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ASX/NEWS RELEASE

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Kenedy Ranch Well KMF 228-1 Suspended

The KMF 228-1 well in Kenedy County, Texas has been temporarily suspended using a procedure that will allow re-entry in the future. After the main suite of wireline logs were run, Antares and Lamay elected to proceed with additional evaluations which included a check shot survey to calibrate the seismic and a large number of rotary and conventional sidewall cores for detailed information on reservoir properties. Santos USA (Operator) elected not to participate in the collection of this additional data and hence the costs were shared by Lamay and Antares on a proportional basis.

Although the evaluation is not yet complete, preliminary analysis indicates the presence of four potential reservoir units with hydrocarbon indications. Two of the sandstone units in particular correlated with strong gas shows (gas flared to surface) while drilling. One of the other gas bearing sands is already protected by the previous casing string.

The evaluation of the open hole section below 13,415 feet is complicated by high temperatures/high pressures and very limited offset well control for the sparsely explored deeper intervals. Ultimately the evaluation to date was not conclusive enough for all parties to agree to funding the considerable additional expense of running another string of casing from 13,415 feet to 18,200 feet with the current rig on location. The rig will be released once the well is suspended. The data has been sent for laboratory analysis and will be reviewed as soon as it becomes available.

Whilst Lamay and Antares were prepared to consider immediately running a casing liner to protect the potential gas bearing reservoirs in the open hole, Santos, as operator, did not propose this operation. Although under the terms of the Joint Operating Agreement Antares and Lamay could have undertaken the operation without Santos ("sole risk"), the risk of doing so before the evaluation of the logs, cores and checkshot was complete was deemed unacceptable. Mineralogy, poroperm and water saturation data from the sidewall cores is critical to accurately assessing each of the sands encountered in the open hole. The nature of the suspension of the well allows re-drilling to these zones at a later date.

Antares and Lamay remain very encouraged by the results of this well, particularly since sand thickness and apparent quality along with significant gas shows exceeded the pre-drill estimates. We will continue the evaluation of the data with a view to potentially conducting further operations on this well in the future.

Mr. Howard McLaughlin, Managing Director of Antares said:

"Due to the nature of the open hole and the cost of having rig on location, we were unable to delay any decision on how to proceed until we had fully evaluated the downhole data. We are pleased that we have preserved the option of further operations in the well in the future."

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