



# ANTARES ENERGY LIMITED

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ASX/NEWS RELEASE

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## NOTEHOLDER MEETING

On Friday 4 March 2016 Antares Energy Limited ("**Antares**" or "**Company**") sent a notice of meeting to all convertible noteholders ("**Noteholders**") for a meeting to be held on Thursday 31 March 2016 ("**Notice of Meeting**").

The Notice of Meeting is for two resolutions to be put to Noteholders, Resolution 1 being to amend the trust deed for Antares' convertible unsecured notes ("**Trust Deed**") and Resolution 2 being to appoint an independent investigator to Antares.

### BACKGROUND TO NOTICE OF MEETING

On 30 October 2015, Noteholders approved an extension of the reset date for the convertible unsecured notes of Antares ("**Notes**") to 31 March 2016 to allow Antares sufficient time to progress the sale in respect of its Northern Star and Big Star projects ("**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.

Antares has also conducted a sales process for the Assets to identify alternative purchasers for these projects. The sales process generated interest from a number of parties and the feedback on the quality of the Assets was positive. However, at this point Antares has not received any offers to purchase the Assets.

Antares is continuing to engage with parties who have expressed an interest in the Assets with the aim of agreeing a sale or joint venture for the Assets. The Board of Antares' believes that the realisable value of the Assets is directly linked to global oil prices and that the current depressed oil price is the main contributing factor to the lack of formal offers from interested parties to purchase the Assets.

The Board of Antares is optimistic about future oil prices movements and has sent the Notice of Meeting to Noteholders to seek amendments to the Trust Deed (pursuant to Resolution 1 of the Notice of Meeting) 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.

If Resolution 1 of the Notice of Meeting is passed this will allow will Antares additional time to complete a sale of the Assets. If Antares is able to complete a sale of the Assets prior to the extended reset date for the Notes of 31 March 2017, the Board of Antares intends to take all prudent steps to immediately redeem the Notes prior to this date. However, Noteholders should be aware that there is a risk that Antares may not be able to complete a sale of the Assets if the extensions sought by Resolution 1 are approved or at all.

Antares advises Noteholders that the Company currently has insufficient cash reserves to satisfy the redemption notices received to date for 11,910,669 Notes for a total redemption value of \$23,821,338. If

Resolution 1 is not passed at the meeting to be held on Thursday 31 March 2016, Antares will not be able to satisfy redemption notices it has received, on 31 March 2016, and the Company will conduct an immediate review of its financial position, which may include an administrator being appointed to the Company.

#### *Appointment of Independent Investigator*

Due to the delays in the sale of the Assets, the Trustee has advised Antares that a number of Noteholders have requested that an independent accountant (or other properly qualified professional) ("**Independent Investigator**") be appointed to conduct an independent business review of the Company's business and assets if requested by a majority of Noteholders. The Trustee has also advised Antares that it regards this appointment as being justified for purposes of the Trustee satisfying its own duties under the Corporations Act, and that it is entitled to approach the Court for orders accordingly.

The Directors of Antares do not support the appointment of an Independent Investigator to the Company as they believe the appointment is not an efficient use of the Company's funds, Antares has not received requests for the appointment from a large number of Noteholders and the appointment may be detrimental to Antares' efforts to sell the Assets, as described above. However, Antares has agreed to the appointment of an Independent Investigator to the Company (on behalf of the Trustee) to conduct an independent business review of the company's business and assets if a majority of Noteholders resolve, by passing Resolution 2 of the Notice of Meeting, that an Independent Investigator should be appointed. The Company's agreement to do so is conditional upon Resolution 1 being approved.

The Trustee has also called its own meeting of Noteholders to be held on Monday, 21 March 2016 in Sydney to consider a resolution similar to Resolution 2 relating to the appointment of an Independent Investigator to Antares ("**Trustee Resolution**"). As such, it is possible that an Independent Investigator may be appointed prior to the meeting.

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

The scope of any appointment of the Independent Investigator has been proposed to be:

1. investigate the process undertaken by Antares in 2015 and 2016 for the sale of its Assets located in the United States of America;
1. review the Issuer's cash flow forecasts in the management accounts prepared by the Issuer; and
2. review 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.

The cost of the review conducted by the Independent Investigator will be borne by Antares and Antares' contribution to the cost will (subject to certain assumptions) be capped at an amount to be agreed between Antares and the Trustee.

Antares will provide the Independent Investigator with full access to its books, records and management personnel and will co-operate with any request made by the Independent Investigator for information relevant to the scope of their investigation.

The Independent Investigator will provide the Trustee with a written report (on a confidential basis) into its findings within 15 days of their appointment to Antares, or such other time as the Trustee may determine.

#### *Further Information*

Noteholders should refer to the Notice of Meeting for further information on the resolutions to be considered at the meeting of Noteholders on Thursday, 31 March 2016 at the Parmelia Hilton Perth, 14 Mill Street, Perth, Western Australia.

For further information please contact:  
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