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23 March 2010

RESERVE & RESOURCE EVALUATION AS OF 31 DECEMBER 2009

Antares Energy is pleased to provide its Reserve and Resource Evaluation as of 31 December 2009. Antares Energy calculates reserves and resources according to the SPE/WPC/AAPG/SPEE¹ Petroleum Resource Management System (SPE-PRMS) definition of petroleum resources. This definition was first published in 1997 by the SPE, and in an effort to standardize reserves reporting, has been further clarified by the SPE-PRMS in 2007. The SPE-PRMS was designed to provide a common reference for the international petroleum industry, including national reporting and regulatory agencies, and to support petroleum project and portfolio management requirements. Furthermore, Antares Energy reports all reserves and resources in line with the ASX Listing Rules.

The SPE-PRMS defines *Reserves* and *Contingent Resources* as follows:

RESERVES are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their development and production status.

CONTINGENT RESOURCES are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Figure 1 is a graphical representation of the SPE-PRMS reserve and resource classification system utilized in this evaluation. The system defines major recoverable resource classes: Production, Reserves and Contingent Resources. The "Range of Uncertainty" reflects a range of estimated quantities potentially recoverable from an accumulation by a project, while the vertical axis represents the "Chance of Commerciality," that is, the chance that the project that will be developed and reach commercial producing status.

¹ Society of Petroleum Engineers (SPE); World Petroleum Council (WPC); American Association of Petroleum Geologists (AAPG); and Society of Petroleum Evaluation Engineers (SPEE)

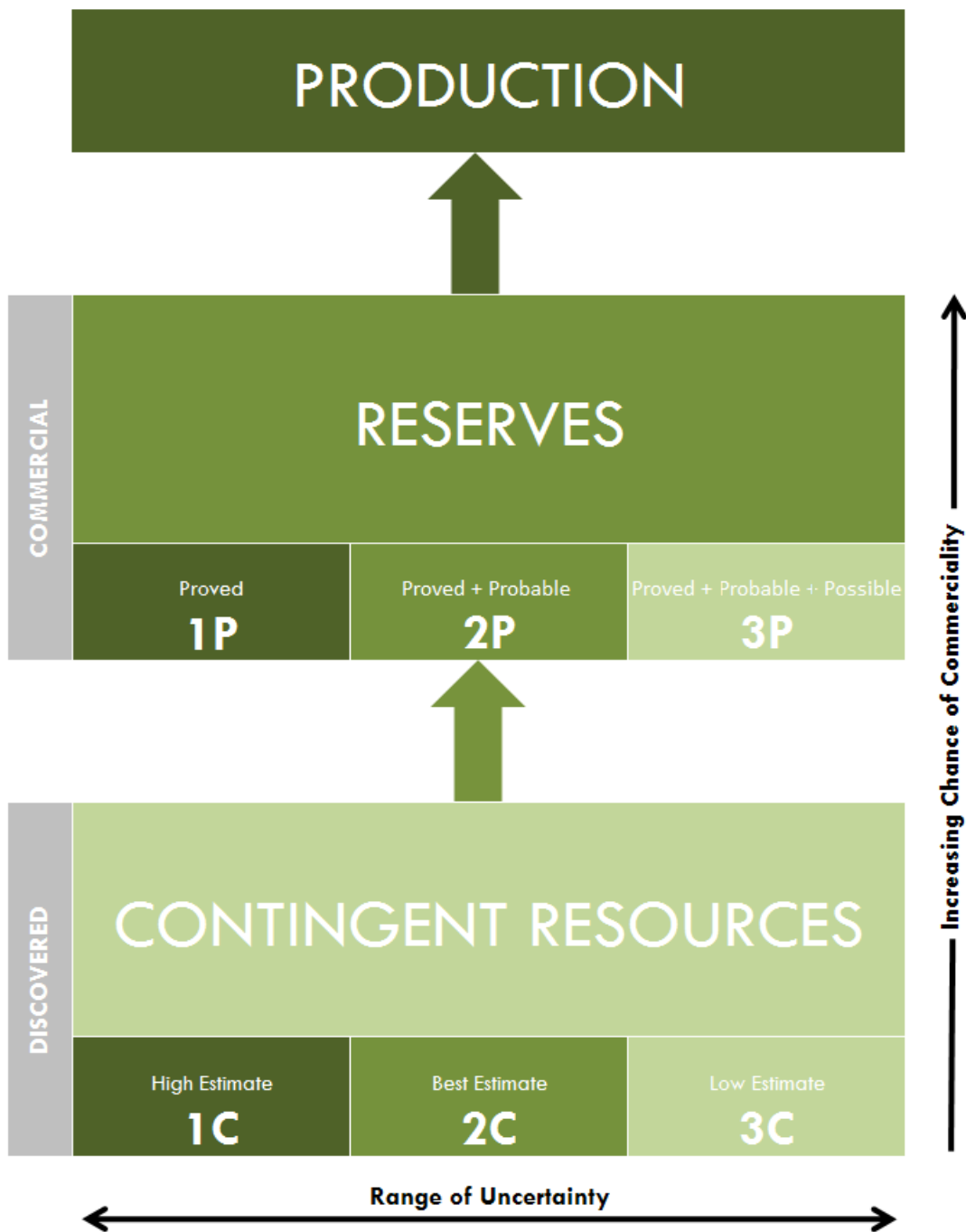


Figure 1: Resource Classification Framework utilized

Antares Energy has conducted an evaluation of the proved, probable, possible and contingent resources and future cash flow, as of December 31, 2009, of certain properties located in McMullen, Wharton and Brazoria Counties, Texas.

Summarized in the following tables are the estimates of net reserves and future net cash flow. Future net cash flow is after deducting estimated production and ad valorem taxes, operating expenses and future capital expenditures but before consideration of federal income taxes. The net reserves and future net cash flow to the Antares' interest, as of December 31, 2009 using commodity prices of \$80/bo and \$5/mcfg, is as follows:

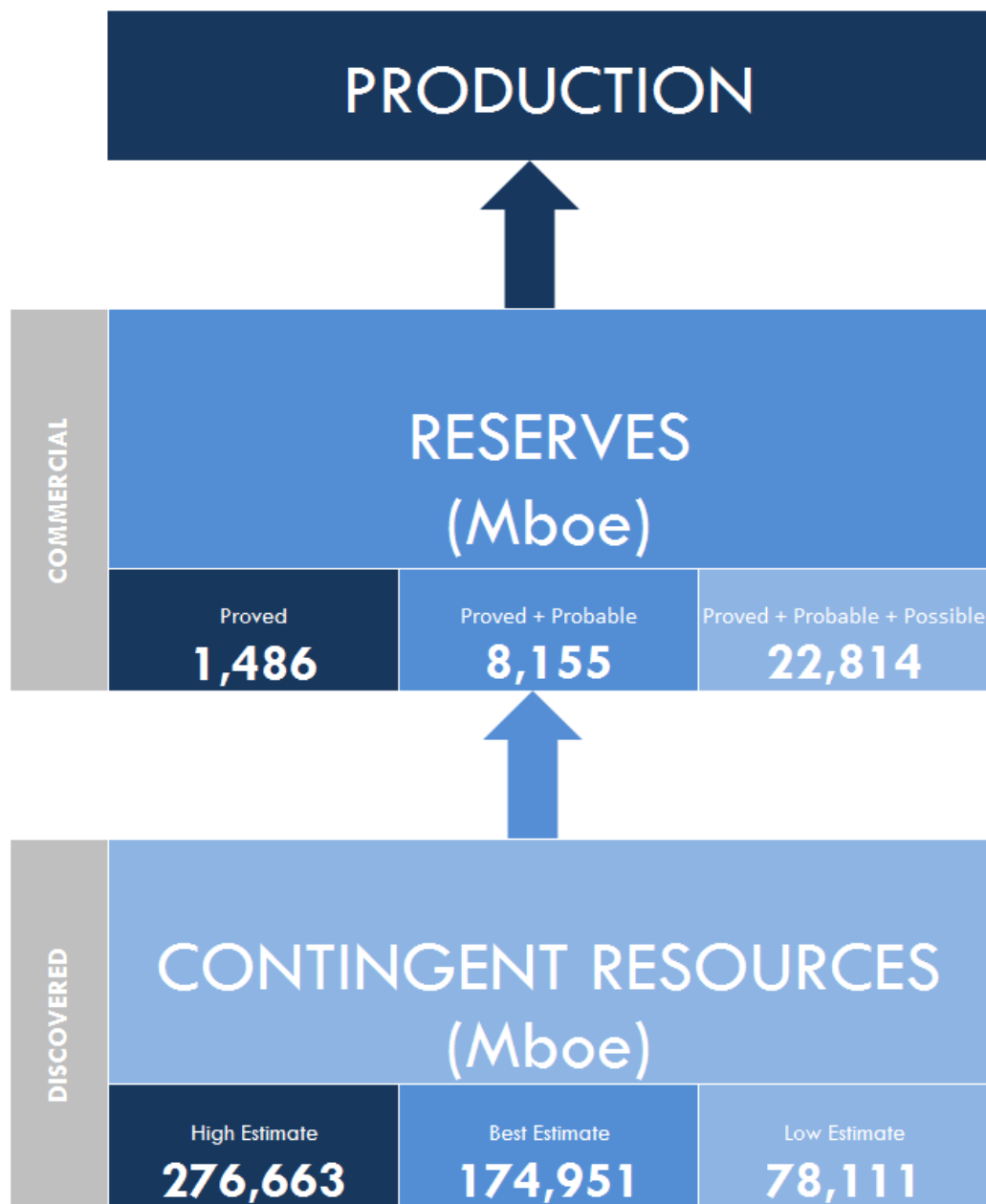


Table 1: Antares Energy's net reserves and contingent resources position expressed in thousands of barrels of oil equivalents (Mboe).

Estimates of reserves were prepared using standard geological and engineering methods generally accepted by the petroleum industry. The method or combination of methods utilized in the evaluation of each reservoir included consideration of the stage of development of the reservoir, quality and completeness of basic data, and production history. Recovery from various reservoirs and leases was estimated after consideration of the type of energy inherent in the reservoirs, the structural positions of the properties, and reservoir and well performance. In some instances, comparisons were made with similar properties where more complete data were available.

Lease and well operating expenses are based on actual data where known. Expenses for the properties include the per-well overhead costs allowed under joint operating agreements along with direct lease and field level costs. General and administrative expenses of Antares are not included. Lease and well operating costs are held constant.

| | | Undiscounted Future Net Cash Flow (\$ MM AUD) | AZZ Per Share Value (\$ AUD) |
|----------|--------------------------------|---|------------------------------|
| Proved | Proved Developed Producing | 7.29 | 0.03 |
| | Proved Developed Non-Producing | 16.93 | 0.06 |
| | Proved Undeveloped | 45.33 | 0.16 |
| | 1P | 69.55 | 0.25 |
| Probable | Probable | 318.32 | 1.15 |
| | 2P | 387.87 | 1.40 |
| Possible | Possible | 734.79 | 2.66 |
| | 3P | 1,122.66 | 4.06 |

Table 2: Net future undiscounted cash flow of Antares Energy's net reserve position with accompanying per share value.

Capital costs and timing of all investments have been accounted for and are included as required for workovers, new development wells, and production equipment. These costs are also held constant.

The reserves included in this report are estimates and should not be construed as exact quantities. They may or may not be recovered; if recovered, the revenues and the related costs could be more or less than the estimated amounts. These estimates should be accepted with the understanding that future development, production history, changes in regulations, product prices, and operating expenses would probably cause Antares to make revisions in subsequent evaluations. A portion of these reserves are for behind-pipe zones, undeveloped locations, and producing wells that lack sufficient production history to utilize performance-related reserve estimates. Therefore, these reserves are based on estimates of reservoir volumes and recovery efficiencies along with analogies to similar production. These reserve estimates are subject to a greater degree of uncertainty than those based on substantial production and pressure data. It may be necessary to revise these estimates up or down in the future as additional performance data becomes available. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geological data; therefore, our conclusions represent informed professional judgments only, not statements of fact.

This report is based on information which has been compiled by Antares Energy's Chief Operating Officer, Mr. Matt Gentry, who is a full-time employee of Antares Energy. Mr. Gentry exceeds the professional qualifications of reserve estimators as set forth by the SPE/WPC/AAPG/SPEE Petroleum Resource Management System (SPE-PRMS). Mr. Gentry is a certified Petroleum Geologist (No. 6023) with the American Association of Petroleum Geologists. Additionally, Mr. Gentry is qualified in accordance with ASX Listing Rule 5.11 and has consented to the form and context in which this statement appears.

James Cruickshank
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