

ASX/NEWS RELEASE

10 January 2007

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, completed running wireline logs and set casing to a depth of 12,798 feet. The rig is currently mobilising to the Scott-2 location. A number of gas bearing sand units in the primary objective were interpreted from wireline logs and confirmed by sidewall cores to have favourable reservoir properties. A production testing program for the Harrison-1 well is planned to commence within the next 10 days.

Project: Oyster Creek
Prospect: Scott
Well: Scott-2

Brazoria County, Texas, Slawson Exploration Operator, Antares 67.5%

The Scott-2 well is a follow-up well to Harrison-1 and is designed to test a similar geological section as has been logged in the Harrison-1 well, but in a separate adjacent fault block. The rig is currently mobilising from Harrison-1 and the well is planned to spud within the next two weeks.

Project: Shaeffer Ranch
Prospect: Lonesome Dove
Well: Lonesome Dove-1

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

The well is cased to 7,448 feet and has been suspended. The rig has been released and evaluation of all available information is ongoing. This well will not be included in the weekly update again until operations resume.

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 7,186 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 is currently drilling ahead at a depth of 7,403 feet. The next casing point is approximately 10,500 feet. The total depth of the well is planned for 13,000 feet.

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