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ASX/NEWS RELEASE

24 March 2016

COMPANY UPDATE AND ADDENDUM TO NOTICE OF NOTEHOLDERS MEETING

Antares Energy Limited (ASX:AZZ) ("Antares" or the "Company") is pleased to provide a further update concerning its ongoing endeavours to achieve a liquidity event through an outright sale or joint venture of one or both of its Permian Projects or alternatively the refinancing of its listed convertible notes ("Convertible Notes").

COMPANY UPDATE

Wade Energy Corporation

Antares has worked proactively with Wade Energy Corporation, a private equity purchaser, to complete the transaction for the purchase of its Northern Star and Big Star assets (the **Permian Projects**) which was originally announced on 7 September 2015. During the period over which the transaction with Wade Energy was originally negotiated and the relevant purchase and sale agreements executed, the oil price traded in an approximate price range of US\$45 to US\$50 a barrel. Since the extension to the reset date of the Convertible Notes from the 30 October 2015 to 31 March 2016, the oil price has traded down to less than US\$27 a barrel in both January and February 2016. Subsequently, the oil price has traded up to greater than US\$40 and is currently trading around the US\$40 per barrel level. The amended purchase and sale agreements with Wade Energy (executed on or around 4 December 2015) failed to complete on the extended completion date of 15 January 2016, however the agreements remain on foot. Antares continues to engage with Wade Energy in relation to a potential transaction as the oil price approaches the level it was at the time of the original transaction.

Joint Venture

Following the 30 October 2015 extension to the reset date of the Convertible Notes, Antares engaged with RD Heritage Group and Black Dutch Management to explore the potential to form a joint venture to develop both the Northern Star and Big Star assets. If completed, the proposed 50/50 joint venture would have resulted in the Company being paid an initial purchase price sufficient to redeem the Convertible Notes. However, the downward volatility of the oil price during January 2016 made closing a joint venture very difficult. Antares continues to pursue the closing of a joint venture agreement in a rising oil price environment.

Sale Process

After an extensive period of meetings and discussions, in December 2015 Antares engaged KLR Group, a New York and Houston based full service investment and merchant bank, to run a complete sales process in relation to its Permian Projects. This sales process was inclusive of two other groups (DMK Oil and Gas and Hannathon Petroleum) so as to be able to present the most contiguous, complete and desirable Permian Basin assets possible. The sales process was extremely thorough and KLR was proactive in bringing in over 250 Permian Basin pre-qualified potential buyers. The process proceeded from December 2015 through

January and February 2016; months in which an oil price of less than US\$27 a barrel was endured. The process yielded significant interest in the Company's assets and a great deal of positive feedback. However, the low and volatile oil price meant that receipt of a bid was not achieved. The recent improvement in oil price to over US\$40 a barrel has renewed interest in the assets and the process is ongoing with multiple meetings scheduled this week and next.

Refinancing

Antares has pursued various options to refinance the Convertible Notes and on 5 March 2016 received, from Equity Group Investments, a Summary Of Material Terms Senior Secured Term Loan for up to US\$45,000,000 with maturity on 30 September 2017 (the **Summary**).

Equity Group Investments is Antares' second largest shareholder.

The Summary was provided for discussion purposes only and did not constitute a commitment or undertaking on the part of Equity Group Investments or any of its respective affiliates to provide any part of the financing contemplated.

On 11 March 2016 both parties engaged lawyers to proceed with the required documentation for progressing the transaction with intent of working towards making funding available by 18 March 2016. However, a transaction was not agreed.

Liquidity

On 25 January 2016, Mr Cruickshank proactively repaid his Housing Assistance Loan of US\$600,000 in full so as to provide liquidity for Antares to meet the January quarterly interest payment for the Convertible Notes. The Housing Assistance Loan was not due, nor was it called by Antares. The payment allowed Antares to retain its Breitburn Energy Partner Units ("**BBEP**") which have since appreciated in value by over 50% with the rising oil price resulting in a benefit to all Noteholders, shareholders and stakeholders.

Antares currently holds 3,000,000 BBEP having divested 1,300,000 BBEP. BBEP are consistently trading around US\$0.80 up from trading around US\$0.50 in early 2016 and have on occasions traded up over US\$1.00 in March 2016 in keeping with the higher commodity price.

In keeping with the most recent Quarterly Report Antares has just over \$1,000,000 cash at bank.

Summary

The major determinant of perceived value of the Company's assets is the market's expectations of the price of oil in the foreseeable future. The downward spiral in the oil price over the last 18 months and the continued uncertainty with respect to its future direction have resulted in a "no deal at any price" mentality whilst this uncertainty remains. The directors strongly believe in the value and future of the Company's Permian holdings as is demonstrated by the continued interest the Company receives for them, and best demonstrated by the robust sale of Southern Star on 27 October 2014 being 3,700 net acres for US\$50,000,000 and 4,300 BBEP (as defined above) representing total consideration of approximately \$US125,000,000 (being approximately \$US35,000 per acre). These are extraordinary times in our industry but having seen what the directors expect to be the double bottom in oil prices at less than \$US27 per barrel and the recent high of \$US40, time and perseverance is expected to achieve the desired outcome of Noteholders.

The Board remains totally committed to meeting the Company's obligations to Noteholders.

ADDENDUM TO NOTICE OF NOTEHOLDERS MEETING

On 4 March 2016 the Company made an announcement enclosing a notice of meeting as sent to all convertible noteholders (“**Noteholders**”) for a meeting (“**Meeting**”) to be held on Thursday, 31 March 2016 at the Parmelia Hilton Perth, 14 Mill Street, Perth, Western Australia (“**Antares Notice of Meeting**”).

On 7 March 2016 the Company made a further announcement providing additional background to the Antares Notice of Meeting.

Since the Antares Notice of Meeting was sent to Noteholders, the Company has been in discussions with Noteholders. As a result of these discussions, the Company is intending to propose a number of amendments to ‘Resolution 1 – Amendments to Trust Deed’ to be put to Noteholders at the Meeting for the Noteholders to consider and, if thought fit, to pass, with or without amendment.

Resolution 1 of the Antares Notice of Meeting currently seeks the following amendments to the trust deed (“**Trust Deed**”) for Antares’ convertible notes (“**Notes**”), to:

1. extend the reset date for the Notes to 31 March 2017;
2. place a moratorium on the payment of any interest from 31 January 2016 to 30 April 2017; and
3. increase the conversion rate for Noteholders so that one Note is convertible into four ordinary shares in Antares.

The amended resolution will also include the following amendments to the Trust Deed:

1. appointment of Noteholder nominee to the Company's Board;
2. subject to receipt of sufficient funds, ability for Noteholders to redeem following completion of disposal of the Projects;
3. subject to receipt of sufficient funds, additional exit payment to be paid to Noteholders; and
4. providing a mechanic for the Notes to become secured.

Specifically, it is intended that the following additions (with or without amendment) be made to Resolution 1:

5. amending Condition 20 of the Trust Deed by inserting the following:

"20.4 Appointment of director

*The Issuer shall promptly after receipt of all documents required under this clause, appoint as a director one person nominated for the time being by the Trustee on instruction by the Noteholders, as a non-executive director of the Issuer (“**Noteholder Director**”). Appointment by the Issuer of a Noteholder Director as a non-executive director of the Issuer is subject to:*

- (a) *compliance with all relevant regulations and laws;*
- (b) *receipt by the Issuer of a consent from the Noteholder Director; and*
- (c) *receipt by the Issuer of a letter of appointment signed by the Noteholder Director"*

6. inserting the following as Condition 18.5 of schedule 1 to the Trust Deed:

"18.5 Sale of Northern Star and Big Star projects

*Upon completion of the sale by the Issuer of its Northern Star and Big Star projects (the “**Projects**”) and receipt by the Company of sufficient cleared funds to repay the outstanding interest and Principal Amount of all the Notes (“**Completion of Sale**”),*

the Issuer must, within 10 Business Days of such Completion of Sale give notice to the Noteholders and to the Trustee and such notice shall provide details of the next Reset Date which shall be the earlier of 31 March 2017 and the date that is one month after the date on which Completion of Sale occurred."

7. inserting the following as Condition 20 of schedule 1 to the Trust Deed:

"20 Exit Payment

One month following the Completion of Sale, a payment to each Noteholder (which is not a payment of interest or Principal Amount on the Notes) shall be made as follows:

- (a) if the Completion of Sale occurs on or before 30 September 2016, such payment shall be equivalent to 10% of the Principal Amount of the Notes held by each Noteholder; and*
- (b) if the Completion of Sale occurs after 30 September 2016 but on or before 31 March 2017, such payment shall be equivalent to 20% of the Principal Amount of the Notes,*

provided that such payment shall only be made if the Completion of Sale results in the receipt by the Company of sufficient funds to pay such additional amounts (in addition to the repayment of the outstanding interest and Principal Amount of all the Notes)."

8. paragraph 5 of Resolution 1 set out in the Antares Notice of Meeting will become, as a result of the above referred to amendments, paragraph 8 of Resolution 1 and will read as follows:

*"making such other amendments to the Trust Deed as the Trustee in its absolute discretion considers necessary or desirable to give effect to the amendments set out in paragraphs 1, 2, 3, 4, 5, 6 and 7 above, **provided that** the deed of amendment to the Trust Deed ("**Deed of Amendment**") giving effect to the above paragraphs 1 to 8 of Resolution 1 will include a condition subsequent specifying that the amendments to the Trust Deed under the Deed of Amendment will be null and void if after the execution of the Deed of Amendment the Trustee (on instructions of the Noteholders) and Antares fail to agree and execute security documents by no later than 30 June 2016 to ensure that Antares' payment obligations to Noteholders under the Trust Deed are secured over the assets of Antares and its subsidiaries."*

The Directors of Antares believe that the proposed amendments to the proposed Resolution 1 to be put to Noteholders are in the best interests of Antares (and, in turn, the Noteholders) and will recommend to Noteholders at the Meeting that they vote in favour of Resolution 1 (as amended).

In relation to the security documents to secure the Notes pursuant to Resolution 1, the Directors of Antares will convene a subsequent meeting of Noteholders once the form of the security documents has been agreed between the Trustee and Antares to seek Noteholder approval to execute the security documents relating to the Notes.

ENTITLEMENT TO ATTEND AND VOTE

In accordance with clauses 9(d) and 11(a) of schedule 3 to the Trust Deed, persons eligible to attend and vote at the meeting are those persons who are registered as Noteholders 48 hours before the time appointed for holding the meeting.

The Company is endeavouring to arrange teleconference facilities to be made available at the offices of the Trustee's counsel, Baker & McKenzie, at Level 27, AMP Centre, 50 Bridge Street, Sydney, New South Wales, to Noteholders in Sydney who wish to observe the Meeting remotely.

QUORUM

In accordance with clause 5 of schedule 3 to the Trust Deed, no business shall be transacted at the meeting unless there is present at the commencement of business two or more Noteholders present personally or by proxy or attorney, who represent more than 10 per cent in principal amount of all the Notes on issue at that time.

If that quorum is not present by 12:30pm (WST), the meeting will be adjourned to a day and time not less than 21 days later at a place announced by the chair at the time of adjournment.

VOTING

In accordance with clause 8 of schedule 3 to the Trust Deed, a Noteholder (or in the case of joint Noteholders, the Noteholder whose name stands first on the register of Noteholders) is entitled to vote in respect of such Notes either in person or by proxy or attorney. Noteholders as recorded in the register 48 hours before the time appointed for holding the meeting shall be recognised as the legal holders of the Notes for all purposes associated with the meeting.

In accordance with clause 7 of schedule 3 to the Trust Deed, the resolution must be decided in the first instance by a show of hands and each voter is, on a show of hands, entitled to one vote and, on a poll, entitled to one vote in respect of each Note held by the Noteholder or by the person for whom the Noteholder is the proxy or attorney. A poll may be demanded by the chair or the Trustee, by at least five Noteholders present in person or by proxy or by attorney, by Noteholders present in person or by proxy or by attorney who together hold at least 5 per cent in principal amount of all the Notes or by Antares.

PROXIES

Votes at the meeting may be given personally or by proxy, attorney or representative. A person may be appointed a proxy whether or not that person is a Noteholder.

The instrument appointing the proxy must be in writing and signed by the Noteholder or, in the case of a corporation, executed under its common seal or signed on its behalf by its duly appointed attorney or a duly authorised officer of the corporation.

The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll):

by post to: PO Box 535, Applecross WA 6953

by facsimile to: (+61 8) 9315 2233

or by electronic means as noted on your proxy form. For the convenience of Noteholders, a proxy form is enclosed.

If Noteholders have not received a proxy form for the Noteholder Meeting, please contact the Company Secretary. There is also a blank proxy form attached to this announcement.

For further information please contact:

James Cruickshank
Chairman & CEO
+ (61) (0) 488 222 122
or + (1) 214 762 2202

ANTARES ENERGY LIMITED

ACN: 009 230 835

REGISTERED OFFICE:

GROUND FLOOR
63 HAY STREET
SUBIACO WA 6008

SHARE REGISTRY:

Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535, APPLECROSS WA 6953
AUSTRALIA
770 Canning Highway, APPLECROSS WA 6153
AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au W:
www.securitytransfer.com.au

Code:

AZZ

Holder Number:

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE
ONLINE**

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 12:00pm WST on Thursday 31 March 2016 at the Parmelia Hilton Perth, 14 Mill Street, Perth, Western Australia and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

1. Amendments to Trust Deed
2. Appointment of Independent Investigator

For

Against

Abstain

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 12:00pm WST on Tuesday, 29 March 2016.

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My/Our contact details in case of enquiries are:

Name:

Number:

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Noteholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A.

If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a noteholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Noteholder must sign.

Joint Holding: where the holding is in more than one name, all of the Noteholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Registrars Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO BOX 535 Applecross WA 6953 AUSTRALIA
Street Address	Alexandrea House Suite 1, 770 Canning Highway Applecross WA 6153 AUSTRALIA
Telephone	+61 8 9315 2333
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.