

ASX/NEWS RELEASE

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Velimese-2 well spuds in Turkey**Highlights:**

- Velimese-2 is a relatively low-risk high-value exploration well in Area "B" operated by TPAO (Türkiye Petrolleri A.O.) in the Thrace Basin, Turkey;
- Antares Energy is a 50% non-operating partner for this well;
- Designed to test potential gas bearing sands of the Danisman Formation;
- The well is expected to take approximately 20 days to drill and complete;
- Velimese-2 is a follow-up to the Velimese-1 well drilled in 2000 which had gas shows; Subsequent 3D seismic has indicated the original well missed the structure.

Perth, 5 July 2005, Antares Energy Limited (ASX:AZZ), an international oil and gas exploration and production company, announced today that the Velimese-2 well in Turkey was spudded on 4 July 2005 by TPAO (Türkiye Petrolleri A.O.), the operator of Area "B" of the Thrace Joint Venture, and is currently drilling ahead in preparation for setting the surface casing.

Equity participation in the Thrace Joint Venture is as follows:

Türkiye Petrolleri A.O.	50% (operator of Area B)
Antares Energy	50%

Velimese-2 will be drilled in Petroleum Exploration Licence AR/AOI/3791, which forms part of Area "B" of the Thrace Joint Venture and is located approximately 120 kilometres west of Istanbul in Turkey's onshore Thrace Basin.

The Velimese-2 well is located approximately 13 kilometres southeast of the Gocerler Gas Field. It is positioned at Latitude 41 15 52.63N and Longitude 27 52 29.81 E. The well will be drilled to approximately 1550 metres into the Varved Shales of the Danisman Formation.

Mr. Howard McLaughlin, Managing Director of Antares said: *"This well is part of an ongoing programme to maintain our target gas production levels from our three Turkish gas fields and test near field exploration targets. This well will test a relatively low-risk high-value exploration target identified in the 3D seismic acquired last year."*

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