



# ANTARES ENERGY LIMITED

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ASX/NEWS RELEASE

12 JANUARY 2012

## MONTHLY PRODUCTION REPORT DECEMBER 2011

The Directors of Antares Energy Limited (ASX:AZZ) are pleased to provide the following production report for the month of December 2011.

### PRODUCTION SUMMARY

MONTH	NET OIL PRODUCTION (BO)	NET GAS PRODUCTION (MCF)	AVERAGE DAILY PRODUCTION (BOEPD)
January 2011	3,309	13,553	194
February 2011	2,286	9,550	150
March 2011	2,426	9,682	141
April 2011	10,635	36,685	640
May 2011	9,650	42,339	630
June 2011	10,843	41,077	681
July 2011	9,519	27,868	517
August 2011	13,427	32,113	675
September 2011	12,680	41,209	743
October 2011	13,532	45,408	778
November 2011	18,760	79,299	1,242
December 2011	16,657	88,598	1,204

Notes: Production shown is net production to Antares Energy's working interest from each of the five active project areas – Southern Star, Big Star, Northern Star, Oyster Creek and Hawkville. The above monthly volumes are the summation of daily measured wellhead volumes of produced oil and natural gas. Barrels of Oil Equivalent (BOE) is calculated on a 6:1 basis, post heating value adjustment due to the high BTU content of the produced gas.

### WELL/LEASE DETAILED SUMMARY

#### SOUTHERN STAR, HOWARD COUNTY, TEXAS

LEASE: Alamo  
WELL COUNT: 0  
WORKING INTEREST: 48.6%  
CURRENT STATUS: Waiting to be drilled  
CURRENT PRODUCTION: n/a  
COMMENTS: Alamo No. 1 scheduled to be drilled mid-2012. Two Alamo lease wells are to be drilled in 2012.



**LEASE:** Aloe Vera  
**WELL COUNT:** 1  
**WORKING INTEREST:** 97.5%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 59 boepd  
**COMMENTS:** Fracture stimulated in April 2010 with a 12-stage job. One of three wells with greater than 12 months of production history supporting 220 Mboe type curve.



**LEASE:** Cottonwood  
**WELL COUNT:** 1  
**WORKING INTEREST:** 48.6%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 60 boepd  
**COMMENTS:** High initial flow rate observed prior to shutting-in for the construction of surface facilities. Cottonwood No.2 to be spud shortly.



**LEASE:** Coyote  
**WELL COUNT:** 1  
**WORKING INTEREST:** 97.3%  
**CURRENT STATUS:** Shut-in  
**CURRENT PRODUCTION:** n/a  
**COMMENTS:** Currently awaiting fracture stimulation.



**LEASE:** CR-21  
**WELL COUNT:** 3  
**WORKING INTEREST:** 100%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 150 boepd  
**COMMENTS:** CR-21 No. 3 maintenance completed. CR-21 No. 4 to be drilled in 2Q 2012.



**LEASE:** Jewell Williams  
**WELL COUNT:** 0  
**WORKING INTEREST:** 19.2%  
**CURRENT STATUS:** Waiting to be drilled  
**CURRENT PRODUCTION:** n/a  
**COMMENTS:** First Jewell Williams well to be drilled in 1H 2012.



**LEASE:** Levy  
**WELL COUNT:** 1  
**WORKING INTEREST:** 94.3%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 10 boepd  
**COMMENTS:** Early well drilled to 9,200 feet with limited fracture stimulation stages. Today's wells are drilled through the Mississippian reservoir at 10,300 feet.



**LEASE:** Live Oak  
**WELL COUNT:** 1  
**WORKING INTEREST:** 48.6%  
**CURRENT STATUS:** Flow-back of frac fluids  
**CURRENT PRODUCTION:** 45 boepd  
**COMMENTS:** Recent, successful 11-stage fracture stimulation completed with the well cleaning up.



**LEASE:** Lone Star  
**WELL COUNT:** 4  
**WORKING INTEREST:** 48.6%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 213 boepd  
**COMMENTS:** Lone Star No. 1, the first well drilled by Antares, continues to produce an estimated rate of over 100 boepd.



**LEASE:** McCann  
**WELL COUNT:** 1  
**WORKING INTEREST:** 48.6%  
**CURRENT STATUS:** Waiting on repairs.  
**CURRENT PRODUCTION:** 0 boepd  
**COMMENTS:** Early well with limited fracture stimulation stages. Typical daily production is approximately 10 boepd.



**LEASE:** McNew  
**WELL COUNT:** 1  
**WORKING INTEREST:** 97.3%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 15 boepd  
**COMMENTS:** Early well with limited fracture stimulation stages.



**LEASE:** Mesquite  
**WELL COUNT:** 1  
**WORKING INTEREST:** 48.6%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 46 boepd  
**COMMENTS:** Early well with limited fracture stimulation stages.



**LEASE:** Nichols  
**WELL COUNT:** 1  
**WORKING INTEREST:** 47.1%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 43 boepd  
**COMMENTS:** One of three wells with greater than 12 months of production history supporting 220 Mboe type curve.



**LEASE:** Paloma  
**WELL COUNT:** 2  
**WORKING INTEREST:** 94.3%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 10 boepd  
**COMMENTS:** Older wells with no fracture stimulation stages attempted in the deeper objectives.



**LEASE:** Pecan  
**WELL COUNT:** 2  
**WORKING INTEREST:** 48.6%  
**CURRENT STATUS:** Flowing oil  
**CURRENT PRODUCTION:** 42 boepd  
**COMMENTS:** Pecan No. 2 is not contributing due to a hole in the casing. Upon remediation, Pecan No. 2 will be fracture stimulated. Pecan No. 1 is one of three wells with greater than 12 months of production history supporting 220 Mboe type curve. Pecan No. 1 still produces naturally.



**LEASE:** Ray  
**WELL COUNT:** 3  
**WORKING INTEREST:** 94.5%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 131 boepd  
**COMMENTS:** Nearly all of the production is attributable to the recently completed Ray No. 3. Ray Nos. 1 and 2 are early, marginal producers.



**LEASE:** Smith  
**WELL COUNT:** 2  
**WORKING INTEREST:** 97.3%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 555 boepd  
**COMMENTS:** Recent wells with high flowing pressures observed.



**LEASE:** Texan  
**WELL COUNT:** 2  
**WORKING INTEREST:** 97.5%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 5 boepd  
**COMMENTS:** Hole in Texan No. 1 tubing has been remediated. Both wells are early, marginal producers and completed with an insufficient number of fracture stimulation stages.



**LEASE:** Texan "A"  
**WELL COUNT:** 2  
**WORKING INTEREST:** 97.5%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 69 boepd  
**COMMENTS:** Texan "A" No. 2 produced naturally for approximately one year.



**LEASE:** Thomas  
**WELL COUNT:** 2  
**WORKING INTEREST:** 94.5%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 13 boepd  
**COMMENTS:** Older wells with no fracture stimulation stages attempted in the deeper objectives. Shallow objectives received inadequate number of fracture stimulation stages.



**LEASE:** Windmill  
**WELL COUNT:** 1  
**WORKING INTEREST:** 97.3%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 14 bopd  
**COMMENTS:** Squeeze job delayed due to onset of oil production late December.



**LEASE:** Yucca  
**WELL COUNT:** 0  
**WORKING INTEREST:** 97.3%  
**CURRENT STATUS:** Waiting to be drilled  
**CURRENT PRODUCTION:** n/a  
**COMMENTS:** First well to be drilled in early 2012.

#### BIG STAR, DAWSON COUNTY, TEXAS



**WELL:** Stuart 12 No. 1  
**WORKING INTEREST:** 90%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 15 boepd  
**COMMENTS:** Acidized perfs for scale removal.



**WELL:** Esmond 20 No. 1  
**WORKING INTEREST:** 90%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 11 bopd  
**COMMENTS:** Consistent but lower rate producer. Water production has been reduced following squeeze of Strawn perforations.



**WELL:** Simmons 27 No. 2  
**WORKING INTEREST:** 72%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 10 bopd.  
**COMMENTS:** Initially fracture stimulated the deep Mississippian objectives. Results easily support drilling to this objective. Recently fracture stimulated the balance of remaining objectives and are currently recovering frac fluids.



**WELL:** Cline 46 No. 1  
**WORKING INTEREST:** 90%  
**CURRENT STATUS:** Producing water  
**CURRENT PRODUCTION:** 0 boepd  
**COMMENTS:** Significant water bearing zone fracture stimulated – awaiting remediation results.



**WELL:** Woodward 7 No. 1  
**WORKING INTEREST:** 90%  
**CURRENT STATUS:** Drilling out bridge plugs.  
**CURRENT PRODUCTION:** n/a  
**COMMENTS:** Recently completed nine-stage fracture stimulation.

#### NORTHERN STAR, DAWSON COUNTY, TEXAS

**WELL:** Newbrough No. 1  
**WORKING INTEREST:** 100%  
**CURRENT STATUS:** Working over.  
**CURRENT PRODUCTION:** n/a  
**COMMENTS:** Commingling shallow production with deeper hydrocarbon bearing objectives.



**WELL:** Cozart "A" No. 1R  
**WORKING INTEREST:** 100%  
**CURRENT STATUS:** Pumping oil  
**CURRENT PRODUCTION:** 18 bopd  
**COMMENTS:** Beginning to see first oil after flow back of frac fluids.

#### OYSTER CREEK, BRAZORIA COUNTY, TEXAS

**WELL:** Harrison No. 2  
**WORKING INTEREST:** 67.5%  
**CURRENT STATUS:** Flowing oil  
**CURRENT PRODUCTION:** 60 boepd  
**COMMENTS:** Currently producing from the Anomalina "B" reservoir.



**WELL:** Harrison No. 3  
**WORKING INTEREST:** 67.5%  
**CURRENT STATUS:** Flowing oil  
**CURRENT PRODUCTION:** 41bopd  
**COMMENTS:** Currently producing from the F41 reservoir.

#### HAWKVILLE, MCMULLEN COUNTY, TEXAS

**WELL:** Donnell 457 No. 1H  
**WORKING INTEREST:** 4.2%  
**CURRENT STATUS:** Flowing oil  
**CURRENT PRODUCTION:** 255 boepd  
**COMMENTS:** First well drilled in the Hawkville term assignment area.



**WELL:** Dilworth No. 1H  
**WORKING INTEREST:** 6.25%  
**CURRENT STATUS:** Flowing oil  
**CURRENT PRODUCTION:** 587 boepd  
**COMMENTS:** Second well drilled in the Hawkville term assignment area. Payout achieved in one year.

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Or visit our website: [www.antaresenergy.com](http://www.antaresenergy.com)



Antares Energy is an oil and gas exploration and production company focused on the Permian Basin, West Texas, United States of America.

Currently Antares has three core projects being Southern Star, Big Star and Northern Star each located in the prolific Wolfberry Trend of the Permian Basin.

Antares Energy is an Australian public company listed on the Australian Stock Exchange (ASX) under the ticker symbol AZZ.

For more information please visit our website found at <http://www.antaresenergy.com>.