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ASX/NEWS RELEASE

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**Scott-2 Well Commences
Oyster Creek Project, Scott Prospect****Key Point**

The Scott-2 well spudded at 20:00 hrs on 25 January 2007 local time. The rig has currently drilled to 2,582 feet and surface casing was set and cemented to a depth of 2,582 feet. Currently the rig is waiting for the cement to set before drilling ahead. Antares Energy has 67.5% equity in this well which is on the Scott prospect in Brazoria County, Texas.

Background

Antares Energy executed a Participation Agreement and Joint Venture Operating Agreement with Slawson Exploration Company of Wichita Kansas, on 25 May 2006. Antares agreed to participate at a working interest level of 75% in the drilling of an initial 12,800 foot Harrison-1 well to test the Oyster Creek prospect, a lower Frio formation adjacent to the productive S. Angleton (Collins Lake) Field in Brazoria County, Texas. The Harrison-1 well reached TD on 5 January 2007. Casing was run in advance of a production testing program which is expected to commence as soon as the weather improves. The Scott-2 well is targeting similar Frio objectives as were encountered in the Harrison-1 well but in an adjacent fault block (Scott prospect).

The agreement for the Oyster Creek project covers a 1,700 acre group of leases over three separate fault compartments that are defined by seismic amplitude anomalies on good quality 3D seismic. Project potential varies between 4-20 BCF (Billion cubic feet) depending on the individual well outcomes. There is also a potential shallow oil play (approx. 400,000 bbls recoverable) within the project area. These prospects are deemed to have reasonably low geological risk and excellent reservoir deliverability. It is likely, in the success case, that additional wells will be drilled.

Antares' minimum financial commitment for Scott-2 is approximately USD 1.85 million dollars on a dry hole basis.

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