



ANTARES ENERGY LIMITED

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3 December 2004

The Manager
Companies Announcements Office
Australian Stock Exchange Ltd
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Dear Madam,

Ellis-1 & 2 Weekly Update

Ellis-1 – Update

We are experiencing minor delays recovering a perforating gun that became tangled in wireline after higher than expected gas pressure moved the tool up the hole during perforation of the Morrow B zone. The fracture stimulation program will continue once this equipment is retrieved. In the interim the frac crew have moved to another location in the area.

Ellis-2 – Update

The drilling rig was released early in the week and is now rigging down and moving off the location. We expect to begin the fracturing operation as soon as equipment is available and the location is clear.

For more information, images and updates, please refer to Antares' website at www.antaresenergy.com.

Yours faithfully,
ANTARES ENERGY LIMITED

A handwritten signature in black ink, reading "Howard McLaughlin".

HOWARD MCLAUGHLIN
Managing Director