas	WY/Carbon & CO/Routt	Entek	4,674	100%	963
Total			144,074		53,271

The planned divestment of this US based land package will allow Entek to focus totally on new project acquisition.

Consistent with this strategy, Entek finalised the sale of three dormant US subsidiaries to Peregrine Oil & Gas II, LLC ("Peregrine"), during the quarter. Peregrine is the same company which purchased Entek's Gulf of Mexico production assets in 2016.

New Projects

As previously advised, Entek commenced an active review of new project opportunities late in 2016 and this process continued during the March 2017 quarter.

At this stage the search is not commodity specific and to date has reviewed over 30 potential projects spread across a range of commodities including energy, gold, base metals, lithium and cobalt.

Needless to say it is a crowded field as many other companies have a similar strategy but Entek is well placed for success with a solid working capital position and a team of well credentialed consultants across Australia and the United States available for advanced project review.

A strong filter is being applied to this search with the Company focusing on projects that are at least brownfield in terms of advancement and a minimum resource potential of at least 350,000 ozs gold equivalent across energy and metals.

Corporate

As shown in the attached Appendix 5B the cash balance as at 31 March 2017 was \$5.19 million.

For further information please contact Howard Dawson, Chairman.

Nerida Schmidt
Company Secretary