Antares Energy Limited (Administrators Appointed)
ACN 009 230 835 ('The Company')
ASX code: AZZ

6 May 2016

Appointment of Administrators

As you are aware, Bryan Kevin Hughes and Daniel Johannes Bredenkamp of Pitcher Partners were appointed as Joint and Several Administrators of the Company pursuant to section 436A of the Corporations Act 2001 ('the Act') on 28 April 2016.

The Administrators have been made aware of a number of rumours in the marketplace and have elected to address these as detailed below:

Executive Remuneration

The Administrators confirm that all of the Company's executive staff resigned prior to our appointment. The former executives have agreed to remain as directors of the Company and are required under the Act to cooperate with the Administrators and disclose information about the Company's affairs to the Administrators when reasonably requested.

The Administrators confirm that the directors have not been reinstated to their executive positions and have not (and will not) be receiving any remuneration for assisting the Administrators (as required under the Act) during the administration period.

Independence

The Administrators have undertaken a proper assessment of the risks to their independence prior to accepting the appointment as Administrators of the Company in accordance with the law and applicable professional standards. For the avoidance of doubt, the Administrators confirm that the appointment of Administrators by the Company's Board is standard practice and does not impact their independence.

Creditors and Noteholders should refer to the Administrators' Declaration of Independence, Relevant Relationships, and Indemnities ("DIRRI") enclosed at Annexure A of the Circular to Creditors, Suppliers and Noteholder dated on 29 April 2016 ('Circular').

The Administrators confirm they are independent.

If you are a creditor or Noteholder of the Company and have not yet received a copy of the Circular in the mail, please contact Chris Kossen of Pitcher Partners Perth by email at kossenc@pitcher-wa.com.au.

Status of the Administration

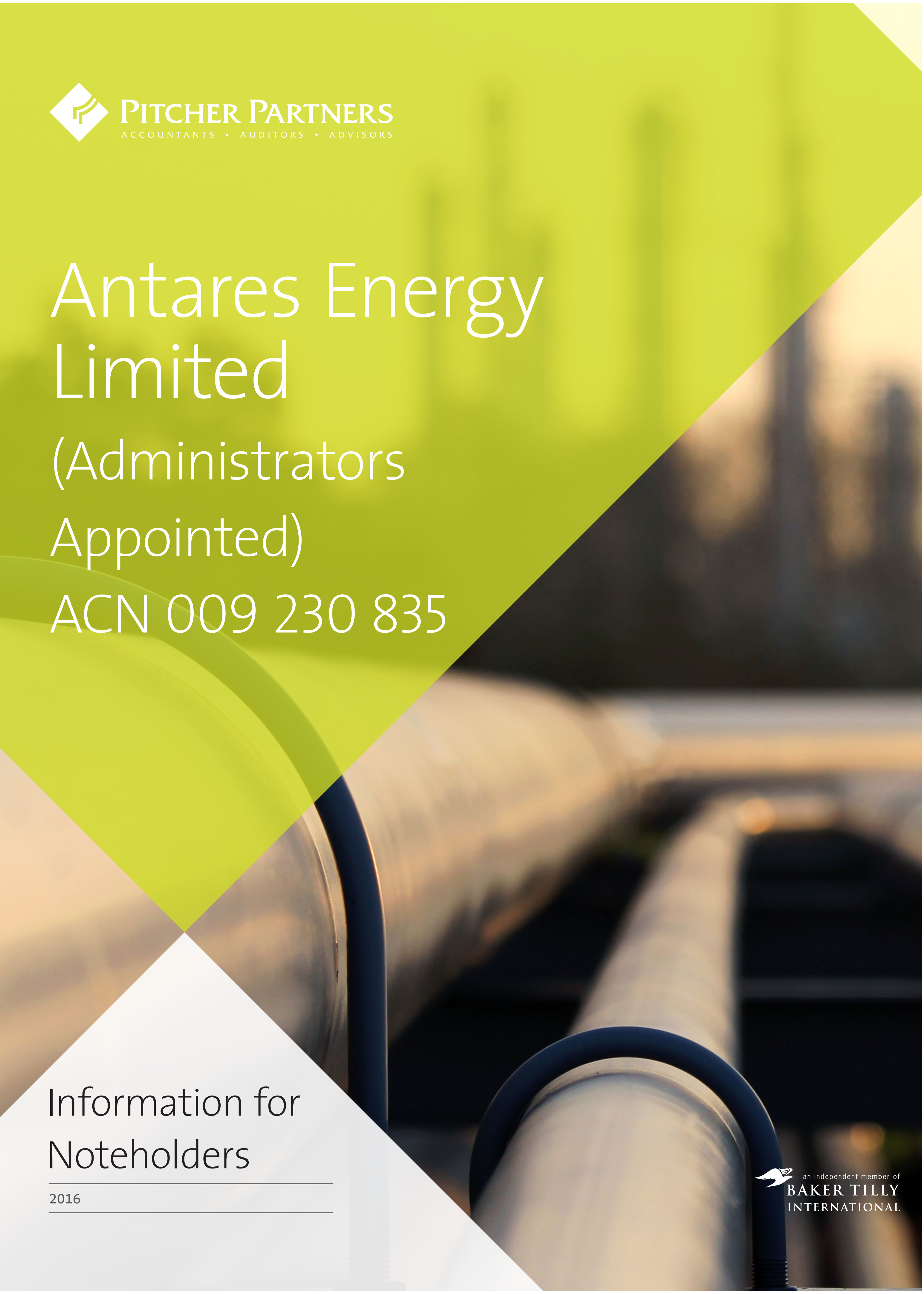
The Administrators are currently working closely with the directors and other key third parties to determine the best strategy and to preserve the Company's assets to obtain the best outcome for all stakeholders of the Company.

Please see the attached 'Information for Noteholders' which confirms the Administrators have the necessary skills, resources, experience and independence required to undertake this Administration and obtain the best outcome for stakeholders in the circumstances.

BRYAN HUGHES
Joint and Several Administrator

PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

Antares Energy Limited (Administrators Appointed) ACN 009 230 835



Information for Noteholders

2016

an independent member of
BAKER TILLY INTERNATIONAL

About us

Pitcher Partners are recognised experts in finding solutions for distressed companies in the resources sector, including the oil and gas sector.

Pitcher Partners have successfully restructured and recapitalised ASX listed companies since 1994, shortly following the introduction of the voluntary administration regime into the Corporations Law in 1993.

Pitcher Partners has an extensive track record in dealing with complex corporate insolvencies of resources companies, across the full spectrum of commodities and in multiple jurisdictions around the world. This has included overseeing and operating numerous resource projects in many different jurisdictions.

Our expertise in negotiations, and our innovative methods of structuring transactions, have proven to deliver superior outcomes, in particular for stakeholders of ASX listed companies over the past two decades.

The companies we have successfully restructured include:

- Aurora Oil & Gas Limited
- Eastern Goldfields Limited
- Sirius Resources Limited
- Consolidated Minerals Limited
- Vocus Telecommunications Limited

Further details in relation to our successes are provided on the following pages.

Our proven experience

550+ insolvency engagements in the last decade

75+ YEARS combined experience in the insolvency industry

Multiple international jurisdictions

Perth // 50 dedicated staff

1200+ staff nationwide

28,000+ staff worldwide

40+ ASX listed engagements

ASX experts in reconstruction

experts in the Resource sector

Our approach with Antares

Our extensive experience in restructuring ASX listed resource companies ensures we provide the best outcome in the most sensible time. Western Australia is a global resources hub, and resources, including oil and gas, are a specialisation of this practice. We have close connections with funds with significant investments in this sector and who are based in North America, Asia (including China), Europe, the Middle East and Africa.

We have been put on notice that some Noteholders may seek to replace Pitcher Partners as Administrators of Antares. We see this as counter-productive in the absence of any valid reason for such a change. Pitcher Partners have the expertise in both Administrations and resource projects, with highly and appropriately skilled staff, international experience and representation in 141 countries around the world, including an office in Texas. We have a demonstrated track record of success in this area.

It is essential to minimise any disruption the Administration process may cause, and we have been careful in all our dealings with third parties and other stakeholders to emphasise a measured and calm approach, with business as usual at the US subsidiary level. A realisation process has been underway for several months and the corporate advisors appointed by Antares have a number of interested parties close to putting forward proposals. It is essential that this process is not unsettled in any way and we currently have the situation under control. Imposing a whole new team who will have to re-communicate with all parties again and reinvent the wheel, for no good reason at this critical time, simply adds unnecessary risk for no benefit to stakeholders of Antares.

Please find below a summary of our approach specific to the administration of Antares which we believe is in the best interest of all stakeholders (including Noteholders):

- Securing a company's entitlements to its resource is critical and we have specialised skills in this area, with specific expertise in multiple jurisdictions. We have already commenced the process of gathering all relevant information for Antares to ensure we are managing this issue appropriately.
- Proper financial strategies and controls are essential. Our knowledge of resource projects ensures we are able to prioritise the use of scarce funds. We are currently developing and refining detailed cash flows to ensure we understand and address the financing needs of Antares. We have a network of contacts, including private equity funds and high net worth individuals around the world that we can present opportunities to for either short or medium term funding, or acquisitions.
- Our overarching approach is to consolidate the available resources and to work cohesively with stakeholders for the best outcome in the circumstances. There are already enough complexities and issues to address without infighting depleting already scarce resources. We believe in a collaborative and inclusive approach that uses all resources available to achieve the optimum outcome.

Experience counts

The Resources Industry (Oil, Gas and Mining Sector) is a key specialisation of Pitcher Partners.

The combination of our experience across the full life cycle of a project, from acquisition and financing to expansion and disposal, means we have a comprehensive understanding of the resources sector and the likely issues that may arise in a wide variety of transactions.

Operational Strength

For more than 20 years Pitcher Partners has operated numerous resource projects including the extraction, production and sale of commodities into spot and contract markets. We have specialist skills in resolving operational issues honed on distressed businesses. We have overseen mining and oil and gas projects nationally and internationally.

Financial Strength

We have extensive expertise in developing detailed and accurate financial models used for maximising operational performance of complex projects.

Tight financial controls are required to track adherence to the detailed financial models. These systems give confidence to financiers and allow for timely reporting on performance, whilst allowing other interested parties transparency into the current operations. We often work for financiers and therefore understand the information they require and how it should be presented.

Strategic Strength

The operational and financial controls are important components in maximising a strategic outcome. It is critical that an opportunity be presented in its most positive form and with competitive tension. The quality of the results we have consistently achieved attest to our detailed understanding of this industry and our ability to negotiate superior outcomes.

Why Pitcher Partners?

Pitcher Partners is one of Australia's premier full-service accounting, audit and advisory firms. We understand the subtleties in cross-border business and our clients benefit from our knowledge and expertise in working with companies internationally.

- We ensure high levels of executive director and senior staff involvement enabling early and timely identification of key risks and benefits.
- We have a dedicated team of senior professionals with extensive experience and expertise in cross-disciplinary areas such as International Tax and Corporate Advisory.
- Our skills in working through financing, debt or structural crisis that can arise during a project or development and bringing them to a successful conclusion.
- Our ability to assess a project at the outset and determine the structural, business, taxation and accounting issues critical to its success.
- Our extensive experience in conducting feasibility assessments, whether for project financing, due diligence or consortia purposes.
- Our experience in building effective financing structures, including the introduction of equity and joint venture partners and mezzanine financiers.

Our proven track record

Pitcher Partners is a pioneer in the reconstruction and recapitalisation of distressed ASX listed companies.

Since the first restructure of an ASX listed company in 1994 being International Mineral Resources NL (renamed Amcom Telecommunications Limited and subsequently, Vocus Communications Limited) Pitcher Partners has utilised the restructuring process to create significant value for companies in distress and their stakeholders.

It is our thorough understanding of the process and access to parties with capital who are interested in taking positions which enables us to have continued success and to constantly evolve and streamline the process. We pioneered the use of Creditors' Trusts which allow listed companies to complete the Administration process and requote on the ASX as soon as possible following their restructure. Pitcher Partners has been a leader in this field for over two decades.

Through this process we have also gained significant experience in taking control of operations in various overseas jurisdictions. In conjunction with our extensive international network through our affiliation with Baker Tilly International, Pitcher Partners are well positioned and appropriately resourced to complete multi-jurisdictional assignments.

Set out on the following page are some examples of ASX listed companies we have been involved in which highlight our vast experience in this field.

“As a listed mining company with operating mines in multiple countries, we need knowledgeable advisors that understand our needs and the complexities of working in our sector on a global basis. The team from Baker Tilly regularly demonstrate adaptability and responsiveness to our needs. They have a strong awareness of the challenges we face in the mining industry and use this knowledge to help us overcome those challenges. We have been impressed with not only the quality of work but also with the close personal relationships between the teams in each country and how well they can work together as a coordinated team. These relationships have helped provide us with better service levels than we received from our previous advisors. Even when timeframes have been tight, they have continuously provided the personalised level of service we have come to expect. Over time we have built up a strong partnership with the Baker Tilly team, which we expect to continue well into the future.”

Dennis Logan // Chief Financial Officer // Almonty Industries Limited

Activity in the sector

Eastern Goldfields Limited (formerly Monarch Gold Mining Company Limited)

Monarch was a mining and exploration company dual listed on the ASX and the Dubai International Financial Exchange and was the largest Australian controlled tenement holder in the Kalgoorlie region with a resource base of more than 5Moz and two state-of-the-art gold treatment plants. Monarch's strategy was to capture opportunities for the consolidation of gold development assets which had not in the past realised their full potential, either due to a lack of capital or limited exploration.

Monarch's major projects were the Davyhurst Project, the Mt Ida Gold Project and the Minjar Gold Project. Due to the underperformance of the Davyhurst Project and the continued cash demands of exploration activities in relation to its large tenement holdings, Monarch experienced significant losses and resolved to appoint Administrators from Pitcher Partners on 10 July 2008.

Pitcher Partners immediately undertook a comprehensive review of Monarch's operations and placed its operations on care and maintenance to conserve scarce resources during the administration. Pitcher Partners subsequently marketed Monarch's assets and obtained significant interest from numerous parties before entering into a Recapitalisation Deed pursuant to which a number of Creditors' Trusts were utilised to accelerate Monarch's exit from external administration and allow Monarch to publicly raise capital to be contributed to the Creditors' Trusts to be distributed to former creditors of Monarch.

This innovative approach in structuring the transaction made it possible for a significantly higher return to creditors to be achieved. On average, creditors have received approximately 50 cents in the dollar and Monarch has returned to official quotation on the ASX as Eastern Goldfields Limited, allowing shareholders to retain an ongoing economic interest into the future.

Consolidated Minerals Ltd (formerly Valiant Consolidated NL)

Consolidated Minerals operated a manganese mine and beneficiation plant in the Pilbara region of Western Australia. The company went into voluntary administration after succumbing to burgeoning debt levels brought about by the loss of export contracts, poor quality contracts, transport problems, lack of currency hedging and other factors.

The company's Woodie Woodie operations had been placed onto care and maintenance before our appointment and the company owed $28M to its creditors, $24M of which was owed to eight different secured creditors.

The value of the company's assets in a liquidation scenario was less than $5M. We were able to facilitate a $10M capital raising, which enabled the secured creditors to receive a combination of cash and/or equity in respect of their outstanding debt.

The company subsequently relisted as Consolidated Minerals Ltd and enjoyed enormous growth post restructure. All creditors received a dramatically improved outcome compared to a liquidation scenario with the value of the equity to some of the secured creditors improving and providing a return of greater than 100 cents in the dollar.

Ukranian-based mining investment company Palmary Enterprises Ltd acquired the company in 2007 after shareholders accepted a $1.15 billion bid.

Sirius Resources NL (formerly Croesus Mining NL)

Croesus operated the Norseman Gold Project and had a large portfolio of exploration tenements in the Norseman and Fraser Range region of Western Australia. The company went into administration in 2006 following operational difficulties at the company's prized Norsemen Gold Project. After successfully managing the company's gold operations for 12 months, we concluded a sale of the project to Norseman Gold, an AIM listed company for $72 million. These proceeds enabled the company to provide a return to its secured creditors and left Croesus with some exploration assets and the ASX listing.

Utilising the voluntary administration process we were able to restructure and recapitalise Croesus, which subsequently requoted on the ASX as Sirius Resources. Sirius Resources went on to become one of the biggest mining success stories and stakeholders have enjoyed an enormous uplift in value since requotation.

In 2015, shareholders of Sirius Resources voted overwhelmingly in favour of a $1.8 billion takeover deal from Independence Group, a transaction which is expected to create Western Australia's largest diversified miner.

Vocus Communications Limited (formerly International Minerals Resources Limited)

International Minerals operated a gold mine in the South West of Western Australia, and held various mineral tenements in other states. Pitcher Partners were appointed Administrators and immediately took control of the company's operations, which traded profitably under our control and were eventually sold.

The company continued to hold an interest in various mineral tenements, allowing it to be restructured, recapitalised and ultimately requoted on the ASX. The company subsequently undertook a change in business direction with a resultant name change to Amcom Telecommunications Ltd.

In July 2015, Vocus Communications acquired 100% of the shares in Amcom for a total consideration of $686M. The Amcom brand is now part of the Vocus Group, a $1.5 billion telecommunications provider in the Australian and New Zealand market.

Aurora Oil & Gas Limited (formerly Tony Barlow Australia Limited)

Pitcher Partners was successful in procuring a Deed of Company Arrangement and associated Recapitalisation Plan with an investment bank which utilised a Creditors' Trust to accelerate Aurora's exit from external administration. This allowed Aurora to raise capital and make a contribution to the Creditors' Trust, with the proceeds distributed to former creditors of Aurora. The Recapitalisation Plan also facilitated the restructure of Aurora's share capital and the introduction of major new shareholders and directors to oversee the future of Aurora.

Pitcher Partners' approach allowed Aurora to return to official quotation on the ASX and continue its business under the control of the new board of directors who subsequently pursued oil and gas interests in Texas, United States of America. During 2014, Baytex Energy Corp. acquired Aurora for Canadian $1.8 billion, providing an incredible return to shareholders of Aurora.

Our global reach

Baker Tilly International is one of the world's leading networks of independently owned and managed accountancy and business advisory firms united by a commitment to provide exceptional client service.

Every day, 28,000 people in 141 countries share experiences and expertise to help privately held businesses and public interest entities meet challenges and proactively respond to opportunities. International capability and global consistency of service are central to the way we work.

Global

Experts across a wide range of industry and business sectors, each Baker Tilly International member firm combines high quality services and in-depth local knowledge.

165 independent firms come together across four geographic areas. Sharing knowledge and resources, our business approach brings together the power of the global network to deliver exceptional results to clients globally.

Local

Pitcher Partners is an independent member of Baker Tilly International. Our strong relationship with other Baker Tilly International member firms, particularly in Asia Pacific, has allowed us to open many doors across borders for our clients.

Get in touch...

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