

31 October 2018

Quarterly Activities Report

Corporate

During the September 2018 Quarter the Board appointed Peter Stickland to the Board. Nerida Schmidt, who had sat on the Board filling a casual vacancy from earlier in 2018, resigned from the Board upon Mr Stickland's appointment. Ms Schmidt retains her position as Company Secretary.

Mr Stickland brings to the Board over 25 years global experience in oil and gas exploration. He is currently a non-executive director of Melbana Energy Limited (ASX:MAY) ("Melbana") and was CEO of Melbana from 2014 until early 2018.

Mr Stickland had a long successful career with BHP Billiton, including a range of technical and management roles. More recently he was CEO of TAP Oil Limited (ASX:TAP). Mr Stickland is an honorary life member of the Australian Petroleum and Exploration Association Limited ("APPEA") and was a member of the APPEA Board from 2009 to 2017.

US Assets

During the September 2018 Quarter the subsidiary that previously held the US oil and gas assets, Entek GRB LLC commenced the final process of dissolution. Notices of Cancellation of Registration and Withdrawal of Statement of Foreign Entity have been filed in the States of Delaware, Wyoming and Colorado.

The long running dispute with GRMR Oil & Gas LLC remained unresolved at the time of filing these notices. The assets in the US subsidiary carry no book value, having been written off several years ago. The environmental obligations of the subsidiary to the State of Colorado are the subject of an agreement in principle between the State and the subsidiary, currently undergoing final documentation.

Neither the US parent, Entek USA Inc. nor the ultimate holding company, Entek Energy Limited are parties to the agreements held by Entek GRB LLC with GRMR Oil & Gas LLC. The Company's legal advice is that neither Entek USA Inc. nor Entek Energy Limited have any responsibility for any of the

DIRECTORS & OFFICERS

Mark McAuliffe
Executive Chairman
Peter Stickland
Non-Executive Director
Tony Walsh
Non-Executive Director
Nerida Schmidt
Company Secretary

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claims alleged by GRMR Oil & Gas against Entek GRB LLC. Whilst Entek GRB LLC has a cross-claim against GRMR Oil & Gas LLC for overpayments of JIB calls, in the event of successful recovery, those monies are pledged to the state of Colorado as part of the settlement of environmental issues.

The net effect of these developments is that no value will be returned to Entek Energy Limited from the dissolution of Entek GRB LLC, nor is there any contingent liability. These matters are fully detailed in the financial accounts for 2017 and 2018.

New Opportunities

The Company has continued the analysis of potential assets in the oil and gas sector. Since the appointment of Peter Stickland, the process has been accelerated and multiple potential acquisitions are currently under consideration. Whilst Mr Stickland is a non-executive director of the Company, he has been engaged in a consulting role to undertake identification and analysis of new opportunities. Based on the new opportunities currently being considered, the Company remains confident that new assets will be acquired in the near term.

For further information contact:

Mark McAuliffe
Executive Chairman