

ASX/NEWS RELEASE

9 March 2006

**ELLIS UPDATE
SUCCESSFUL TESTING OF ELLIS-4**

On 26 February 2005 the Morrow C zone in Ellis-4 was perforated. A total of 45 feet of perforations were achieved over four individual intervals within the 126 foot gross interval. The well immediately flowed gas to surface at an estimated rate of approximately 1.7 million cubic feet per day (MMcf/d). The well was subsequently choked back with a very small 9/64" choke which allowed the well to produce at a stabilised rate of approximately 0.9 MMcf/d with a flowing tubing pressure of 1800 psi. The well was flowed for several days to monitor for any pressure decline, which did not occur.

Downhole pressure gauges were run in the hole and a four point production test was completed, followed by a four day shut-in for pressure build up. This procedure is designed to give the most accurate view of the capability of the reservoir and the potential size of the accumulation. On the basis of this successful testing, this well is now being tied into the sales line. Antares equity in this well is 79.46%.

Background

Ellis-4 was spudded on 19 June 2005 and reached a total depth of 11,623 feet on 11 July 2005. A major gas kick was encountered upon entering the top Morrow A sand and a significant amount of gas was flowed to surface. Hole instability due to the gas entering the well bore precluded the running of open hole logs over the Morrow section. The well was cased and logging tools were run inside casing to evaluate the Morrow section.

The upper Morrow A was perforated on 9 October 2005 in preparation for a hydraulic fracture program over the Morrow A and upper B sands. A 57,000 pound frac of the Morrow A and upper B sands failed to flow significant volumes of gas. Following the frac, operations were suspended pending the results of two offset wells drilled by Mewbourne (Kelln Trust #5-1) and Unit Drilling (Yoder-1).

Area Evaluation

From detailed analysis of the six recently drilled wells and regional mapping involving hundreds of wells, it appears that the Morrow Formation has been compartmentalised in this region by perpendicular faults that are NE-SW and NW-SE trending. These faults appear to be a barrier to gas migration. Unfortunately there is insufficient seismic control to pinpoint the exact placement of these faults. From pressure data it appears, but is not yet conclusive, that Ellis-1, Ellis-3 and Yoder-1 are in a separate and partially depleted fault compartment, while Ellis-4, Kelln Trust #5-1 and the original well (1970's) in section 11 are in a separate distinct compartment (see Fig. 1). This new interpretation helps explain the varying results from the wells drilled to date. This is the best working theory at the present time based on all available data.

Fig. 1

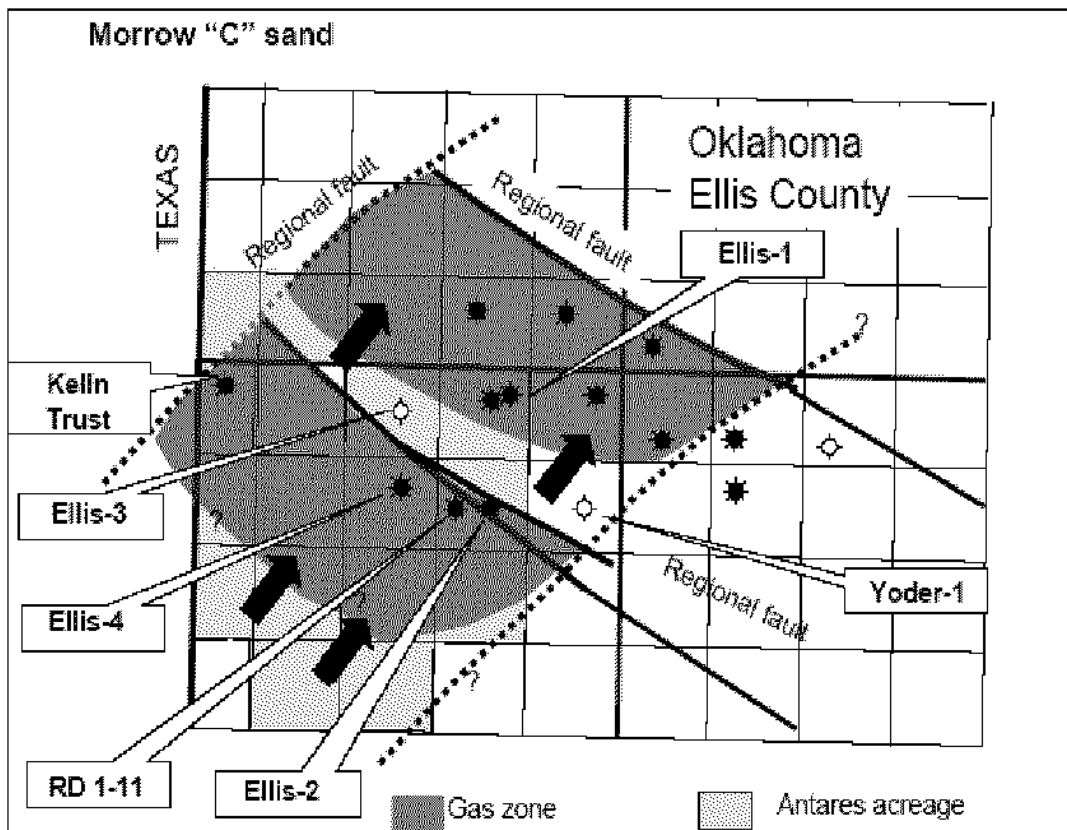
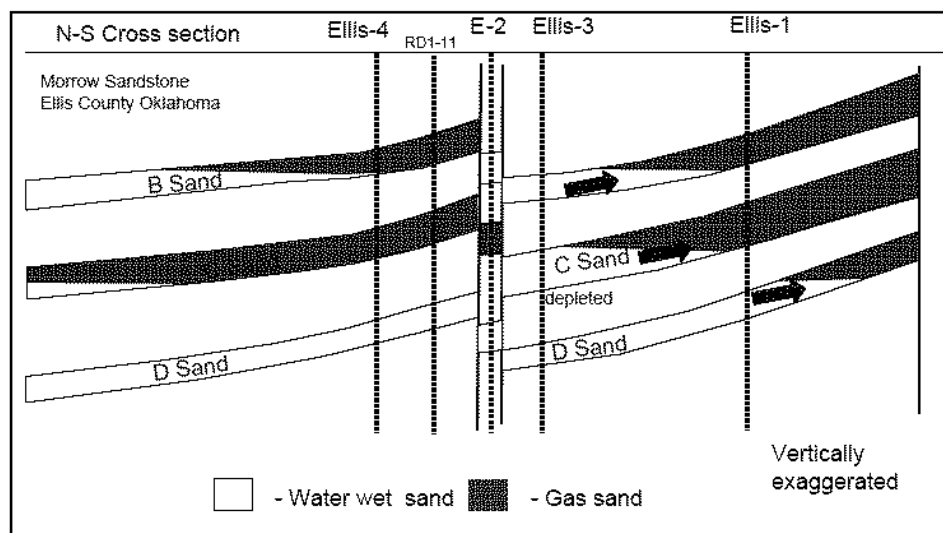


Fig. 2



Ellis-1

This well twinned an earlier well that tested 1.2 MMcf/d after fracture treatment. This well is now believed to be in the lower part of the northern fault block that contains a number of very good historical producers adjacent to our acreage. The whole fault block appears to have been partially depleted from the production to the north which explains the higher virgin pressures of the wells drilled in the 70's. A portion of the original gas has already been produced from this large fault block (see Fig. 2). Whilst the reservoir quality in both the Morrow B and C seemed favorable, the fracture treatment inadvertently commingled gas bearing sands with water bearing sands in the Morrow D and E sands. The water production has reduced the gas flow rate as well as the maximum recovery from this well.

Ellis-2

The well was designed to twin an earlier well (Roy Deal 1-11, drilled in the 1970's) that flow tested 2.4 MMcf/d from the lower Morrow B sand without fracture stimulation. Ellis-2 was planned to be located up-dip of the initial discovery based on information available at the time of drilling.

Based on the natural flow encountered from Roy Deal 1-11, the Ellis-2 well was flow tested from the C zone prior to stimulation. The well flowed naturally at between 2 and 3 MMcf/d but declined within a few months to a fairly low level (currently producing approximately 300-350 thousand cubic feet per day (Mcf/d)). Transient pressure data combined with post-drill re-mapping confirmed that this well is in a thin fault sliver that was not in pressure communication with either fault block and thus does not have extensive volume.

It seems likely that the original 1970's Roy Deal 1-11 well is in the southern fault block and still remains untested. We were only 200 feet away but far enough to cross a fault between the two wells.

Ellis-3

Ellis-3 is also believed to be in the lower part of the northern block that contains Ellis-1. Initial indications from wireline log analysis strongly suggested the Morrow B and C sands contained gas. The C sand was hydraulically fractured but produced little gas. Upon closer examination the zone has probably been depleted with only "fizz gas" (low saturation gas) remaining (see Fig. 2). A much lower shut in pressure also seems to confirm the depletion theory. The well would probably have been a good producer 20 years ago but the gas has moved up-dip with the decades of production. With no further potential this well is now being abandoned.

Ellis-4

This well also responded poorly to the initial frac at the top of the A sand where strong gas shows were encountered while drilling. It would seem that the source of the gas during drilling was a few vertical fractures. It also may be that the stimulation did not reach down into the B sand. This can be verified later by perforating the B zone once the C zone has been produced.

The C sands have responded well to perforations with stim guns (high energy perforating guns). The C zone seems to be in the same fault block as the original well in section 11 (adjacent to Ellis-2) (see Fig.1).

Kelln Trust #5-1

This well is operated by Mewbourne. This was potentially a good Morrow well in the southern block but the operator elected not to flow test the well prior to a massive frac (100,000 pounds). The frac has connected the well to a number of water bearing sands below the C sand, ruining any chance of producing from the C zone. The operator is currently testing the Atoka zone further up the well bore.

Yoder-1

This well is operated by Unit Drilling. This well looked disappointing on wireline logs and conforms to a position very low in the southern part of the northern block. Unit has tested a number of sands with no success so far. Antares intentionally retained a very small interest (<1%) in this well in order to obtain the technical data to help verify our revised interpretation.

Summary

The working theory suggests 2 separate fault blocks and we have wells in both, including a fault sliver that Ellis-2 drilled into. The northern compartment is partially depleted but still has good potential up-dip from Ellis-1 where Antares has acreage. There are more potential locations in the southern fault block where Antares has a good acreage holding. At least several months of production history from Ellis-4 will be necessary to validate the current interpretation.

Des Moines/Cleveland/ Atoka sands

Detailed technical evaluations are continuing on the commercial viability of this play. The Kelln Trust #5-1 well is the first test of this upper hydrocarbon zone.

Impairment

In conformance with accounting standards and Antares' accounting policies, the costs associated with drilling and testing Ellis-3 will be completely written off, as this well is being abandoned. Additionally, partial impairments will be taken on Ellis-1 and Ellis-2 to reduce the carrying value of these wells to the value recoverable through future production. Whilst the overall acreage position still has future value which has been confirmed by Ellis-4, the area of interest upon which the recoverable value is assessed is on a well by well basis.

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