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ASX/NEWS RELEASE

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ANTARES ENERGY AGREES TO PARTICIPATE IN A NEW SOUTH TEXAS GAS EXPLORATION PROJECT "GEMINI"

Key Points

Antares Energy is pleased to announce it has executed a Participation Agreement and Joint Venture Operating Agreement with Lighthouse Exploration to participate at a working interest level of 50% in the drilling of an initial 8,000 foot prospect named Castor, to test a Yegua objective in Wharton County, Texas. The well is expected to be drilled within the next few months. An additional nearby prospect named Pollux will likely be drilled if the first well is successful.

The agreements cover a 435 acre lease with the 2 gas prospects defined by seismic amplitude anomalies on good quality re-processed 3D seismic. There are nearby producing Yegua wells with very similar seismic attributes. Project potential varies between 5-15 BCF (Billion cubic feet).

Antares' minimum financial commitment is anticipated to be approximately USD 0.85 million which includes a proportional payment of back costs and a small carry for Lighthouse through the drilling of the first well. Antares' working interest reduces to 45% upon first sales.

Background

The Gemini project will initially test a well defined and calibrated Yegua sand prospect called Castor. The Yegua sands appear to be channel deposits ranging from 30-60' thick in the project area. In a nearby well the sand body is roughly 35' in thickness with at least 30' of neutron-density crossover. Average porosity is 30% and reservoir depth increases across the study area from 7,600' in the north to 7,900' in the far south. Condensate yield varies from 10-70 barrels per MMcf with an average of 20 bbl/MMcf. This opportunity has relatively low geological risk.

Secondary reservoir objectives occur in the Upper Frio between 4,000-5,000' in the area.

Lighthouse Exploration is a privately held oil and gas exploration company based in Corpus Christi, Texas and is the operator of this project.

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

"The Gemini opportunity is a low to moderate risk, near term drilling opportunity that further builds our growing portfolio of South Texas projects. In the success case these prospects deliver a high rate of return and excellent revenues."

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