



# **ANTARES ENERGY LIMITED**

A.C.N. 009 230 835

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29 January 2016

## **QUARTERLY ACTIVITY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2015**

## UPDATE FOR THE QUARTER ENDED 31 DECEMBER 2015

Dear Shareholders,

During the Quarter the Board of Directors has been focused upon negotiating amendments to the transaction documents of both Purchase and Sale Agreements for the sale of Northern Star and Big Star. Whilst working upon this process Antares has also been engaged with other parties concerning both outright sale and joint venture opportunities. These discussions are incomplete and not sufficiently definite to warrant further disclosure at this point in time.

The Board of Directors will report fully as soon as possible.

A handwritten signature in black ink, appearing to read 'James Cruickshank', written in a cursive style.

James Cruickshank  
Chairman & CEO

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

<b>ANTARES ENERGY LIMITED</b>
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ABN

75 009 230 835
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Quarter ended ("current quarter")

31 December 2015
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### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	199	1,268
1.2 Payments for (a) exploration & evaluation	(495)	(3,309)
(b) development	(522)	(1,191)
(c) production	(39)	(238)
(d) administration	(927)	(3,779)
1.3 Dividends received	490	3,365
1.4 Interest and other items of a similar nature received	1	33
1.5 Interest and other costs of finance paid	(1,197)	(4,750)
1.6 Income taxes (paid) / refund	-	1,316
1.7 Other:-		
Texas Franchise Tax	-	-
Withholding Tax	(152)	(152)
<b>Net Operating Cash Flows</b>	<b>(2,642)</b>	<b>(7,437)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	(199)	(2,544)
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(199)</b>	<b>(2,544)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(2,841)</b>	<b>(9,981)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(2,841)	(9,981)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	• Share issue transaction costs	-	-
	• Share buy-back	-	(234)
	• Convertible Note buy-back	-	(4,378)
	• Frictional costs	-	-
	<b>Net financing cash flows</b>	-	<b>(4,612)</b>
	<b>Net increase (decrease) in cash held</b>	<b>(2,841)</b>	<b>(14,593)</b>
1.20	Cash at beginning of quarter/year to date	4,405	14,732
1.21	Exchange rate adjustments to item 1.20	(175)	1,250
1.22	<b>Cash at end of quarter</b>	<b>1,389</b>	<b>1,389</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(530)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees and superannuation.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available US\$'000	Amount used US\$'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements:- Antares Energy has renewed its 200,000,000 USD term debt facility for a 5 year period at an interest rate of LIBOR plus 4.0 percent with Macquarie Bank Limited.	US\$200,000	US Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	125
4.2 Development	250
4.3 Production	125
4.4 Administration	500
<b>Total</b>	<b>1,000</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	118	10
5.2 Deposits at call	1,271	4,395
5.3 Bank overdraft	-	-
5.4 Other (provide details):Escrow for convertible notes not issued as at 30 June 2014	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,389</b>	<b>4,405</b>

+ See chapter 19 for defined terms.

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Big Star Project Relinquished /Lapsed 409 Acres		
6.2	Interests in mining tenements acquired or increased	Big Star Project Acquired/Increased 160 Acres	9,906	9,657

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+ See chapter 19 for defined terms.

### Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>	Nil			
7.2 Changes during quarter				
(a) Increases through issues	Nil			
(b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3 <b>+Ordinary securities</b>	240,000,000	240,000,000		Fully paid
7.4 Changes during quarter				
(a) Increases through issues	Nil			
(b) Decreases through buy-backs	Nil			
7.5 <b>+Convertible debt securities*</b>	23,750,000	23,750,000	\$2.00	Fully paid
7.6 Changes during quarter				
(a) Increases through issues	Nil			
(b) Decreases through buy-backs	Nil			
7.7 <b>Performance Rights</b>	Nil	Nil	<b>Exercise price</b> Nil	<b>Expiry date</b> N/A
7.8 Issued during quarter	Nil			
7.9 Exercised during quarter	Nil			
7.10 Expired during quarter	Nil			
7.11 <b>Debentures</b> <i>(totals only)</i>	Nil			
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	Nil			

\* Effective 12 July 2013 - Convertible at a rate of 1:3. Interest paid at 10% quarterly in arrears. Expiry date is 30 October 2023. The notes can be converted to ordinary shares at any time.

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: ..... Date: **29 January 2016**  
(Director)

Print name: Vicky McAppion

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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**CHANGE IN TENEMENT HOLDINGS  
FOR THE QUARTER ENDING 31 DECEMBER 2015**

**USA - Wells**

Project Name	County/State	Well Name	% Interest	% Interest Acquired/Increased During the Quarter	% Interest Disposed During the Quarter
<b>Big Star</b>	Dawson/TX	Cline 46-1	100.00		
		Esmond 20-1	100.00		
		Simmons 27-2	72.00		
		Stuart 12-1	100.00		
		Woodward 7-1	100.00		
<b>Northern Star</b>	Dawson/TX	Archer 16-1	100.00		
		Cozart A-1	100.00		
		Cozart 11-1	100.00		
		Cozart 19-1	100.00		
		Debnam 22-1	100.00		
		Pettaway 7-1	100.00		
<b>Hawkville (ORRI Only)</b>	McMullen/TX	Donnell 457-1H	0.12500		
		Donnell C-1H	0.99345		
		Donnell C-2H	1.06054		
		Donnell-Mulholland #1	0.059553		
		Donnell-Mulholland #2	0.059553		

**USA - Areas of Interest**

Project Name	County/State	Notes		
Oyster Creek	Brazoria/TX			
Hawkville	McMullen/TX	ORRI Interest only		
Northern Star	Dawson/TX			
Big Star	Dawson/TX			