

20 July, 2005

ASX/NEWS RELEASE

Velimese-2 - New Gas Discovery

Highlights:

- Velimese-2 has discovered approximately 16 metres of net gas sand over a gross interval from 1182 metres to 1291 metres;
- Preparations are underway to perforate and test the well;
- Antares Energy is a 50% non-operating partner for this well.

Perth, 20 July 2005, Antares Energy Limited (ASX: AZZ), an international oil and gas exploration and production company, announced today that the Velimese-2 exploration well in Turkey is a new gas discovery. The well has been wireline logged and casing run and cemented. Evaluation of the wireline logs indicate 16 metres of net gas sand in the Danisman Formation. The 3D seismic is being re-mapped using the new data to determine the size and aerial extent of the accumulation.

The well was spudded on 4 July 2005 by TPAO (Türkiye Petrolleri A.O.), the operator of Area "B" of the Thrace Joint Venture, and reached a total depth of 1500 metres by 15 July 2005.

Equity participation in the Thrace Joint Venture is as follows:

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

Velimese-2 was 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.

Mr. Howard McLaughlin, Managing Director of Antares said: *"This is a good result and validates the strategy of drilling low risk near-field exploration wells based on 3D seismic to maintain core production and increase reserves."*

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