ANTARES ENERGY

ANTARES ENERGY LIMITED

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ASX/NEWS RELEASE

CONVERTIBLE NOTES
RESET OF TERMS AS AT 31 OCTOBER 2006

The Board of Antares Energy Limited is pleased to announce that the holders of 4,969,435 or 99.4% of the Company's 5,000,000 $2.00 convertible notes have effectively elected to accept the reset terms of the notes for the next three years as announced by the Board on 13 September 2006. Five holders, holding a total of 30,565 notes elected to redeem their notes on 31 October 2006, thus of the $10,000,000 in convertible note funds currently held by the Company, $61,130 (30,565 notes at $2.00 each) will be repaid to the redeeming noteholders and $9,938,870 will remain in place on the following reset terms:

Interest Rate:	10% per annum (payable quarterly in arrears)
Conversion Rate:	1:1 (each note is convertible into one fully paid ordinary share)
Next reset date:	31 October 2009

Note that the maturity date for the notes is 31 October 2013.

It is the Board's intention to use these funds only for appraisal and development of discoveries through to production. The convertible note funds will not be used for exploration expenditure.

Mr. H. McLaughlin, Managing Director of Antares Energy Limited said:

> "This is a good outcome for Antares as it gives us the flexibility to quickly develop discoveries without needing to raise additional capital or use exploration funds. By using the convertible note funding for development projects we can maintain our pace with our exploration program."

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