



ANTARES ENERGY LIMITED

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27 October 2015

ASX Announcement

COMPANY AND NOTEHOLDER UPDATE

Antares Energy Limited (ASX:AZZ, **Antares**) is pleased to provide the following company update. Antares is continuing to progress the sale of its Northern Star and Big Star assets to a private equity buyer, a private entity known within the US oil and gas sector and known to Antares. The sale agreements were executed by Antares Energy Company, a subsidiary of Santa Energy Pty Ltd, which is a wholly owned subsidiary of Antares. Antares is continuing to manage the Northern Star and Big Star field operations in a prudent manner while progressing the sale of the assets. As with all transactions of this nature, completion remains subject to closing risks but the parties are working co-operatively towards completion of the transactions.

As previously disclosed, if both sale transactions are completed, the sale of Northern Star and Big Star will result in Antares receiving gross pre-tax proceeds from the transactions of approximately 250,000,000 USD, subject to customary closing adjustments and estimated taxation and frictional costs of 70,000,000 USD. The 200,000,000 USD secured debt facility that Antares has recently renewed with Macquarie Bank Limited remains completely undrawn. Other than the unsecured convertible notes (Notes) on issue, the Company has no other significant debts.

As announced on 8 October 2015, Antares has convened a meeting of convertible noteholders (Noteholders) to be held at 10:00am (WST) on 30 October 2015 (Noteholder Meeting). The Noteholder Meeting seeks Noteholder approval to amend the reset date of the Notes to 31 March 2016. Proxies for the Noteholder Meeting must be submitted by 10:00am on 28 October 2015. Antares received redemption notices from Noteholders for 11,891,535 Notes for a total redemption value of 23,783,070 AUD.

If Noteholders approve the amendment to the reset date, redemption notices which have been submitted will be redeemed by Antares on the amended reset date of 31 March 2016, unless withdrawn by Noteholders prior to the amended reset date. Antares will also request that the Trustee to the Notes executes the deed of amendment to the Note Trust Deed as soon as practicable after the Noteholder Meeting on 30 October 2015, which may be as early as immediately after conclusion of the Noteholder Meeting.

The Directors recommend that Noteholders vote in favour of Resolution 1 at the Noteholder Meeting.

The Directors of Antares encourage Noteholders to vote in favour of Resolution 1 to extend the reset date at the Noteholder Meeting to allow Antares sufficient opportunity to progress the current sale process being conducted in respect of its Northern Star and Big Star projects.

If Noteholders have not received a proxy form for the Noteholder Meeting, please contact the Company Secretary on +61 8 9 382 8822.

For further information please contact:

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