



ANTARES ENERGY LIMITED

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ASX/NEWS RELEASE

8 April 2016

ANTARES ENERGY LIMITED (AZZ) - NOTEHOLDER NOTICE OF RESUMED MEETING

Antares Energy Limited ("**Antares**" or "**Company**") encloses with this announcement a Notice of Resumed Meeting as sent to all Convertible Noteholders ("**Noteholders**").

The notice relates to the Noteholder meeting originally convened by Antares on 31 March 2016 ("**Noteholder Meeting**") and adjourned (see the Company's announcement on 1 April 2016) to allow all Noteholders the opportunity to consider and vote on the terms of a proposal to amend Resolution 1 in the Notice of Noteholders Meeting despatched on 4 March 2016 ("**Original Notice of Meeting**").

The Noteholder Meeting will be resumed and held at 12.00pm (WST) / 2.00pm (EST) on Friday, 29 April 2016 at the Parmelia Hilton Perth, 14 Mill Street, Perth, Western Australia and at the offices of the Trustee's counsel, Baker & McKenzie, at Level 27, AMP Centre, 50 Bridge Street, Sydney, New South Wales ("**Resumed Meeting**").

For further information please contact:
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ANTARES ENERGY LIMITED

ACN 009 230 835

NOTICE OF RESUMED MEETING OF NOTEHOLDERS

The meeting convened on 31 March 2016 and adjourned by resolution of noteholders will be resumed and held at 12:00pm (WST) / 2.00pm (EST) on Friday, 29 April 2016 at the Parmelia Hilton Perth, 14 Mill Street, Perth, Western Australia and at the offices of the Trustee's counsel, Baker & McKenzie, at Level 27, AMP Centre, 50 Bridge Street, Sydney, New South Wales

ANTARES ENERGY LIMITED

NOTICE OF RESUMED MEETING OF NOTEHOLDERS

NOTICE IS HEREBY GIVEN that the meeting of Noteholders convened by Antares Energy Limited ("**Antares**" or "**Company**") on 31 March 2016 and adjourned by resolution of noteholders ("**Noteholder Meeting**") to allow all Noteholders the opportunity to consider and vote on the terms of a proposal to amend Resolution 1 in the Notice of Noteholders Meeting despatched on 4 March 2016 ("**Original Notice of Meeting**") will be resumed and held at 12:00pm (WST) / 2.00pm (EST) on Friday, 29 April 2016 at the Parmelia Hilton Perth, 14 Mill Street, Perth, Western Australia and at the offices of the Trustee's counsel, Baker & McKenzie, at Level 27, AMP Centre, 50 Bridge Street, Sydney, New South Wales for the purpose of:

- proposing a new resolution ("**Resolution A**") (for Noteholders to consider and if thought fit, to pass, with or without amendment), pertaining to certain amendments to 'Resolution 1 - Amendments to Trust Deed' in the Original Notice of Meeting;
- providing the opportunity for Noteholders who have not voted, to vote on Resolution A, and Resolution 1 (with or without amendment by Resolution A) and / or Resolution 2 in the Original Notice of Meeting;
- providing the opportunity for Noteholders who have voted, but wish to change the way they voted on Resolution 1 and / or Resolution 2 in the Original Notice of Meeting, the ability to do so;
- proposing a new resolution ("**Resolution 3**") pertaining to the waiver of an alleged material breach by Antares pursuant to the Trust Deed, that will only be put to Noteholders to consider and if thought fit, to pass, with or without amendment, if Resolution 1 is passed (with or without amendment by Resolution A); and
- proposing a new resolution ("**Resolution 4**") pertaining to the Trustee's enforcement of the Trust Deed, that will only be put to Noteholders to consider and if thought fit, to pass, with or without amendment, if Resolution 1 is not passed (with or without amendment by Resolution A).

For the purposes of this Notice of Resumed Meeting of Noteholders ("**Notice**"):

- "**Noteholders**" means the persons whose names are entered in the register maintained by or on behalf of convertible unsecured notes (ASX: AZZG) ("**Notes**") issued pursuant to the Note Trust Deed dated 19 September 2003, as amended on 31 January 2007, 12 July 2013 and 30 October 2015, ("**Trust Deed**") between Antares (then named Amity Oil Limited) and Trust Company Limited (then named Trust Company of Australia Limited) ("**Trustee**"); and
- "**Event of Default**" means the alleged default in the payment of any principal which Antares is bound to pay under the Trust Deed following receipt of certain redemption notices from Noteholders as set out in the notice given by the Trustee to Antares dated 1 April 2016 ("**Notice of Default**").

The Explanatory Note accompanying and forming part of this Notice describes in more detail the background to the adjournment of the Noteholder Meeting, and the reasons why Resolution A and new Resolutions 3 and 4 are being put to Noteholders.

ITEM OF BUSINESS

RESOLUTION A - AMENDMENTS TO RESOLUTION 1

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

"That Resolution 1 as set out in the Original Notice of Meeting be amended by altering the existing wording as per item 1 below and including new paragraphs as per items 2 - 5:

1. including the words "*With effect from 30 March 2016*" at the start of item 3 in Resolution 1;

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

"20.4 Appointment of directors

The Issuer shall promptly after receipt of all documents required under this clause, appoint as directors up to four persons nominated for the time being by the Trustee on instruction by the Noteholders, as non-executive directors of the Issuer ("Noteholder Directors"). Appointment by the Issuer of the Noteholder Directors as non-executive directors 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 Directors; and*
- (c) *receipt by the Issuer of a letter of appointment signed by the Noteholder Directors."*

3. 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 Issuer 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."

4. 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 June 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 June 2016 but on or before 30 September 2016, such payment shall be equivalent to 20% of the Principal Amount of the Notes held by each Noteholder; and*
- (c) *if the Completion of Sale occurs after 30 September 2016 but on or before 31 March 2017, such payment shall be equivalent to 30% 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 Issuer of sufficient funds to pay such additional amounts (in addition to the repayment of the outstanding interest and Principal Amount of all the Notes)."

5. paragraph 5 of Resolution 1 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 effective as of 30 March 2016, and to provide security for Antares' payment obligations to Noteholders under the Trust Deed **provided that** the deed of amendment to the Trust Deed ("**Deed of Amendment**") giving effect to the above paragraphs 1 to 7 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, such*

security to consist of at least a first-ranking general security agreement over all of the assets and undertaking of Antares."

Should the proposed amendments to Resolution A not be passed, Resolution 1 will remain as drafted in the Original Notice of Meeting.

RECOMMENDATION

The Directors of Antares believe that the proposed amendments to Resolution 1 specified in Resolution A to be put to Noteholders are in the best interests of the Company (and, in turn, the Noteholders) and recommend to Noteholders that they vote in favour of Resolution A.

RESOLUTION 1 - AMENDMENTS TO TRUST DEED

Should Resolution A be passed, the consolidated amended Resolution 1 to be considered and, if thought fit passed (with or without amendment) will read as follows:

"That for the purposes of clause 9.1(c) of the Trust Deed and in accordance with clauses 11(a)(ii) and 13(a) of schedule 3 to the Trust Deed the Noteholders assent to the Trustee exercising, and instruct the Trustee to exercise, its power under clause 9.1(c) of the Trust Deed to, by agreement with Antares, amend the Trust Deed by:

1. deleting Condition 18.4 of schedule 1 to the Trust Deed and replacing it with the following:

"18.4 Reset Date

With effect from 29 October 2015, it is deemed that for the purposes of this deed in respect of the Reset Date which occurred on 31 October 2012, the next Reset Date shall be 31 March 2017."

2. amending Condition 2.1 of schedule 1 to the Trust Deed by inserting the following words at the start of that condition:

"Subject to Condition 2.1A....";

3. insert a new Condition 2.1A in schedule 1 to the Trust Deed after Condition 2.1 which is as follows:

"2.1A Interest payment moratorium

With effect from 30 March 2016, for the period commencing on 31 January 2016 (inclusive) to 30 April 2017 (exclusive) ("Moratorium Period"):

- (a) *the next Interest Payment Date shall be deemed to be 30 April 2017;*
- (b) *the relevant Interest Period for the above Interest Payment Date in Condition 2.1A(a) shall be deemed to be the Moratorium Period;*
- (c) *interest shall accrue to those persons who are Noteholders on 21 January 2016; and*
- (d) *the Issuer shall pay accrued interest in arrears on the Interest Payment Date in Condition 2.1A(a) for the Interest Period in Condition 2.1A(b).";*

4. deleting Condition 5.4 of schedule 1 to the Trust Deed and replacing it with the following:

"5.4 Number of Ordinary Shares Issued on Conversion

Subject to Condition 5.5 and Condition 18, a Noteholder on Conversion of any Notes shall be entitled in all respects to four Ordinary Shares for every Note converted."

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

"20.4 Appointment of directors

The Issuer shall promptly after receipt of all documents required under this clause, appoint as directors up to four persons nominated for the time being by the Trustee on instruction by the Noteholders, as non-executive directors of the Issuer ("Noteholder Directors"). Appointment by the Issuer of the Noteholder Directors as non-executive directors 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 Directors; and*
- (c) receipt by the Issuer of a letter of appointment signed by the Noteholder Directors."*

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 Issuer 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 June 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 June 2016 but on or before 30 September 2016, such payment shall be equivalent to 20% of the Principal Amount of the Notes held by each Noteholder; and*
- (c) if the Completion of Sale occurs after 30 September 2016 but on or before 31 March 2017, such payment shall be equivalent to 30% 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 Issuer 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. *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 effective as of 30 March 2016, and to provide security for Antares' payment obligations to Noteholders under the Trust Deed, **provided that** the deed of amendment to the Trust Deed ("**Deed of Amendment**") giving effect to the above paragraphs 1 to 7 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, such security to consist of at least a first-ranking general security agreement over all of the assets and undertaking of Antares."*

If Resolution A is not passed, then Resolution 1 will remain as set out in the Original Notice of Meeting, and will read as follows:

"That for the purposes of clause 9.1(c) of the Trust Deed and in accordance with clauses 11(a)(ii) and 13(a) of schedule 3 to the Trust Deed the Noteholders assent to the Trustee exercising, and instruct the Trustee to exercise, its power under clause 9.1(c) of the Trust Deed to, by agreement with Antares, amend the Trust Deed by:

1. deleting Condition 18.4 of schedule 1 to the Trust Deed and replacing it with the following:

"18.4 Reset Date

With effect from 29 October 2015, it is deemed that for the purposes of this deed in respect of the Reset Date which occurred on 31 October 2012, the next Reset Date shall be 31 March 2017."

2. amending Condition 2.1 of schedule 1 to the Trust Deed by inserting the following words at the start of that condition:

"Subject to Condition 2.1A....";

3. insert a new Condition 2.1A in schedule 1 to the Trust Deed after Condition 2.1 which is as follows:

"2.1A Interest payment moratorium

For the period commencing on 31 January 2016 (inclusive) to 30 April 2017 (exclusive) ("Moratorium Period"):

- (a) *the next Interest Payment Date shall be deemed to be 30 April 2017;*
- (b) *the relevant Interest Period for the above Interest Payment Date in Condition 2.1A(a) shall be deemed to be the Moratorium Period;*
- (c) *interest shall accrue to those persons who are Noteholders on 21 January 2016; and*
- (d) *the Issuer shall pay accrued interest in arrears on the Interest Payment Date in Condition 2.1A(a) for the Interest Period in Condition 2.1A(b).";*

4. deleting Condition 5.4 of schedule 1 to the Trust Deed and replacing it with the following:

"5.4 Number of Ordinary Shares Issued on Conversion

Subject to Condition 5.5 and Condition 18, a Noteholder on Conversion of any Notes shall be entitled in all respects to four Ordinary Shares for every Note converted."; and

5. 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 and 4 above."

RECOMMENDATION

The Directors of Antares believe that the proposed Resolution 1 (both as amended by Resolution A, or if Resolution A is not passed, in its original form) is in the best interests of Antares (and, in turn, the Noteholders) and recommend you vote in favour of Resolution 1.

RESOLUTION 2 - APPOINTMENT OF INDEPENDENT INVESTIGATOR

Resolution 2 remains unchanged from the Original Notice of Meeting, and is reproduced below for convenience:

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

"That an independent accountant (or other properly qualified professional) ("**Independent Investigator**") appointed forthwith to conduct, on behalf of the Trustee (but at the Issuer's cost, up to a maximum contribution by the Issuer of an amount to be agreed between the Trustee and Issuer, for the initial scope of work set out below (and assuming no delays or difficulties in accessing information) or such additional amount as agreed between the Issuer and Trustee), an independent business review in relation to the following aspects of the Issuer's business and assets:

1. the process(es) undertaken by the Issuer in 2015 and 2016 for the sale (or attempted sale) of the Issuer's oil exploration tenements known as "Northern Star" and "Big Star" (together, "**Assets**"), located in the United States of America;
2. the Issuer's cash flow forecasts in the management accounts prepared by the Issuer; and
3. the conditions to completion of any sale of the Assets that is binding but not completed at the time of the appointment of the Independent Investigator,

such Independent Investigator to have full access to all of the Issuer's books, records and management personnel with the Independent Investigator to then report in writing to the Trustee (on a confidential basis) in relation to those matters (with the independent business review and written report to the Trustee to be completed within fifteen (15) Business Days of the initial appointment of the Independent Investigator, or such further time as the Trustee may determine)."

RECOMMENDATION

The Directors of Antares recommend that you vote against Resolution 2 for the reasons outlined in the Explanatory Note to the Original Notice of Meeting.

RESOLUTION 3 - WAIVER OF ALLEGED MATERIAL BREACH

Subject to Resolution 1 being passed, to consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

"Subject to the passing of Resolution 1 (with or without amendment by Resolution A), that the Trustee be instructed to waive the alleged default by the Issuer in payment of principal amounts due to certain Noteholders set out in the Notice of Default in accordance with clause 9.1(d) of the Trust Deed."

RECOMMENDATION

The Directors of Antares believe that the proposed Resolution 3 to be put to Noteholders is in the best interests of the Company (and, in turn, the Noteholders) as a consequence of the passing of Resolution 1, and recommend to Noteholders that they vote in favour of Resolution 3.

RESOLUTION 4 - ENFORCEMENT OF TRUST DEED

If Resolution 1 is not passed (with or without amendment by Resolution A), to consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

"That for the purposes of clauses 8.2 and 11.1 of the Trust Deed, and clause 11(b)(ii) of Schedule 3 to the Trust Deed, the Trustee be directed to:

- (a) declare all Moneys Owing immediately due and payable by the Issuer;
- (b) enforce the Trust Deed and any other Transaction Document, in order to recover payment of the Moneys Owing;

and the Trustee will be entitled take all such steps as may (in the Trustee's opinion) be necessary or desirable to give effect to (a) and (b) above."

RECOMMENDATION

The Directors of Antares make no recommendation regarding Resolution 4.

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 were registered as Noteholders as at 12.00pm (WST) / 2.00pm (EST) on Tuesday 29 March 2016 (being 48 hours before the time originally appointed for holding the Noteholder Meeting).

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) / 2.30pm (EST), the meeting will again 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. As noted above, persons who were registered as Noteholders as at 12.00pm (WST) / 2.00pm (EST) on Tuesday 29 March 2016 (being 48 hours before the time originally appointed for holding the Noteholder Meeting) shall be recognised as the legal holders of the Notes for all purposes associated with the Resumed 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 Resumed 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 ideally be lodged not less than 48 hours before the time appointed for holding the Resumed Meeting:

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, but will be accepted up until the time appointed for holding the Resumed Meeting (i.e. 12.00pm (WST) / 2.00pm (EST) on 29 April 2016).

A new proxy form including Resolution A and new Resolutions 3 and 4 is enclosed. If you submit this proxy form it will replace any proxy form you have previously submitted.

In addition, if Resolution A is passed, proxies which have been previously submitted in relation to Original Resolution 1 (and not replaced) will continue to apply to the amended resolution. If you wish to resubmit your proxy, you can do so up until the time appointed for holding the Resumed Meeting.

If Noteholders have not received a new proxy form for the Noteholder Meeting, please contact the Company Secretary.

By Order of the Board of
Antares Energy Limited

Graeme Smith
Company Secretary

Dated: 8 April 2016

EXPLANATORY NOTE

This Explanatory Note has been prepared to assist Noteholders in considering the resolutions set out in the attached Notice. This Explanatory Note forms part of, and should be read in conjunction with, the Notice.

BACKGROUND

On 30 October 2015, Noteholders approved an extension of the 'Reset Date' for the Notes to 31 March 2016 to allow Antares sufficient time to progress the sale in respect of its Assets. Despite Antares' best efforts and extensions granted to the purchaser, Wade Energy Corporation (a private equity purchaser) ("**Purchaser**"), the sale of the Assets has not completed despite the sale agreements remaining on foot. Antares is currently considering its options in relation to the Purchaser's failure to complete the acquisition of the Assets under the sale agreements.

On 4 March 2016, the Company made an announcement enclosing a notice of meeting as sent to all Noteholders for a meeting ("**Meeting**") to be held on Thursday, 31 March 2016 at the Parmelia Hilton Perth, 14 Mill Street, Perth, Western Australia ("**Original Notice of Meeting**"). Amongst other things, the Explanatory Memorandum to the Original Notice of Meeting set out details of:

- the Company's engagement with parties who have expressed an interest in the Assets;
- the Board's views regarding the likelihood of sale of the Assets being completed;
- the amendments proposed to the Trust Deed, the rationale for seeking those amendments, and what passing the resolution to amend the Trust Deed means for Noteholders;
- the proposed appointment of an independent investigator to the Company to conduct an independent business review of the Company's business and assets, if requested by a majority of Noteholders; and
- the redemption notices received from Noteholders, and the fact that the Company's cash reserves were not sufficient to satisfy those redemption notices;

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

On 24 March 2016, following discussions with Noteholders, the Company made a further announcement flagging a number of proposed amendments to Resolution 1 in the Original Notice of Meeting ("**Original Amending Resolution**") to be put to Noteholders at the Meeting. The proposed amendments were to make the following additional amendments to the Trust Deed:

1. appointment of a 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,

and these proposed amendments to the Original Notice of Meeting were the subject of an addendum to the Original Notice of Meeting ("**Notice of Meeting Addendum**").

Subsequent to the dispatch of the Notice of Meeting Addendum, the Company engaged in further discussions with significant Noteholders, and as a result of those discussions agreed to propose further amendments to the Trust Deed that, if approved by Noteholders, will benefit all Noteholders.

As announced on 1 April 2016, at the Meeting on 31 March 2016 the Noteholders resolved to adjourn the Meeting until 12.00pm (WST) / 2.00pm (EST) on 29 April 2016 to allow the Noteholders the opportunity to consider and vote on terms of the Company's revised proposal to amend Resolution 1 in the Original Notice of Meeting.

RESOLUTION A - AMENDMENTS TO TRUST DEED

As noted above, on 24 March 2016, following discussions with Noteholders, the Company made an announcement flagging a number of proposed amendments to 'Resolution 1 – Amendments to Trust Deed' to be put to Noteholders at the Meeting. The proposed amendments were to make the following additional amendments to the Trust Deed:

1. appointment of a 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 Assets;
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.

Following subsequent discussions with certain significant Noteholders, it is proposed that two of the amendments referred to above, namely, those referred to in items 1 and 3 above, will be varied as follows:

1. up to four (4) Noteholder nominees may be appointed to the Company's Board; and
2. the structure of the proposed exit payments will be altered such that (subject to receipt of sufficient funds):
 - (a) if the Completion of Sale occurs on or before 30 June 2016, such payment shall be equivalent to 10% of the Principal Amount of the Notes held by each Noteholder;
 - (b) if the Completion of Sale occurs on or before 30 September 2016, such payment shall be equivalent to 20% of the Principal Amount of the Notes held by each Noteholder; and
 - (c) if the Completion of Sale occurs after 30 September 2016 but on or before 31 March 2017, such payment shall be equivalent to 30% of the Principal Amount of the Notes.

WHAT PASSING RESOLUTION A MEANS FOR YOU

By passing Resolution A, Noteholders are approving an amendment to Resolution 1 to the Original Notice of Meeting so that the amendments to the Trust Deed to be considered and, if thought fit passed (with or without amendment) under Resolution 1 will be to:

1. amend the 'Reset Date' for the Notes to 31 March 2017;
2. amend the next interest payment date to 30 April 2017;
3. increase the conversion rate for each Note to four ordinary shares in Antares;
4. allow for the appointment of up to four (4) Noteholder nominees to the Company's Board;
5. subject to receipt by Antares of sufficient funds, confer on Noteholders the ability to redeem their Notes following completion of disposal of the Assets;
6. subject to receipt by Antares of sufficient funds, confer on Noteholders the right to an exit payment following completion of the disposal of the Assets, structured as follows:
 - (a) if the Completion of Sale occurs on or before 30 June 2016, such payment shall be equivalent to 10% of the Principal Amount of the Notes held by each Noteholder;
 - (b) if the Completion of Sale occurs on or before 30 September 2016, such payment shall be equivalent to 20% of the Principal Amount of the Notes held by each Noteholder;

- (c) if the Completion of Sale occurs after 30 September 2016 but on or before 31 March 2017, such payment shall be equivalent to 30% of the Principal Amount of the Notes; and

7. providing a mechanic for the Notes to become secured.

RESOLUTION 1 - AMENDMENTS TO TRUST DEED

Reset Date

On 30 October 2015, the next 'Reset Date' for the Notes was amended to 31 March 2016.

If Resolution 1 is passed, the current 'Reset Date' for the Notes will be changed from 31 March 2016 to 31 March 2017.

As at the date of this notice, Antares has received redemption notices from Noteholders totalling \$24,642,466. If Noteholders do not approve Resolution 1 (whether amended by Resolution A or in its original form) to amend the Reset Date of the Notes, Antares will not have sufficient funds to satisfy the redemption notices received to date and the Board of Antares will have to consider a review of the financial position of the Company, including the potential appointment of an administrator.

As announced on 1 April 2016, because the current Reset Date has passed, Antares received the Notice of Default. Given that the resolutions to be considered at the Resumed Meeting will, if approved, address this situation by amending the Reset Date, until such time as the Noteholders have had the opportunity to vote at the resumption of the meeting, Antares does not intend to take any immediate action with respect to such redemptions. If approved, the amendments to the Trust Deed will take effect from 30 March 2016.

Interest rate moratorium

The last interest payment on the Notes was made on 29 January 2016 and pursuant to Condition 2.1 of schedule 1 of the Trust Deed, the next interest payment date for the Notes is 30 April 2016.

If Resolution 1 is passed (whether amended by Resolution A or in its original form), there will be a moratorium on interest payments from Antares to Noteholders for the period commencing 31 January 2016 (inclusive) to 30 April 2017 (exclusive). The next interest payment date made by Antares to Noteholders will be deferred for 12 months to 30 April 2017. Although no interest payments will be made by Antares to Noteholders during the Moratorium Period, interest will continue to accrue on each Note during this period which will be payable to Noteholders on the amended interest payment date of 30 April 2017.

Increased conversion rate

Each Note can currently be converted by a Noteholder at any time prior to maturity into three ordinary shares in Antares.

If Resolution 1 is passed (whether amended by Resolution A or in its original form), the conversion rate for each Note will be increased so that each Note may be converted by a Noteholder at any time prior to maturity into four ordinary shares in Antares.

Appointment of Noteholder nominees to the Company's Board

Under the Note terms, Noteholders do not currently have a nominee on the Company's Board.

If both Resolution A and Resolution 1 are passed, the Noteholders will be entitled to appoint up to 4 nominees to the Company's Board.

If Resolution A is not passed, but Resolution 1 is passed, the position will remain unchanged: Noteholders will not have a nominee on the Company's Board.

Ability for Noteholders to redeem following completion of disposal of the Assets

Noteholders do not currently have the right to redeem their Notes if the Company disposes of its Assets.

If both Resolution A and Resolution 1 are passed, and subject to the Company realising sufficient funds on completion of the sale of its Assets, the Noteholders will have the right to redeem their Notes on completion of the sale by the Company of its Assets.

If Resolution A is not passed, but Resolution 1 is passed, Noteholders will not be entitled to redeem their units until 31 March 2017.

Exit payment

The Noteholders do not currently have any entitlement to a payment if the Company completes the sale of its Assets.

If both Resolution A and Resolution 1 are passed, and subject to the Company realising sufficient funds on completion of the sale of its Assets, the Noteholders will be entitled to an exit payment structured as follows:

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

If Resolution A is not passed, but Resolution 1 is passed, Noteholders will not have any entitlement to an exit payment if the Company completes the sale of its Assets.

Secured Notes

The Notes are currently unsecured.

If both Resolution A and Resolution 1 are passed, the Company will take all reasonable steps to grant security in respect of the Notes, if such security is not put in place prior to the Meeting (conditional upon the passing of Resolution 1).

If Resolution A is not passed, but Resolution is passed, the Notes will remain unsecured.

WHAT PASSING RESOLUTION 1 MEANS FOR YOU

By passing Resolution 1 (as amended by Resolution A), Noteholders are authorising the Trustee to amend the Trust Deed to:

1. amend the 'Reset Date' for the Notes to 31 March 2017;
2. amend the next interest payment date to 30 April 2017;
3. increase the conversion rate for each Note to four ordinary shares in Antares;
4. enable the appointment of up to 4 Noteholder nominees to the Company's Board;
5. following completion of disposal of the Assets, and subject to receipt by the Company of sufficient funds from the sale:
 - 5.1 enable Noteholders to redeem their Notes; and
 - 5.2 provide for an additional exit payment to be paid to Noteholders; and
6. include a mechanic for the Notes to become secured.

If Resolution 1 is passed:

7. redemption notices lodged by Noteholders will be redeemed by Antares on the amended Reset Date of 31 March 2017 (and not before that date);
8. the next interest payment received by Noteholders will be on 30 April 2017 (with interest not paid in cash in the meantime). However, the Notes will continue to accrue interest despite no interest payments being made by Antares; and
9. Noteholders may convert the Notes they hold at the new conversion rate of one Note into four ordinary shares in Antares.

The passing of Resolution 1 will not alter any other conditions on which the existing Notes are currently held.

RESOLUTION 2 – APPOINTMENT OF INDEPENDENT INVESTIGATOR

As set out in the Explanatory Note to the Original Notice of Meeting, if requested by a majority of Noteholders, Antares will voluntarily appoint an Independent Investigator to the Company to conduct an independent business review of the company's business and assets. The Company's agreement to do so is conditional upon the approval of Resolution 1 (with or without amendment by Resolution A).

The purpose of Resolution 2 is to obtain the direction of a majority of Noteholders that they wish for an Independent Investigator to be appointed to investigate the business and assets of Antares and provide a confidential report to the Trustee on the matters described in this Notice.

If Resolution 2 is passed (as well as Resolution 1), Antares will agree and arrange with the Trustee for the appointment of an Independent Investigator to the Company as soon as practicable after the date of this meeting.

Finally, Noteholders should be conscious that, even absent a vote in favour of Resolution 1 and/or 2, the Trustee may apply to a Court of competent jurisdiction for orders that an Independent Investigator (or similar person) be appointed to Antares.

RESOLUTION 3 - WAIVER OF ALLEGED MATERIAL BREACH

According to the Notice of Default, the Trustee has given notice of the occurrence of an alleged Event of Default. Under Section 9.1(d) of the Trust Deed, the Trustee may on the instructions or directions of the Noteholders by ordinary resolution, waive any material breach by Antares of any covenants or obligations binding on it under the Trust Deed (including any Event of Default) on such terms as the Noteholders instruct.

The waiver of the alleged material breach under Resolution 3 is therefore only relevant (and will only be put to the meeting) if Resolution 1 is passed (with or without amendment by Resolution A).

RESOLUTION 4 - ENFORCEMENT OF TRUST DEED

Under clause 11.2 of the Trust Deed, before taking action to enforce the Trust Deed (or any other Transaction Document), the Trustee must first be directed by Noteholders to do so (by an ordinary resolution of Noteholders passed at a meeting of Noteholders).

The enforcement of the Trust Deed is only relevant (and Resolution 4 will only be put to the meeting) if Resolution 1 is not passed.

The Trustee has notified the Company that it wishes to raise the matter of enforcement of the Trust Deed with Noteholders, either at or prior to the Resumed Meeting, and has requested the Company include Resolution 4 in the Notice of Resumed Meeting.

While the Company has agreed to do so (primarily to avoid the costs associated with the Trustee taking steps to convene a separate Noteholder Meeting), the Company makes no admission regarding the alleged Event of Default, and the Board makes no recommendation in relation to Resolution 4.

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, **noting that the Chairperson of the Meeting intends to abstain from voting all undirected proxies**) at the resumed Noteholder Meeting of the Company to be held at 12:00pm WST / 2.00pm EST on Friday 29 April 2016 at the Parmelia Hilton Perth, 14 Mill Street, Perth, Western Australia and at the offices of Baker & McKenzie, at Level 27, AMP Centre, 50 Bridge Street, Sydney, New South Wales and at any further 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 abstain from voting all undirected proxies.** 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

- | | For | Against | Abstain |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| A. Amendments to Resolution 1 (The Directors recommend to Noteholders that they vote in favour of Resolution A) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1. Amendments to Trust Deed (The Directors recommend to Noteholders that they vote in favour of Resolution 1) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Appointment of Independent Investigator (The Directors recommend to Noteholders that they vote against Resolution 2) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Waiver of alleged breach of Trust Deed (The Directors recommend to Noteholders that they vote in favour Resolution 3) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Enforcement of Trust Deed (The Directors make no recommendation to Noteholders regarding Resolution 4) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

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

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

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

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My/Our contact details in case of enquiries are:

Name:

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Number:

(

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)

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:

- a) 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
- b) 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.

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 Alexandra 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.