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ASX/NEWS RELEASE

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The directors of Antares Energy Limited elected to temporarily suspend trading in Antares' securities until the critical information collected from both the Harrison-1 and Lonesome Dove-1 wells was fully evaluated and understood. The Directors wanted to avoid the situation where the release of incomplete information would not allow shareholders and investors to make fully informed investment decisions. Antares has requested the ASX lift the suspension following the release of this announcement.

EXPLORATION UPDATE

Project: Oyster Creek

Prospect: Oyster Creek

Well: Harrison-1

Brazoria County, Texas, Slawson Exploration Operator, Antares 75%

The Harrison-1 well has drilled to a depth of 12,805 feet, and wireline logs have been acquired. A number of interpreted gas charged sands with good porosity and permeability have been encountered that are coincident with strong gas shows encountered while drilling. After some additional technical information was processed and evaluated, the decision by the joint venture was made to complete the well by running casing in advance of a production testing program.

The joint venture has now committed to drilling a follow-up well, Scott-2, and preparation is well underway for moving the rig from Harrison-1 to Scott-2 immediately following release from the Harrison-1 well. Scott-2 will test the adjoining fault block to the Harrison-1 well. Antares has a 67.5% interest in Scott-2.

Project: Shaeffer Ranch

Prospect: Lonesome Dove

Well: Lonesome Dove-1

Jim Wells County, Texas, SIDC Operator, Antares 50%

The Lonesome Dove-1 well drilled to a revised depth of 10,500 feet and has currently been suspended. The predicted reservoir sands at the main objective were not encountered within the drilled interval. There were abundant gas shows within the shales at the target interval; however there was an absence of anything in the well capable of generating the observed seismic amplitude anomaly.

It is therefore a reasonable probability given the geological nature of the prospect in question that we may have drilled a shale section between closely spaced sand filled channels. If this is proved to be the case we will in all likelihood be able to reach the reservoir with a short sidetrack from the current well.

Whilst the overall seismic feature defining the greater Lonesome Dove prospect appears to comprise multiple channels distributed over a long but relatively narrow trend (400-1,000' wide as currently mapped), this type of depositional environment can typically have small, scattered non-reservoir areas located in between the channels. The 3D seismic resolution may be too spatially limited at this depth to discreetly image the channels, and the amplitude would probably extend across both reservoir and non-reservoir areas.

Further work is currently required to integrate the well results into the 3D seismic. The resolution of the 3D seismic may need to be increased in the immediate area to allow a more accurate determination of the channel positions and geometry before drilling a sidetrack. This may involve acquiring a small infill survey to enhance the resolution.

Depending on the outcome of the work over the next few weeks, the well will either be re-entered and sidetracked at a later date to intersect the target reservoir or plugged back to test a small oil sand that was encountered in the shallower section. This shallower potential oil bearing sand was encountered at least 15 feet high to adjacent wells that have already produced commercial oil.

The Shaeffer Ranch area contains as many as six independent proven hydrocarbon plays. This result at Lonesome Dove-1, though impacting what we considered to be one of the main plays, does not reduce the perceived prospectivity of the remaining play types.

Project: New Taiton

Prospect: New Taiton

Well: Ilse-1

Wharton County, Texas, S. Lavon Evans, Jr., Operating Company, Inc. Operator, Antares 25%

The Ilse-1 well spudded on 1 December 2006 and is currently drilling ahead at a depth of 6,685 feet. The total depth of the well is planned for 17,500 feet.

Project: Little Bear

Prospect: Garcitas Ranch

Well: Garcitas Ranch C-1

Victoria County, Texas, Hollimon Oil Corporation Operator, Antares 23.5%

The Garcitas Ranch C-1 well spudded 16 December 2006 and drilled to a depth of 5,730 feet. Intermediate casing has been run and cemented. The total depth of the well is planned for 13,000 feet.

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