



# ANTARES ENERGY LIMITED

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1 May 2014

ASX Market Announcements  
Australian Securities Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

## Company Presentation Houston Meetings – May 2014

Please find attached a presentation on Antares Energy Limited. The presentation can be viewed on the Company's website [www.antaresenergy.com](http://www.antaresenergy.com).

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Antares Energy is an oil and gas exploration and production company focused on the Permian Basin, West Texas, United States of America.

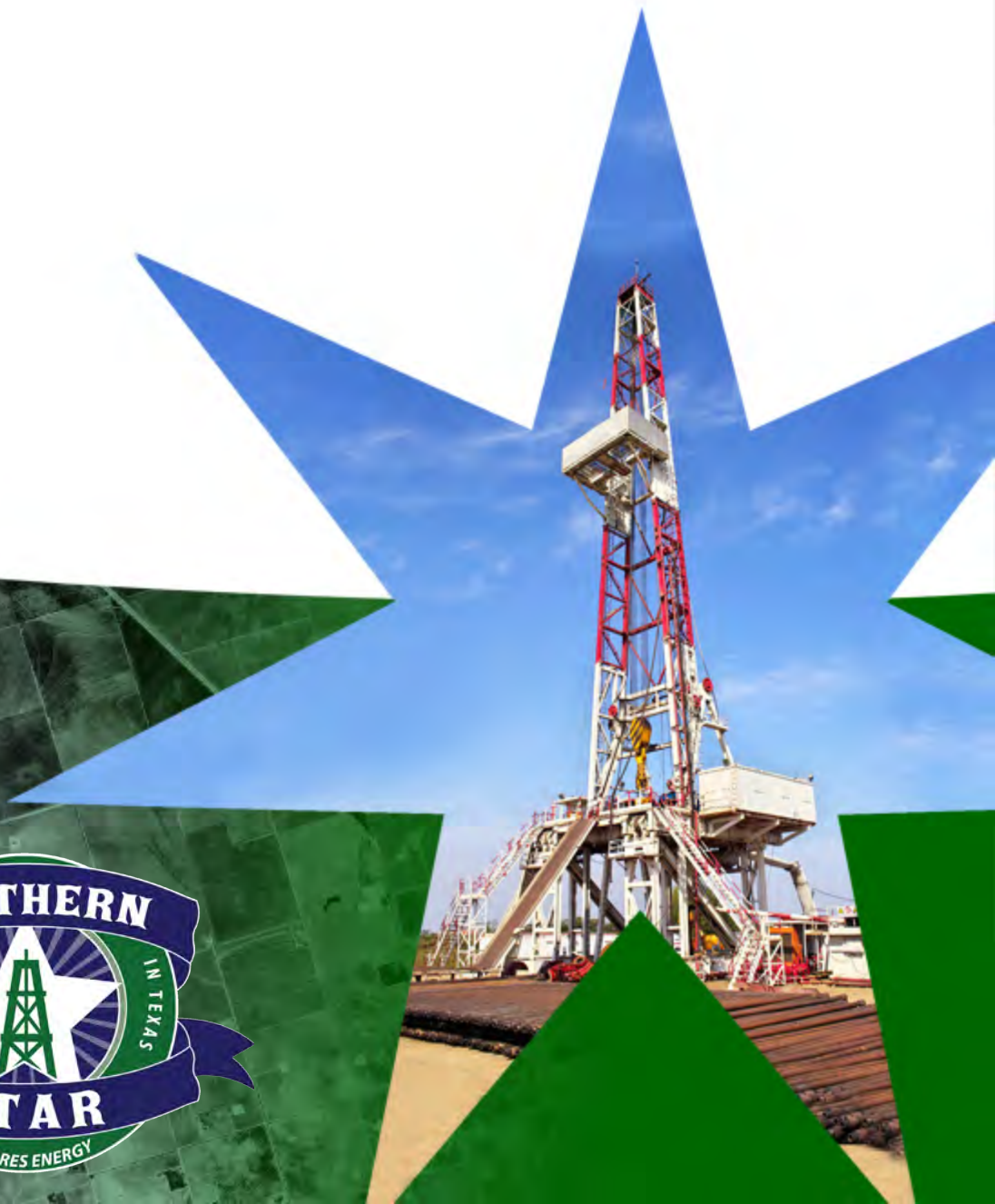
Currently Antares has three core projects being Southern Star, Big Star and Northern Star each located in the prolific Wolfberry Trend of the Permian Basin.

Antares Energy is an Australian public company listed on the Australian Securities Exchange (ASX) under the ticker symbol AZZ.

For more information please visit our website found at <http://www.antaresenergy.com>.

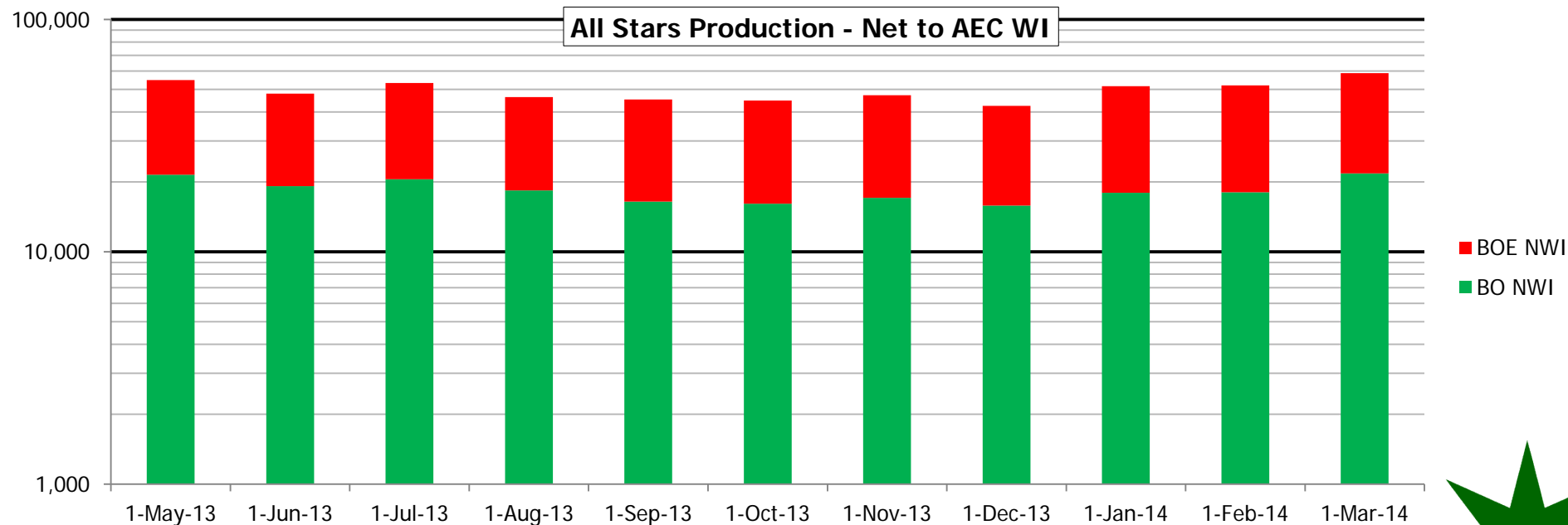


Corporate Presentation  
Houston Meetings  
MAY 2014



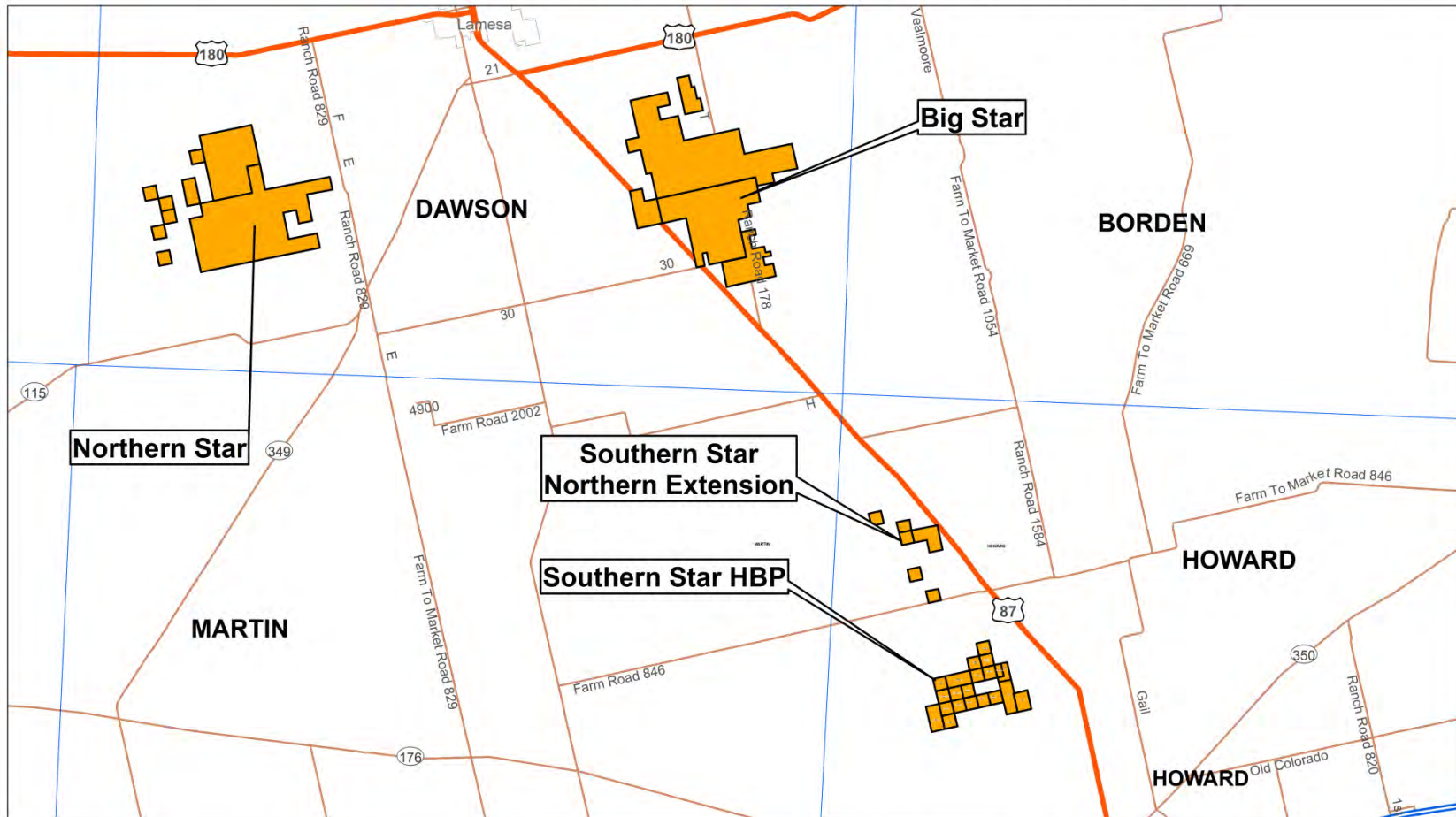
# Disclosure Statement

This presentation may include forward-looking statements within the meaning of section 27a of the United States securities act of 1933, as amended, and section 21e of the United States securities and exchange act of 1934, as amended, with respect to achieving corporate objectives, developing additional project interests, the company's analysis of opportunities in the acquisition and development of various project interests and certain other matters. These statements involve risks and uncertainties which could cause actual results to differ materially from those in the forward-looking statements contained herein. Given these uncertainties, undue reliance should not be placed on forward-looking statements.

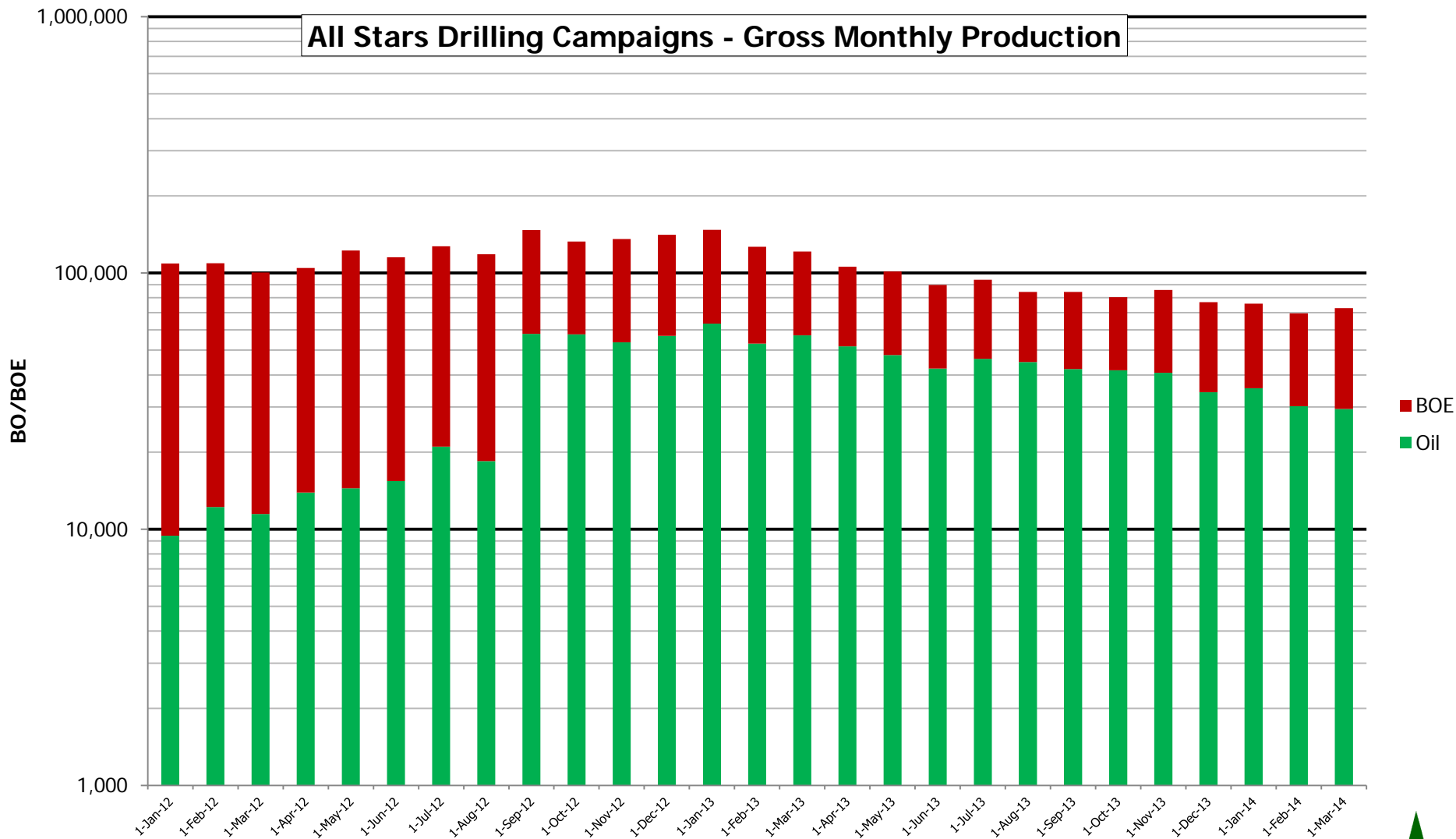


# AEC Project Area Locator Map

## Southern, Northern and Big Star Prospect Areas



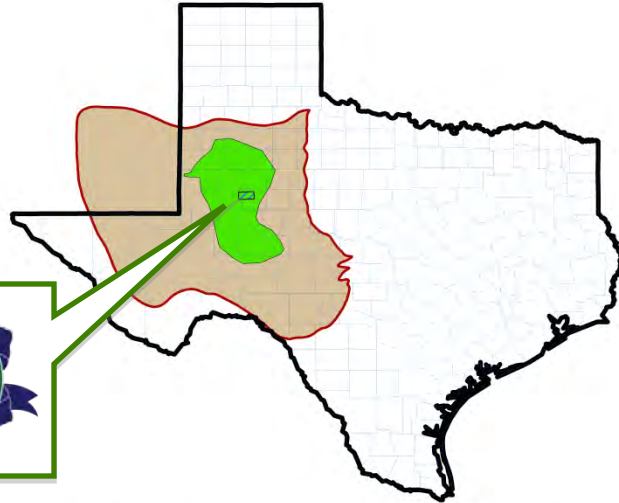
# 2012 Compared to 2013 Production



This report is based on information which has been compiled by Antares Energy's Chief Scientist, Mr Greg Shoemaker, who is a full-time employee of Antares Energy. Mr Shoemaker exceeds the professional qualifications of reserve estimators as set forth by the SPE/WPC/AAPG/SPEE Petroleum Resource Management System (SPE-PRMS). Mr Shoemaker is qualified in accordance with ASX Listing Rule 5.11 and has consented to the form and context in which this statement appears.



# Southern Star



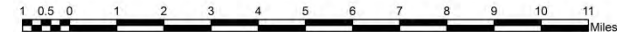
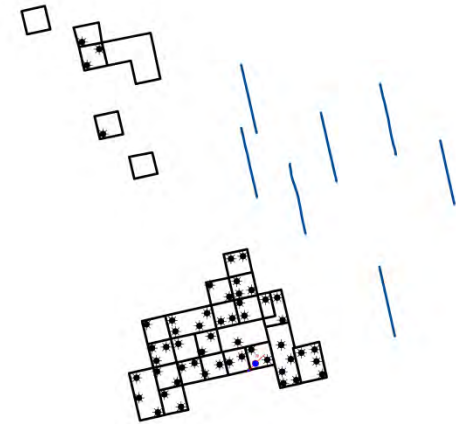
## Midland Basin Wolfberry Oil Play

■ Wolfberry Play Fairway
 ■ Permian Basin

## Southern Star Activity

### Status

- \* Producer
- ✦ SWD well
- Wolfcamp Horizontals



## SUMMARY

- \* 5,824 gross (4,697 net) acres (over 75% of position HBP)
- \* 54 wells in production (58% oil, 42% liquids-rich gas (LRG))
- \* New vertical completions support >200 Mboe EUR type curve
- \* 1Q 2014 production – 1,100 BOEPD gross, 924 BOEPD WI, 636 BOEPD net
- \* Production affected by freezing - December 2013 - February 2014
- \* 76 undeveloped 40 acre verticals remaining (85% oil, 15% LRG recent wells)
- \* Production growth from Wolfcamp horizontals (~20 wells)

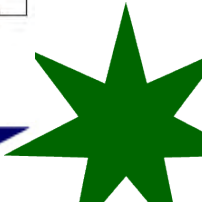
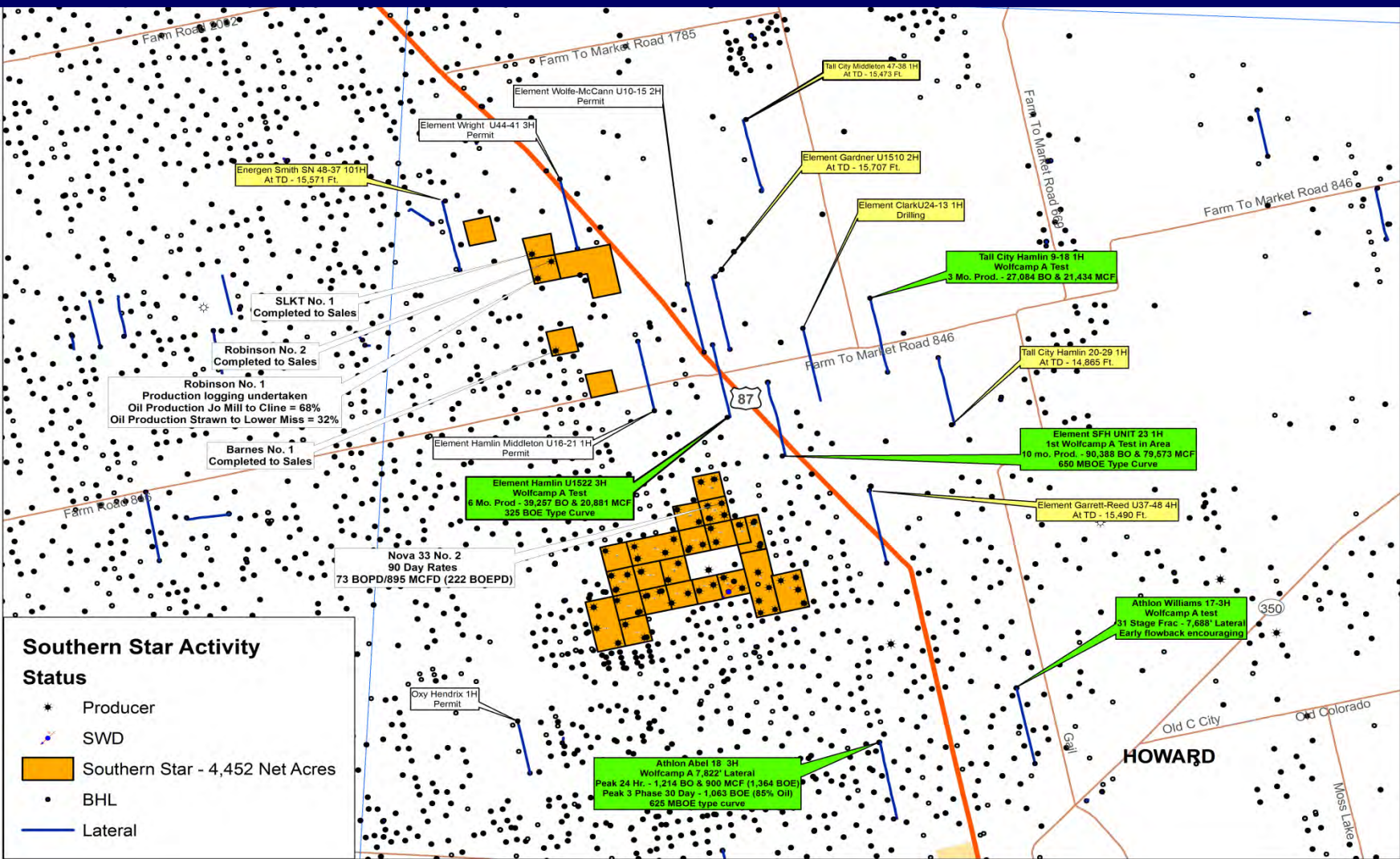
## OPPORTUNITY

- \* Robinson No. 1 – first PDP well Northern Extension
- \* Well completed with best frac recipe from Operated areas
- \* Robinson No. 1 – 333 Day Rates 118 BOPD, 137 MCFD, 141 BOEPD
- \* Production logging – 68% Jo Mill & WFC A/B contribution
- \* Robinson No. 2 – Completed to Sales
- \* SLKT No. 1 – Completed to Sales
- \* Barnes No. 1 – Completed to Sales



# Southern Star HBP & NESS Project

## Recent Wolfcamp Horizontal Activity



# Southern Star (2013)

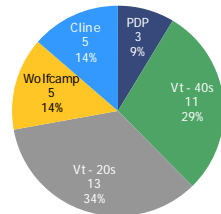
## Development Plan Forward Scenarios



### Contiguous, Operated Acreage Position

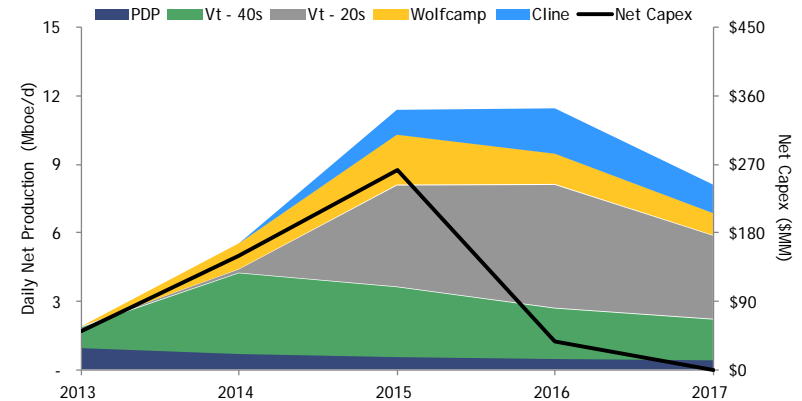
- 4,697 net acres (5,824 gross)
  - Over 73% of position HBP
- 1,204 net boe/d from 48 producing vertical Wolfberry wells
  - 58% oil, 42% liquids-rich gas at the wellhead
  - Results support ~200 Mboe EUR type curve
- 81 undeveloped 40-acre vertical Wolfberry drilling locations
  - Further growth from horizontal or 20-acre infill development
- Typical Antares Vt Wolfberry well comingles L Spraberry to Miss
  - Upper Spraberry left BP – future recompletion opportunity not captured in development model

### Net Resource Summary (37 MMboe)



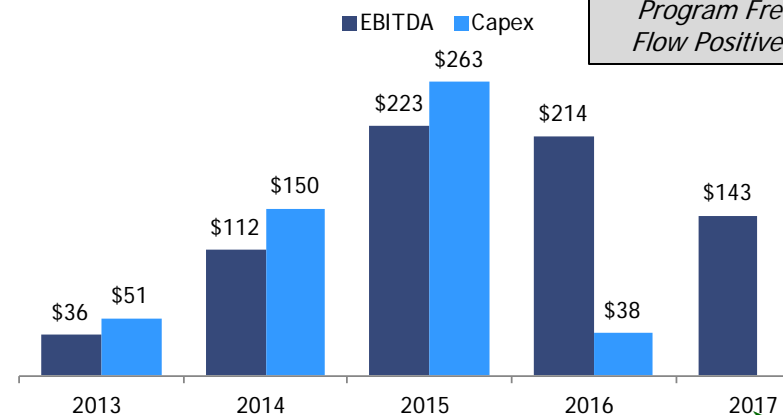
	PDP	Vertical 40's	Vertical 20's	Hz Wolfcamp	Hz Cline	Total
Gross Locations <sup>(2)</sup>	48	82	130	18	18	296
Total Resource (MMboe)	3	11	13	5	5	39
PV10 (\$MM)	\$64	\$138	\$164	\$63	\$53	\$482
Total Capex (\$MM)	\$0	\$135	\$197	\$86	\$84	\$502

### Peak Net Production of ~11 Mboe/d



### Attractive Free Cash Flow Profile

Illustrative Development Model Includes Hz and 20's



Vertical 40-acre Program Free Cash Flow Positive 2014+





# Southern Star Vt. Wolfberry Type Curve

Southern Star    Southern Star  
20s

## Type Well Assumptions

Gross EUR (Mboe)	218	174
Oil EUR (Mbbbl)	115	92
Gas EUR (MMcf)	293	233
NGL EUR (Mbbbl)	54	43
% Liquids	78%	78%
Gross Wellhead EUR (Mboe)	192	154
IP (boe/d)	156	156
Initial GOR (scf/bbl)	2,500	2,500
Final GOR (scf/bbl)	4,200	4,200
NGL Yield (bbl/MMcf)	117	117

## Type Curve

Oil IP (bbl/d)	110	110
Gas IP (Mcf/d)	275	275
30-Day IP (boe/d)	152	152
1st Yr Decline (%/yr)	68%	69%
B Factor	1.60	1.55
Terminal Decline (%/yr)	6%	10%
Type Curve Life (yrs)	40	40

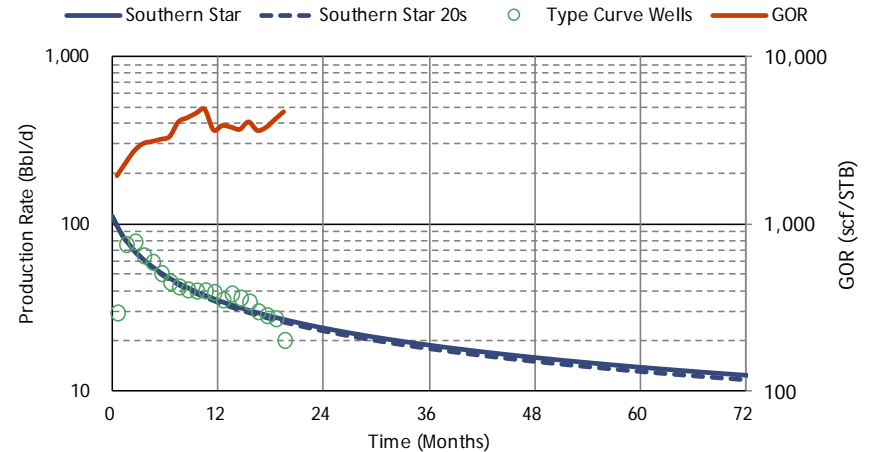
## Economics

D&C (\$M)	\$2,000	\$2,000
Long Term Fixed LOE(\$/mo)	\$4,500	\$4,500
Variable LOE (\$/boe)	\$5.34	\$5.34
Oil Differential (\$/bbl)	(\$2.00)	(\$2.00)
Gas Differential (%)	(5%)	(5%)
NGL Differential (% of WTI)	50%	50%
BTU Multiplier (Btu/scf)	1,050	1,050
Shrinkage	37%	37%
Royalty	25%	25%
POP	85%	85%

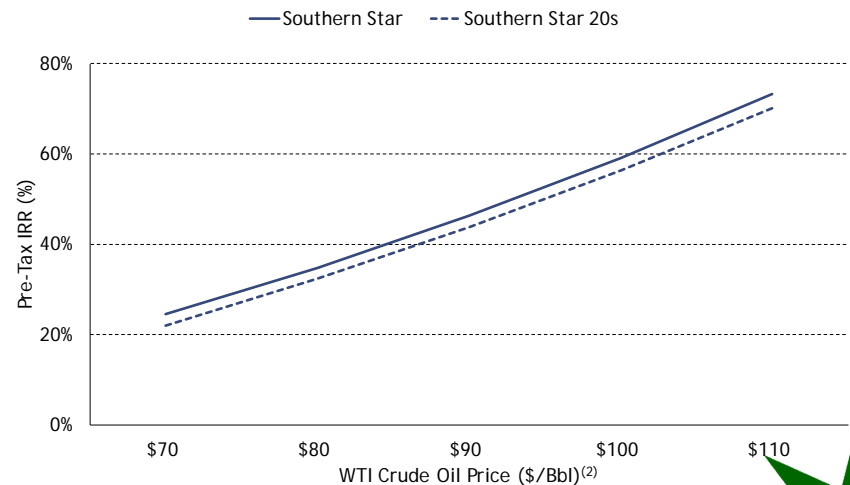
## Results

NPV10 (\$MM) <sup>(1)</sup>	\$1.9	\$1.6
IRR <sup>(1)</sup> (%)	46%	44%
F & D (\$/boe)	\$12.24	\$15.32
Economic Life (yrs)	35	23

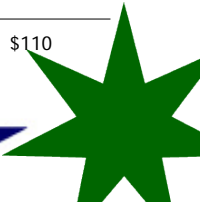
## Type Curve and GOR



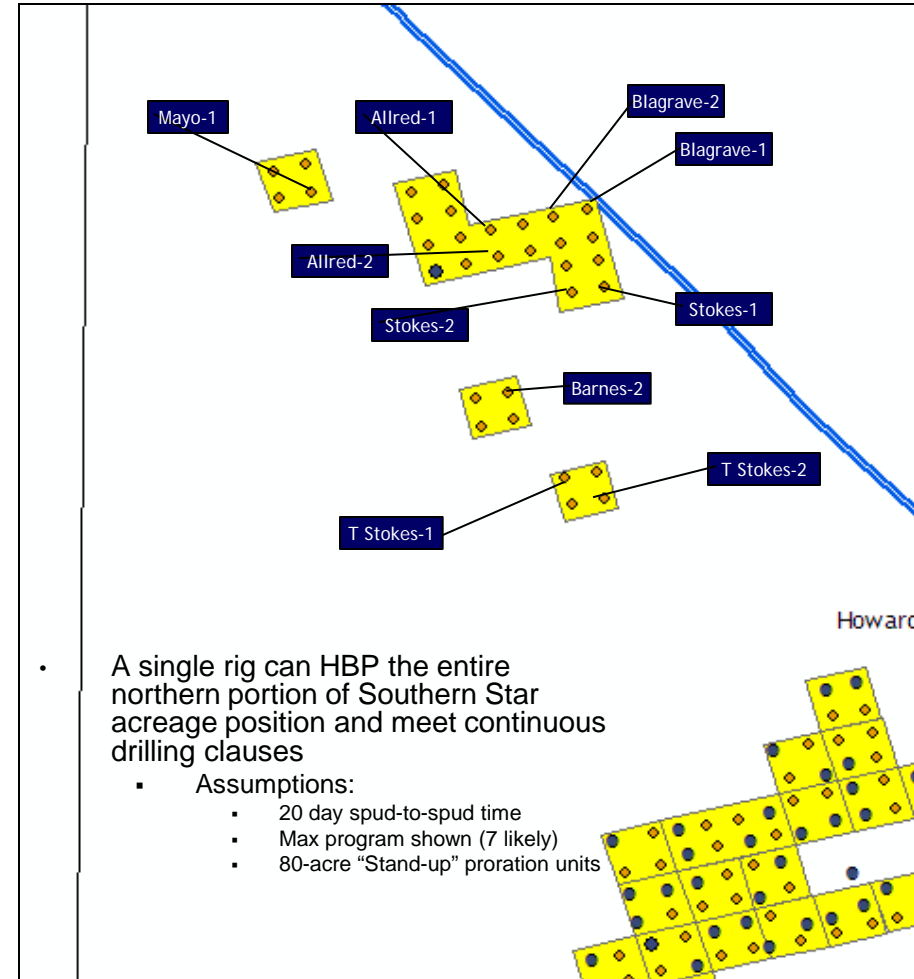
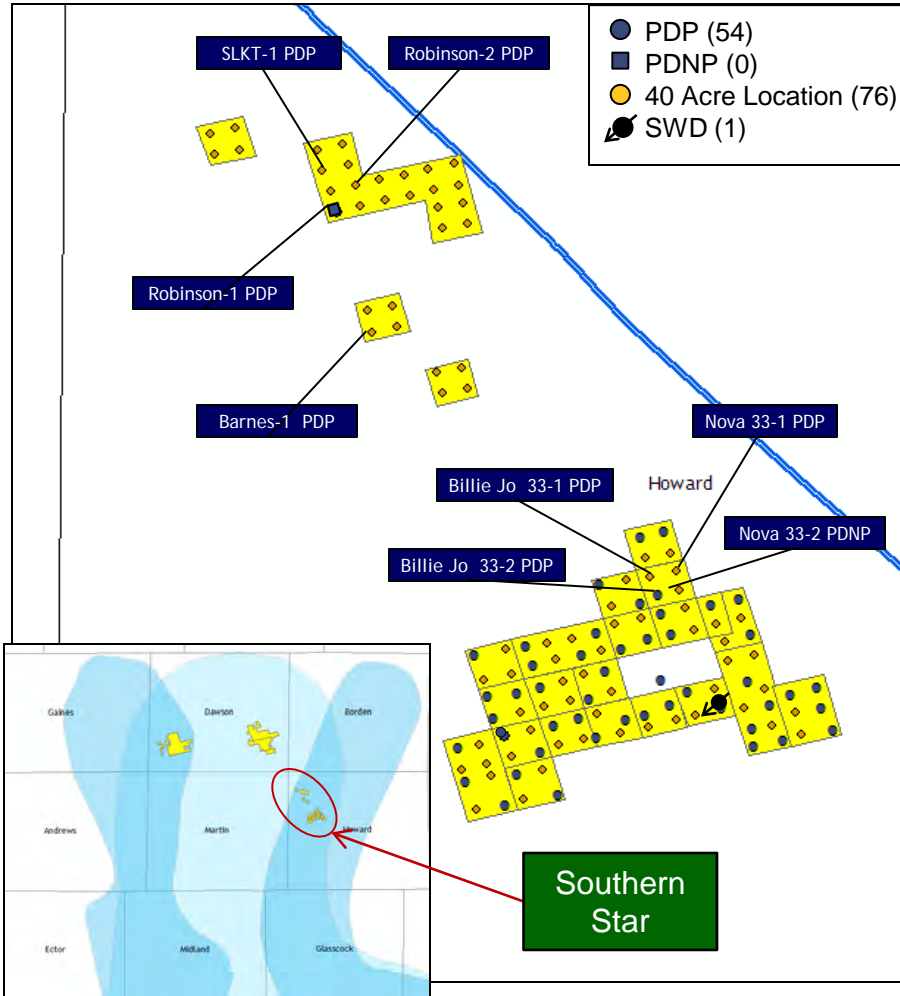
## Commodity Price Sensitivity



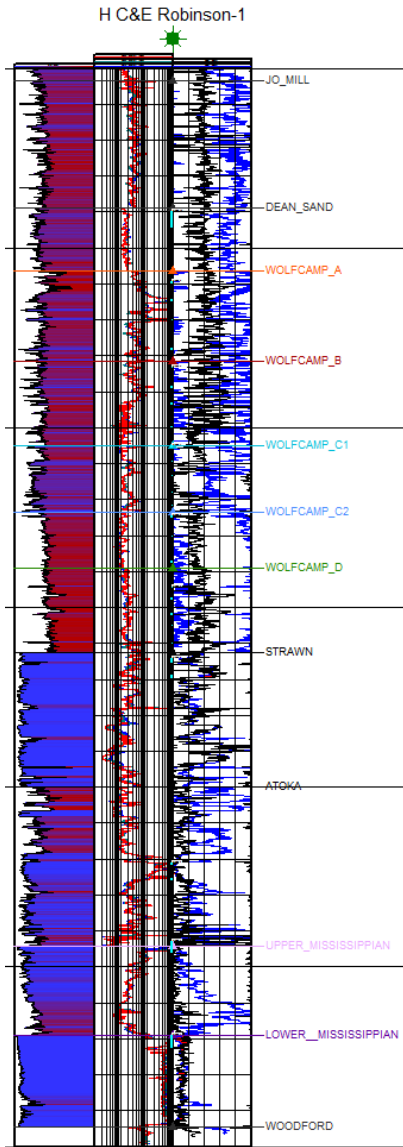
(1) IRR and PV(10) based on \$90/bbl and \$4.50/Mcf flat NYMEX price deck.  
 (2) Assumes 20:1 oil to gas ratio.



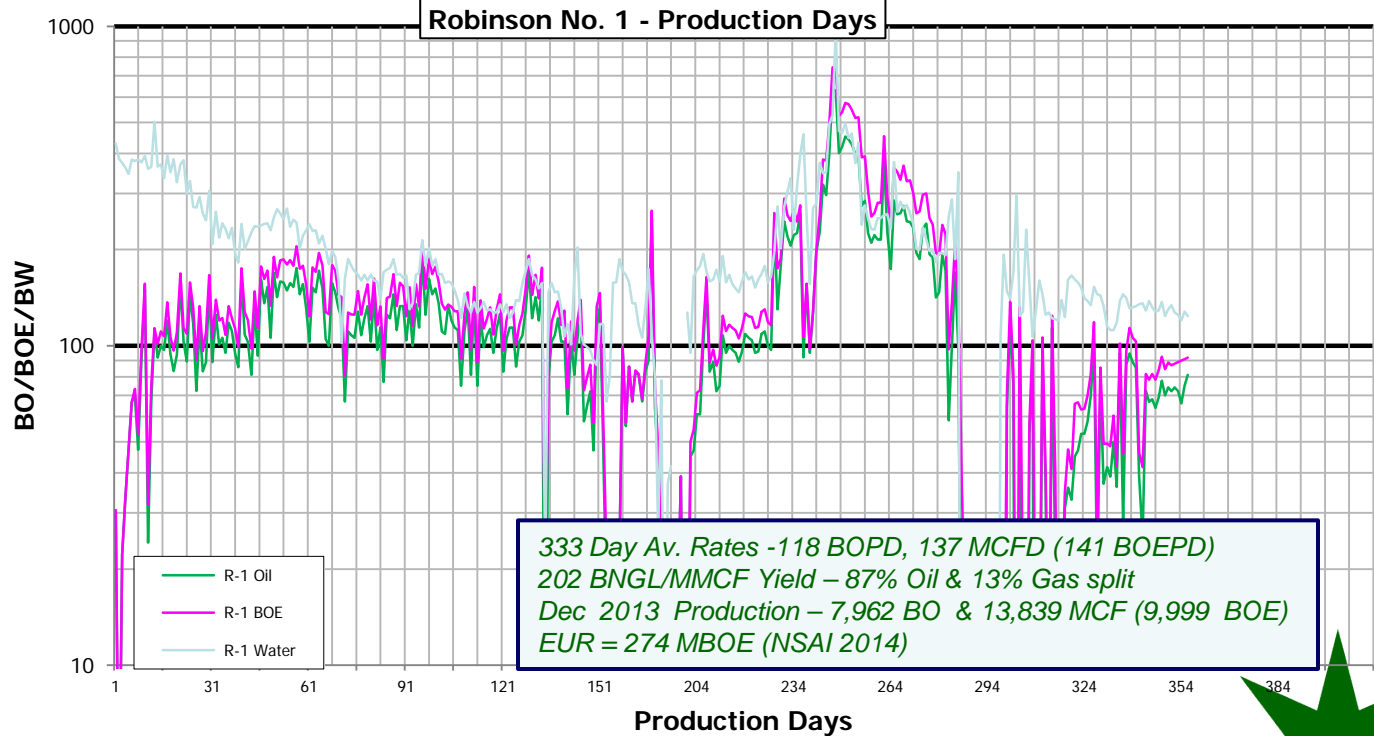
# 2013 Wells & 2014 Vertical Drilling Plan



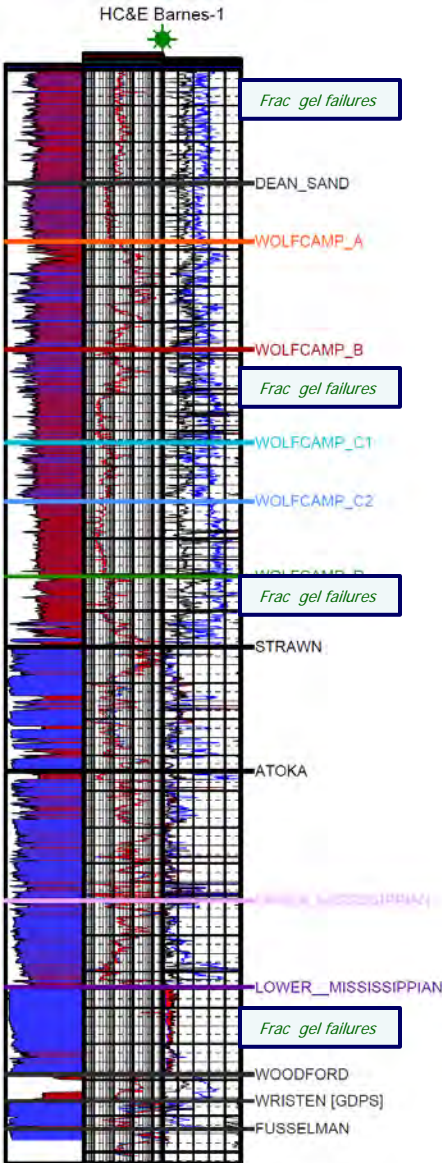
# Robinson No.1 Completion Results



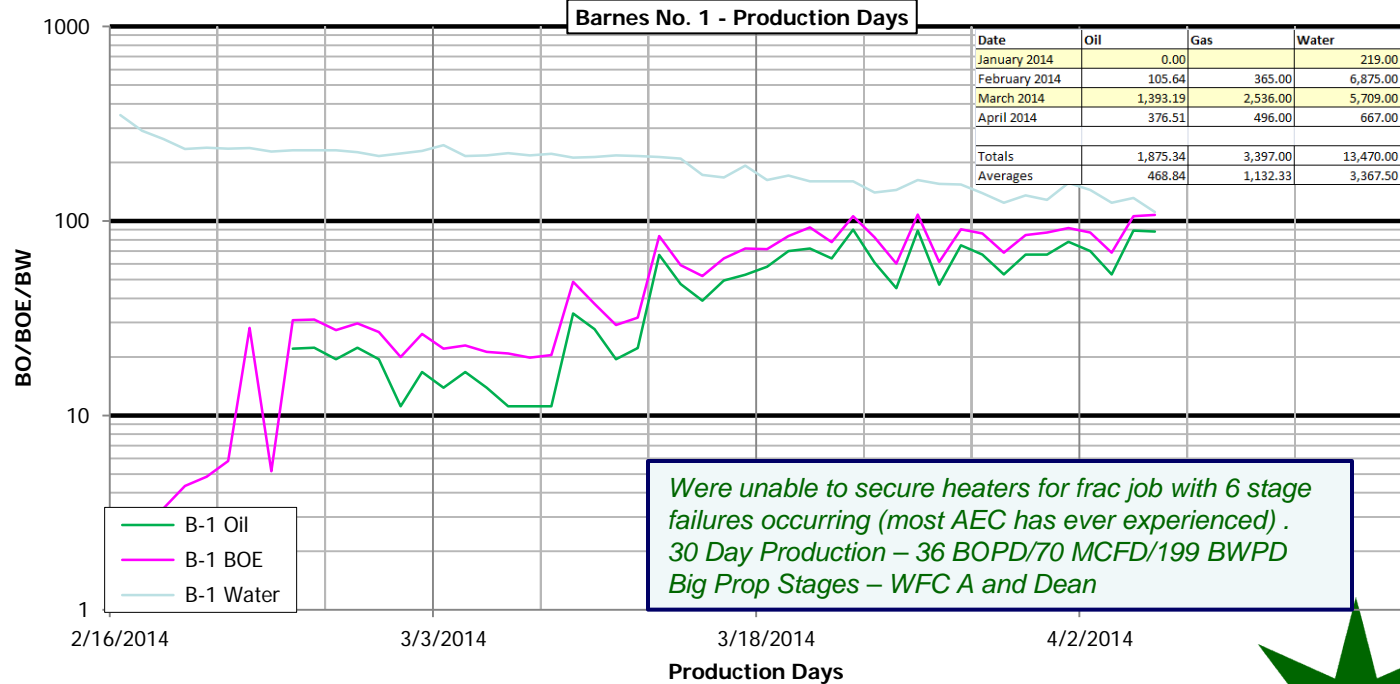
Project Area	Well	Stage	Zone	Date	Upper Perf.	Lower Perf.	Fluid	Proppant (lbs)	Max Concentration (lbs/gal)	Avg. Treating Rate (bbls/min)	Avg. Treating Pressure (psi)	Breakdown Pressure (psi)	ISIP (psi)
Southern Star	Robinson No. 1	1	Lower Mississippian	2/16/2013	10,192	10,222	2,623 bbls fluid & 12# XLG	55,000 20/40 Ottawa 20,000 20/40 SLC	2.00	71.00	4,432	NR	4,003
		2	Upper Mississippian	2/16/2013	9,940	9,970	2,677 bbls fluid & 12# XLG	55,000 20/40 Ottawa 20,000 20/40 SLC	2.00	58.00	4,552	3,747	3,718
		3	Upper Atoka	2/16/2013	9,712	9,758	2,066 bbls fluid & 18# XLG	35,000 20/40 Ottawa 45,000 20/40 SLC	3.00	58.00	4,103	3,891	2,687
		4	Strawn	2/16/2013	9,141	9,194	3,466 bbls fluid & 12# XLG	155,000 20/40 Ottawa	3.00	82.00	4,084	2,642	3,356
		5	Wolfcamp D	2/17/2013	8,924	9,100	3,245 bbls fluid & 12# XLG	155,000 20/40 Ottawa	3.00	74.00	3,753	3,820	2,436
		6	Wolfcamp C1	2/17/2013	8,745	8,809	2,173 bbls fluid & 12# XLG	155,000 20/40 Ottawa	3.00	79.00	3,878	2,037	2,428
		7	Wolfcamp C1	2/17/2013	8,550	8,722	3,271 bbls fluid & 12# XLG	155,000 20/40 Ottawa	3.00	80.00	3,705	2,646	2,360
		8	Wolfcamp B	2/17/2013	8,331	8,500	3,267 bbls fluid & 12# XLG	155,000 20/40 Ottawa	3.00	79.00	3,215	3,707	1,791
		9	Wolfcamp A	2/17/2013	8,094	8,282	3,288 bbls fluid & 12# XLG	155,000 20/40 Ottawa	3.00	78.00	2,940	2,358	843
		10	Dean	2/17/2013	7,900	7,940	2,137 bbls fluid & 18# XLG	80,000 20/40 Ottawa	3.00	54.00	1,556	1,061	672
<b>TOTAL</b>							<b>28,213 bbls</b>	<b>1,240,000 lbs</b>					



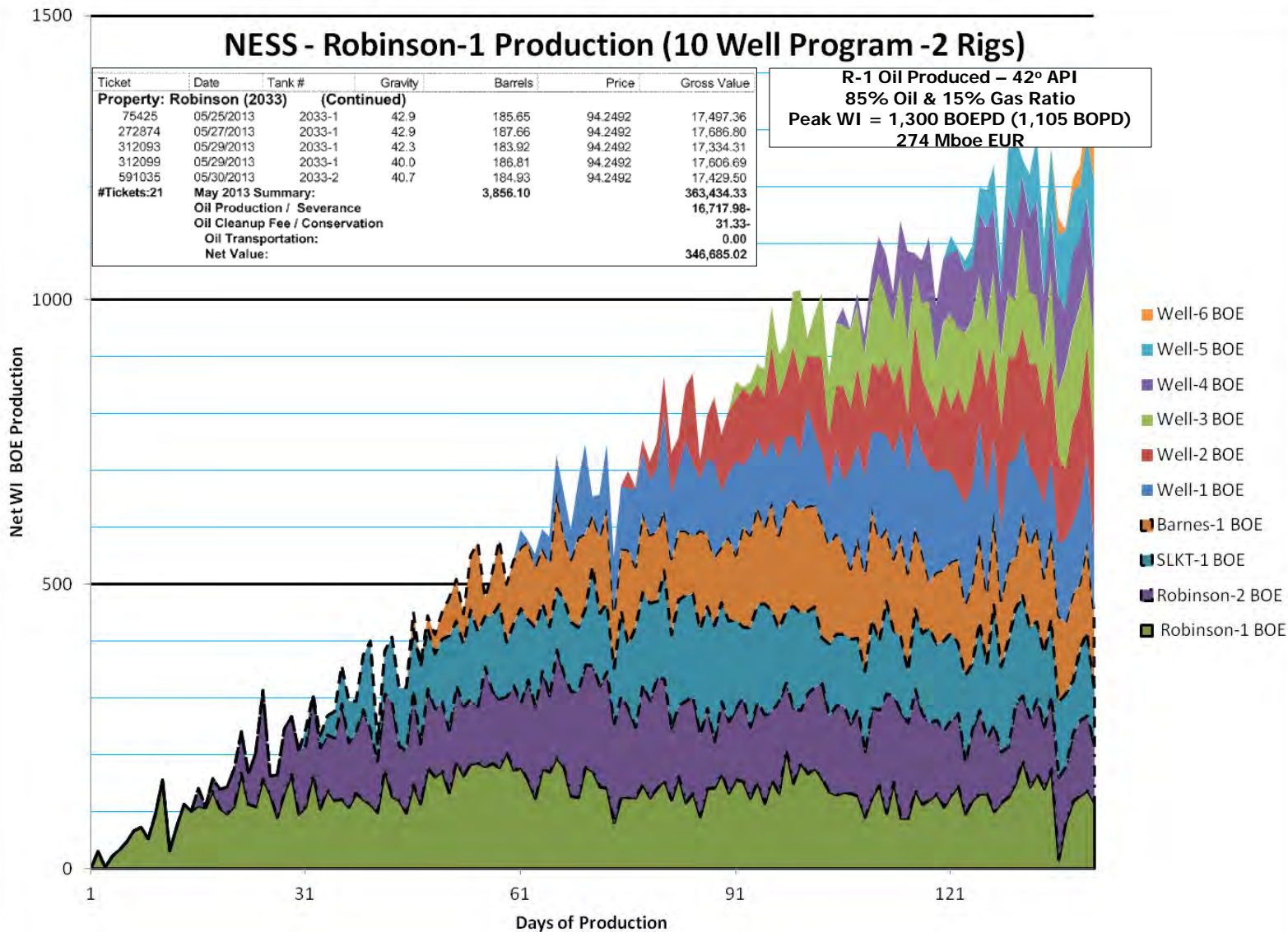
# Barnes No.1 - Results To Date



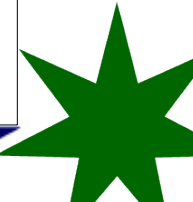
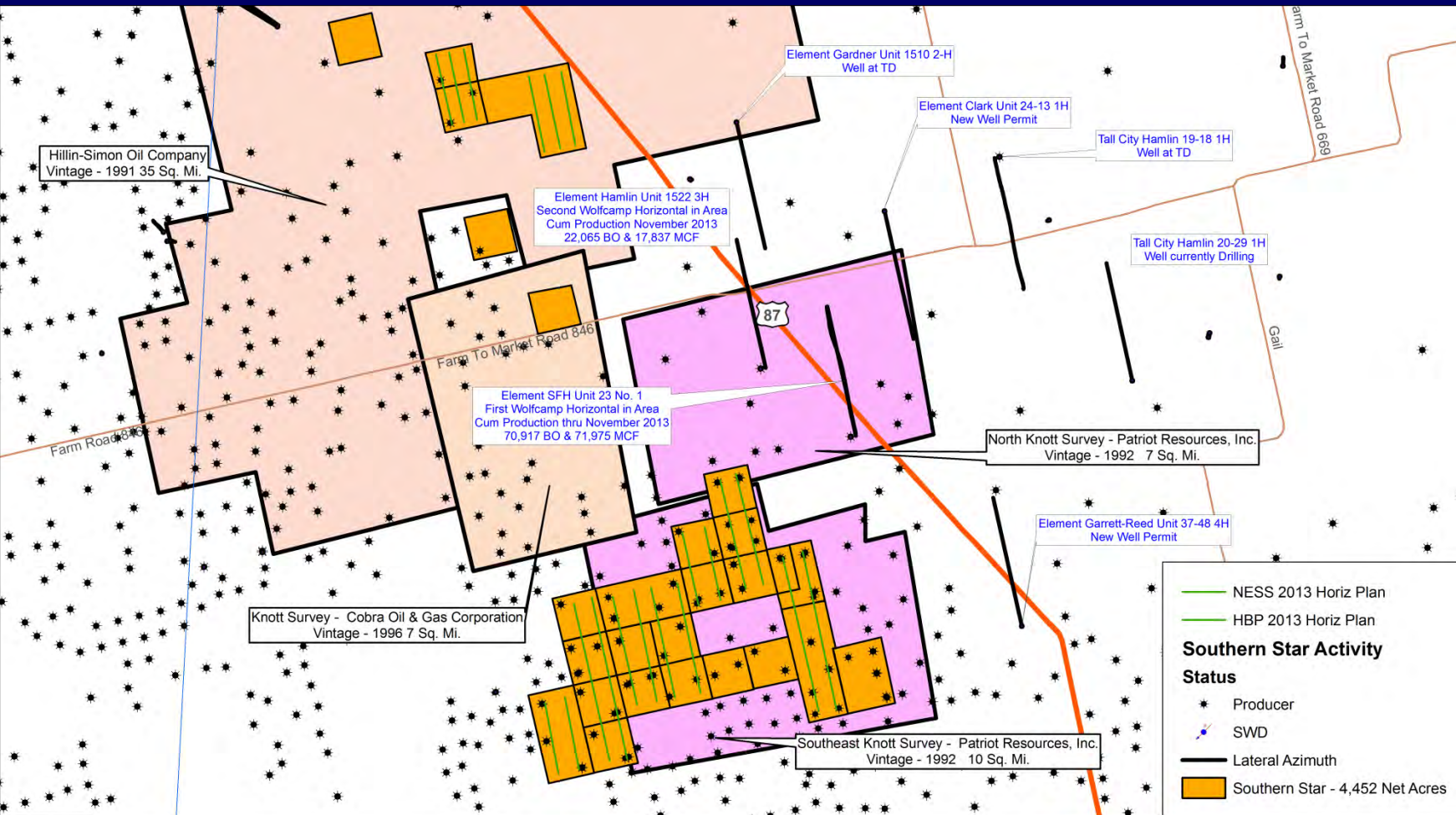
	1/9/14	1/9/14	1/9/14	1/9/14	1/9/14	1/9/14	1/9/14	1/9/14	1/9/14	1/9/14	1/9/14	1/9/14	1/9/14	Totals
Stage:	1	2	3	4	5	6	7	8	9	10	11	12		
Perforation Depth:	10280	10222	10006	9580	9510	8821	8428	8277	8088	7957	7878	7642		
Breakdown Pressure:	5,517		5,105	3,150	4,967	3,366	3,774	2,605	5,246	1,493	2,840	5,647		
Breakdown Rate:	7.9		4.0	5.7	4.0	4.2	4.0	4.7	5.4	5.4	5.8	6.5		
Ball Seat Pressure:														
ISIP:	6,552			3,484	6,362		6,524	2,393	5,548	518	543	5,157		
Final Frac Gradient:	1.071			0.798	1.103		1.208	0.723	1.120	0.499	0.503	1.109		
Total Fluid (bbl):	1,957	28	2,426	2,964	2,509	1,639	1,300	4,045	1,988	3,477	2,580	1,458	26,371	
Acid (bbl):	72		132	72	72	72	72	24	72	24	24	24	660	
20/40 OTTAWA:	29,999		1,000	69,608	56,040	7,844	6,268	191,909	30,607	109,660	55,852	5,026	533,206	
20/40 SUPER LC:				908						75,434	27,071		162,720	
0:														
Total Sand (lbs):	29,999	1,000	99,216	56,040	7,844	6,268	222,516					5,026	695,926	
Max Sand (ppg):	1.0		0.5	2.0	1.5	0.5	0.5	3.0		3.0	2.0	0.5	1.2	
Avg Rate:	52		20	50	50	64	62	78	22	80	60	43	48	
Avg Pressure:	6,221		7,000	3,563	5,947	6,276	5,754	4,002	6,657	2,857	2,892	5,148	4,693	
Max Rate:	60.0	4.0	52.0	52.0	52.0	64.0	68.0	80.0	80.0	81.0	60.0	52.0	81.0	
Max Pressure:	7,995	7,998	8,280	5,565	7,546	8,336	8,280	5,664	8,446	4,943	5,602	7,938	8,446	
TVD (ft):	10,280	10,222	10,006	9,580	9,510	8,821	8,428	8,277	8,088	7,957	7,878	7,642		
Cost (\$):														
Start Time:	12:15	15:00	18:38	7:47	10:28	13:39	17:43	7:13	10:04	14:50	16:49	18:34		
End Time:	12:59	17:31	21:15	5:54	11:31	14:14	20:45	8:12	13:39	15:39	17:37	19:17		
Pump Time:	0:44	2:31	2:37	22:07	1:03	0:35	3:02	0:59	3:35	0:49	0:48	0:43	15:33	



# Modeled 10 Well Production Profile



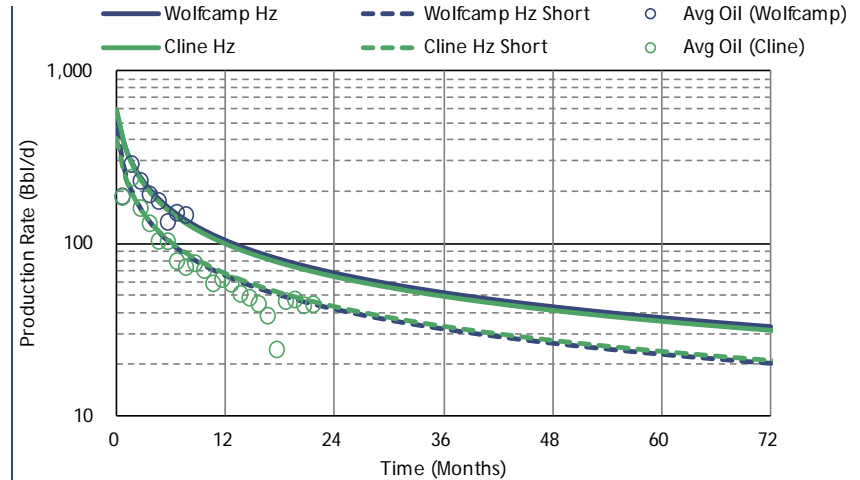
# Southern Star – Existing 3D control



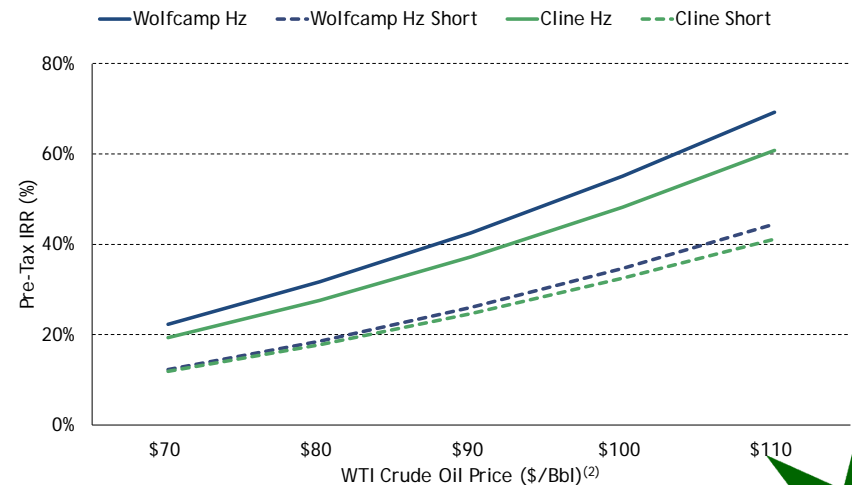
# Southern Star Hz Type Curves: Wolfcamp and Cline

## Type Curve and GOR

	Wolfcamp Hz Long	Wolfcamp Hz Short	Cline Hz Long	Cline Hz Short
<b>Type Well Assumptions</b>				
Gross EUR (Mboe)	601	375	561	374
Oil EUR (Mbbbl)	326	204	312	208
Gas EUR (MMcf)	697	430	627	418
NGL EUR (Mbbbl)	160	99	145	96
% Liquids	81%	81%	81%	81%
IP (boe/d)	747	627	756	504
Initial GOR (scf/bbl)	2,000	2,000	1,500	1,500
Final GOR (scf/bbl)	3,500	3,500	3,500	3,500
NGL Yield (bbl/MMcf)	150	150	150	150
<b>Type Curve</b>				
Oil IP (bbl/d)	561	470	605	403
Gas IP (Mcf/d)	1,121	940	907	605
30-Day IP (boe/d)	669	507	636	424
1st Yr Decline (%/yr)	81%	86%	83%	83%
B Factor	1.50	1.50	1.50	1.50
Terminal Decline (%/yr)	6%	6%	6%	6%
Type Curve Life (yrs)	40	40	40	40
<b>Economics</b>				
D&C (\$M)	\$7,000	\$5,500	\$7,000	\$5,500
Long Term Fixed LOE (\$/mo)	\$4,500	\$4,500	\$4,500	\$4,500
Variable LOE (\$/boe)	\$5.34	\$5.34	\$5.34	\$5.34
Oil Differential (\$/bbl)	(\$2.00)	(\$2.00)	(\$2.00)	(\$2.00)
Gas Differential (%)	(5%)	(5%)	(5%)	(5%)
NGL Differential (% of WTI)	50%	50%	50%	50%
BTU Multiplier (Btu/scf)	1,050	1,050	1,050	1,050
Shrinkage	35%	35%	35%	35%
Royalty	25%	25%	25%	25%
POP	85%	85%	85%	85%
<b>Results</b>				
NPV10 (\$MM) <sup>(1)</sup>	\$5.8	\$2.4	\$5.0	\$2.3
IRR <sup>(1)</sup> (%)	42%	26%	37%	25%
F & D (\$/boe)	\$15.54	\$19.56	\$16.63	\$19.59



## Commodity Price Sensitivity

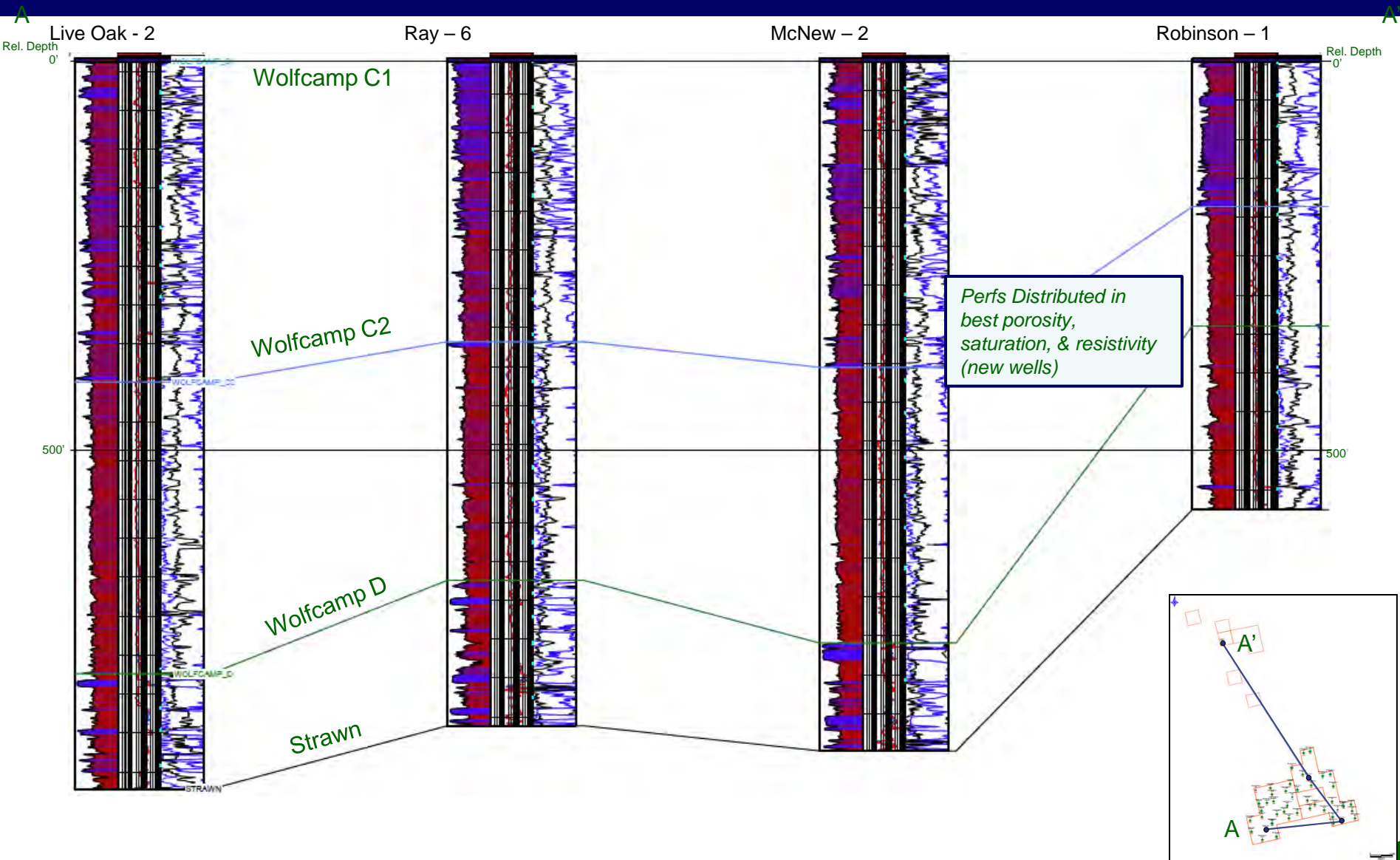


(1) IRR and PV(10) based on \$90/bbl and \$4.50/Mcf flat NYMEX price deck.

(2) Assumes 20:1 oil to gas ratio.

# Tying NESS Into SS HBP:

## Wolfcamp C to Strawn

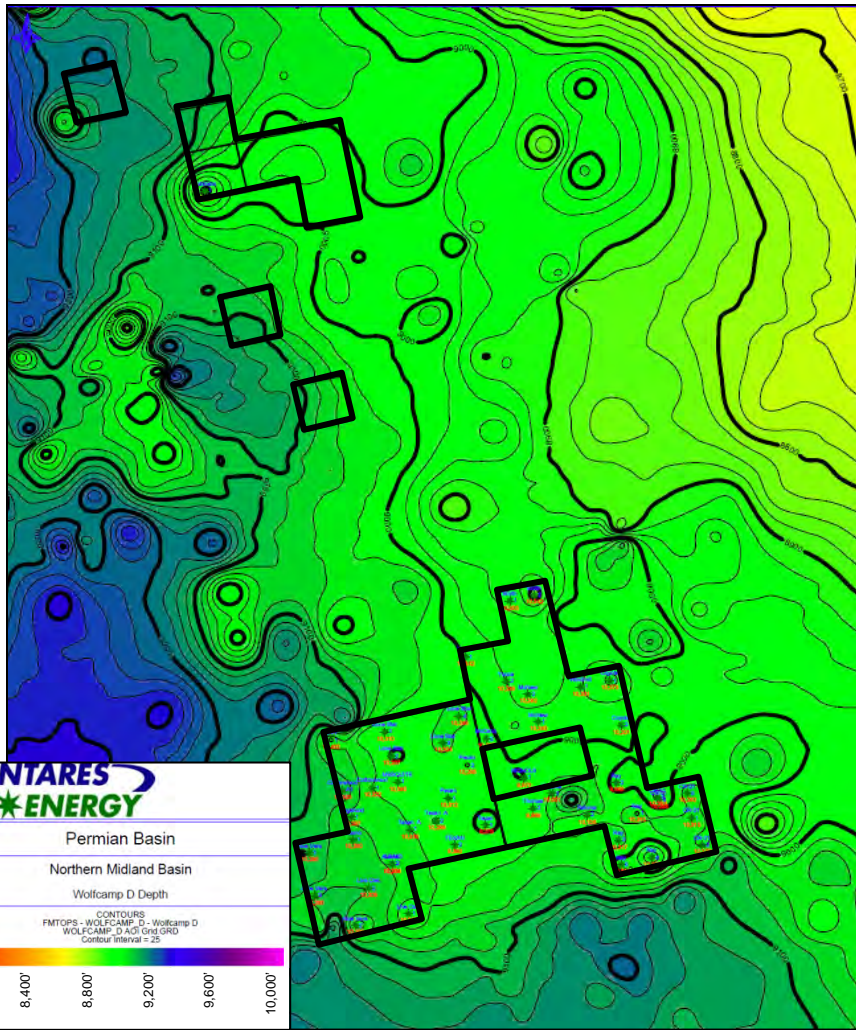




# Wolfcamp D (Cline)

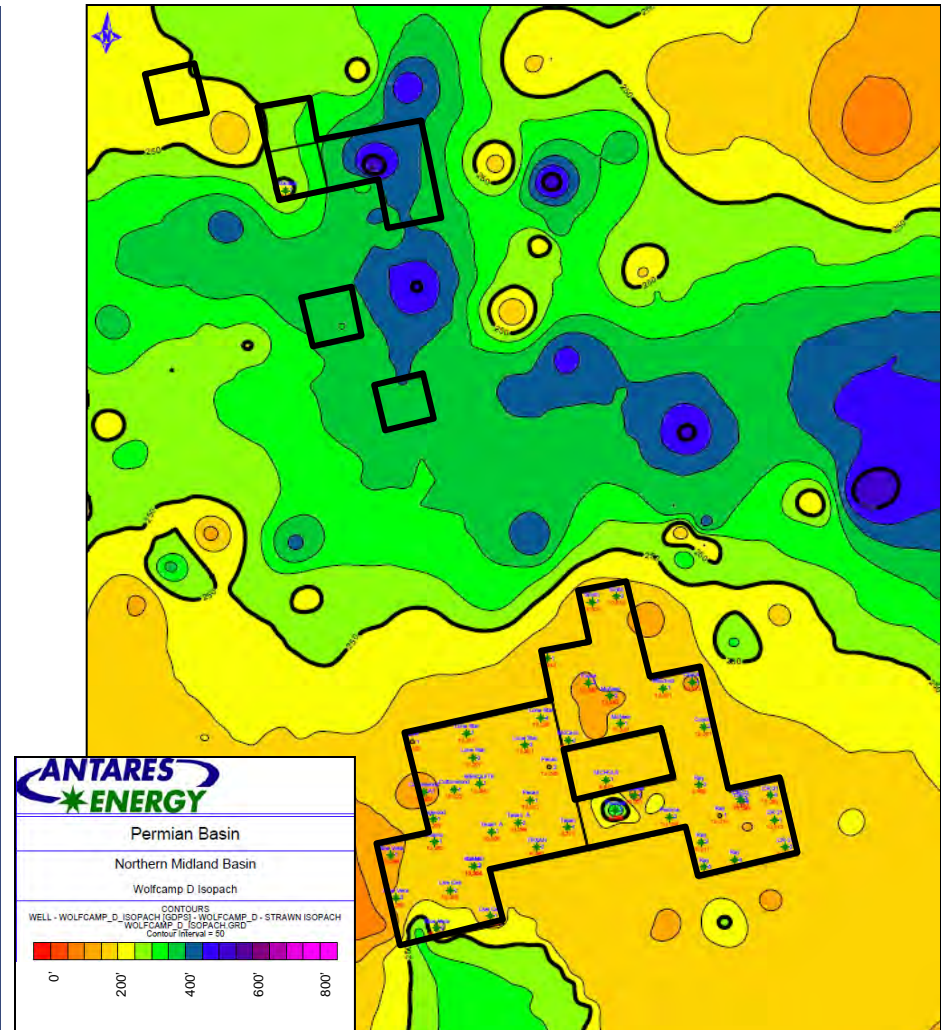
~500 data points  
from Petra GDS

### Wolfcamp D Structure



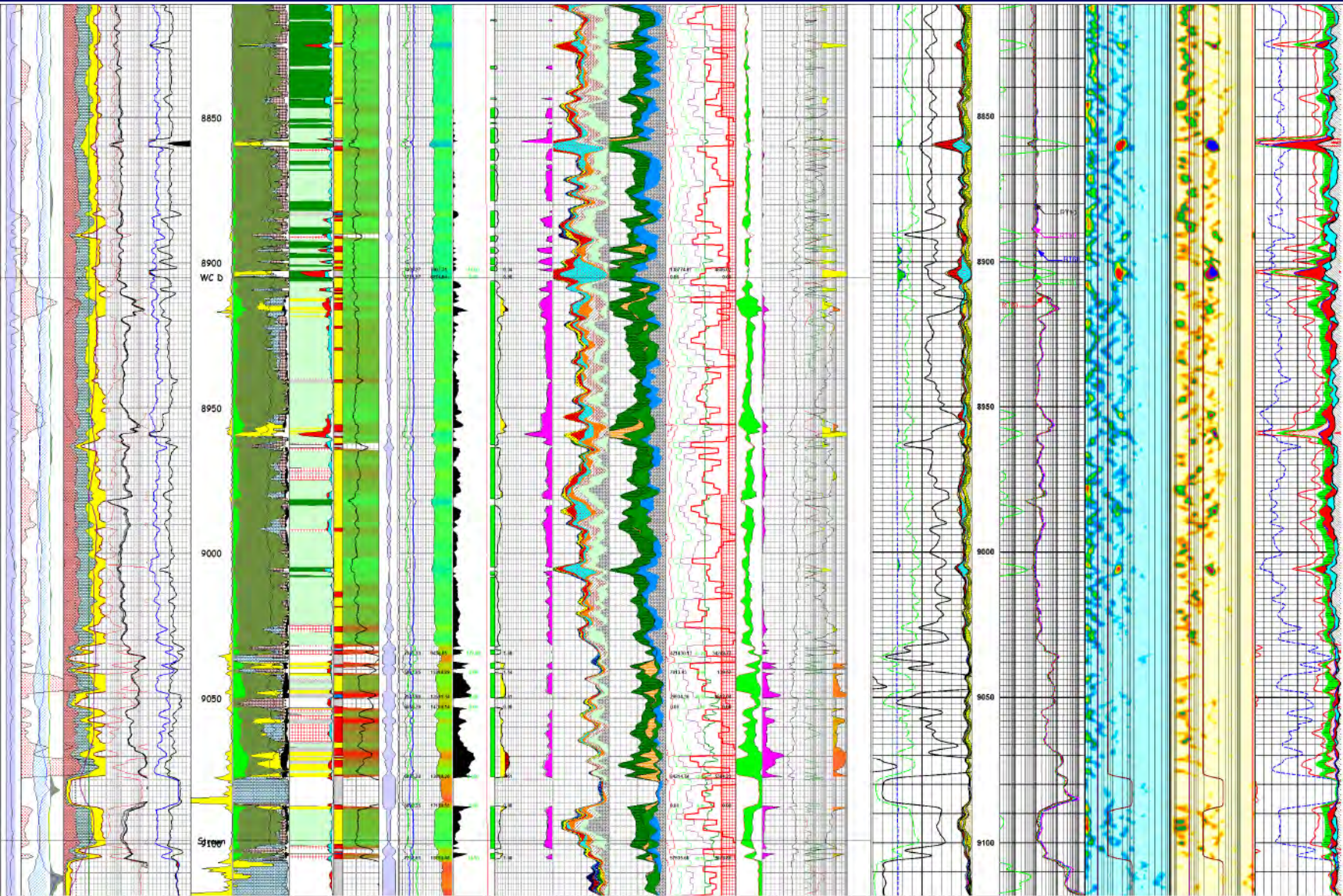
By: G D Shoemaker

### Wolfcamp D Isopach



By: G D Shoemaker

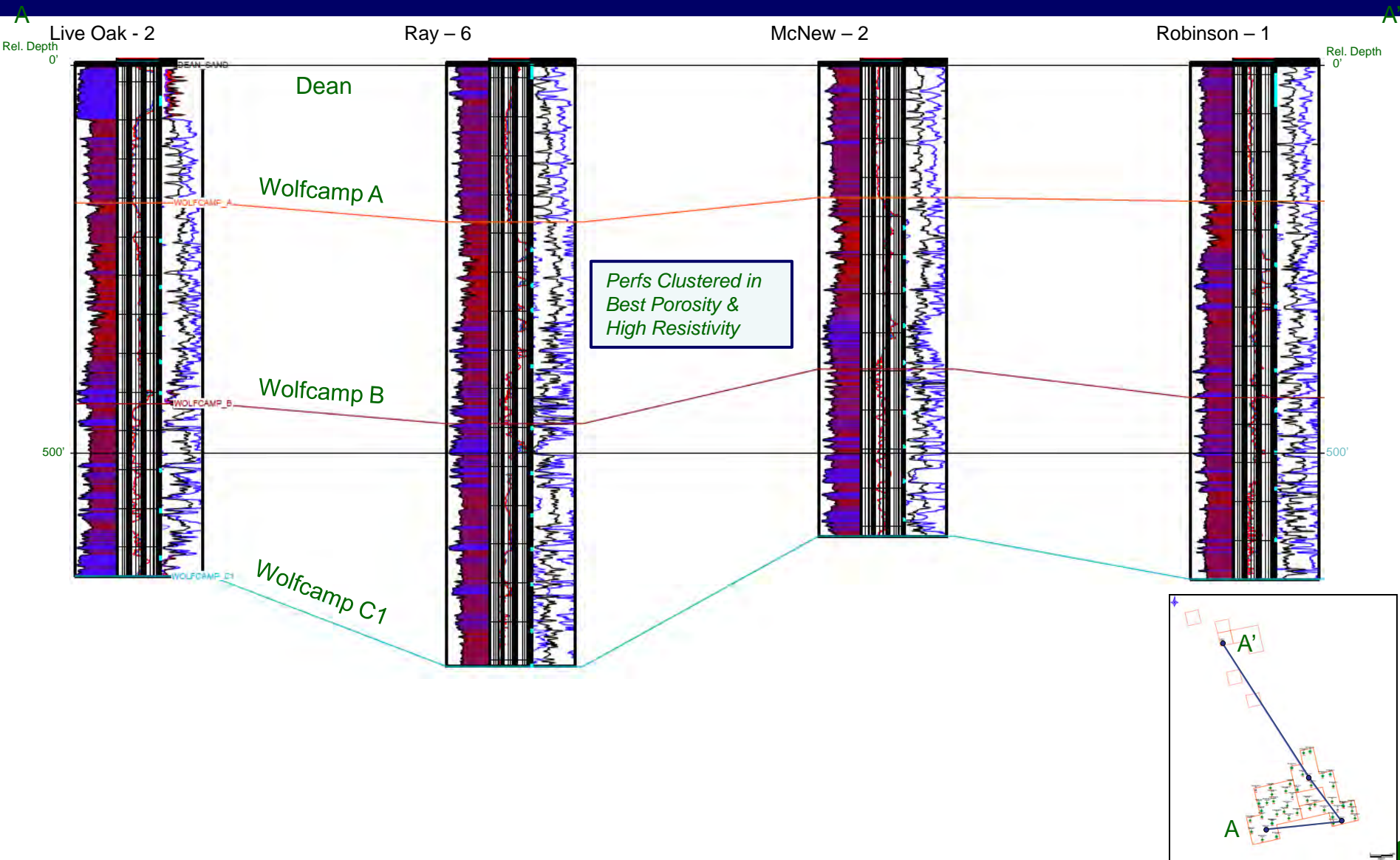
# Barnes-1 WFC D Petrophysic Character





# Tying NESS Into SS HBP:

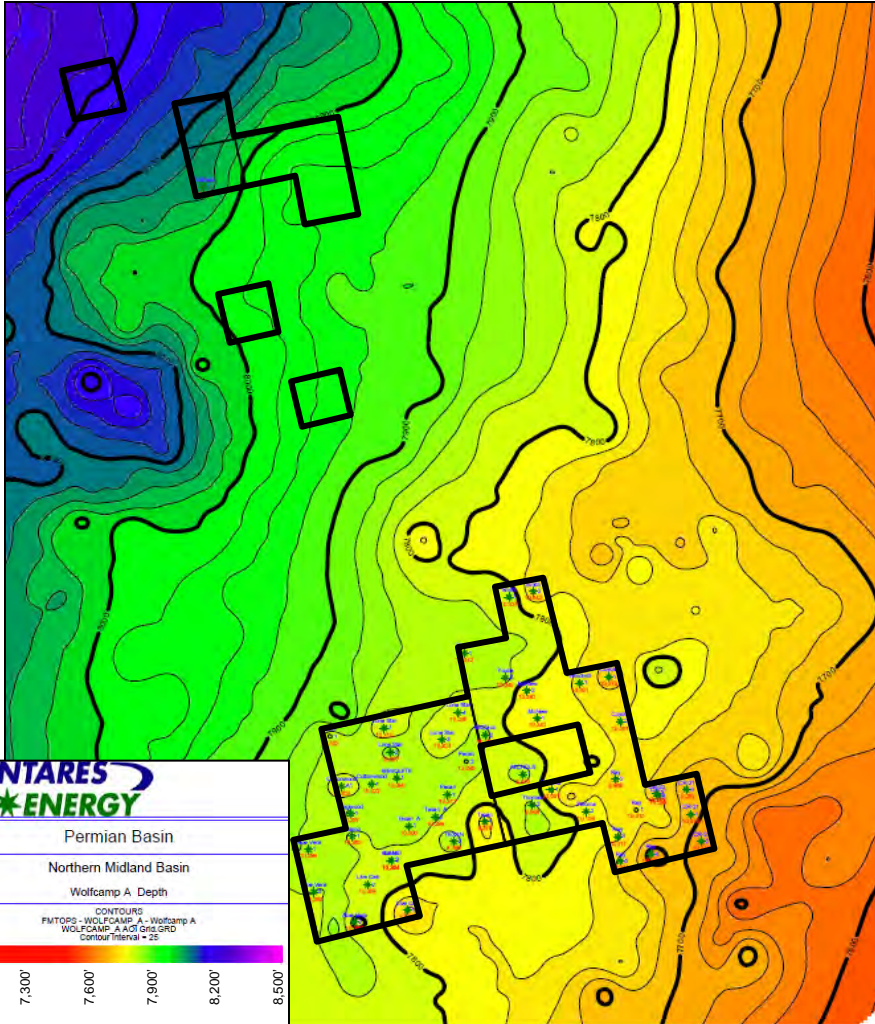
Dean to Wolfcamp C



# Upper Wolfcamp (A & B)

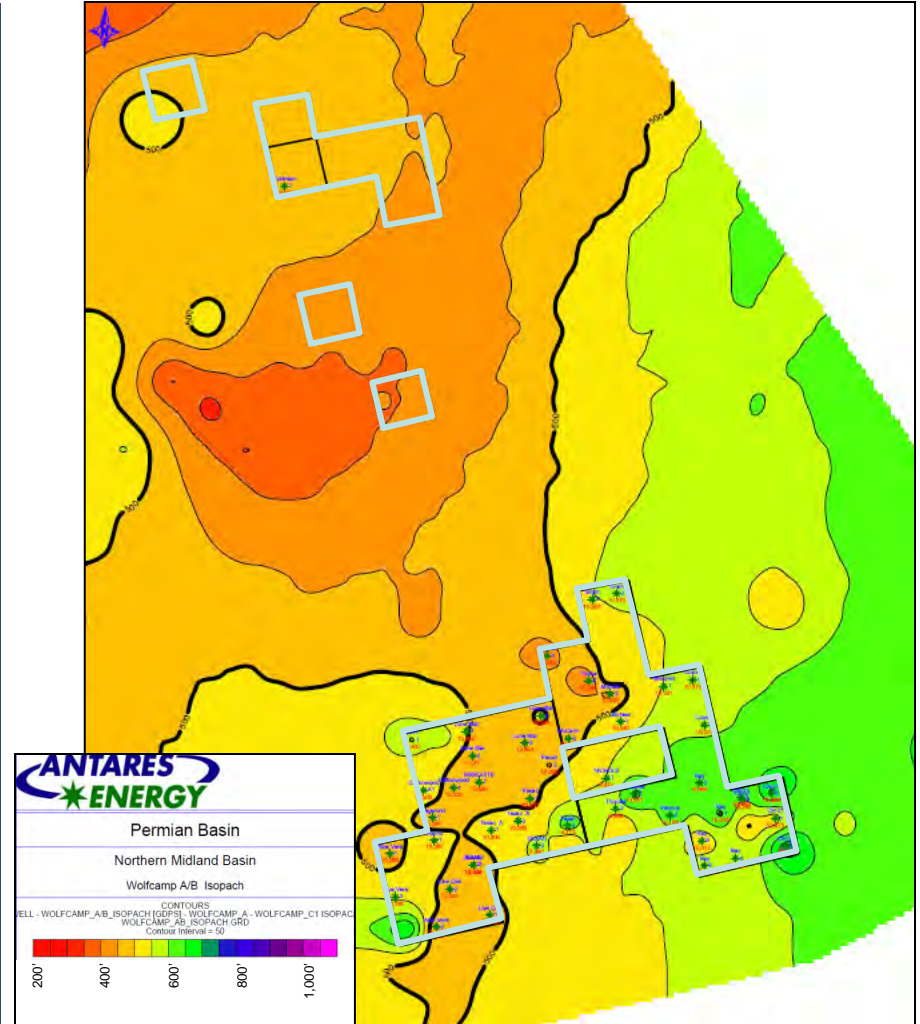
~500 data points  
from Petra GDS

## Wolfcamp A Structure



By: G D Shoemaker

## Wolfcamp A & B Isopach

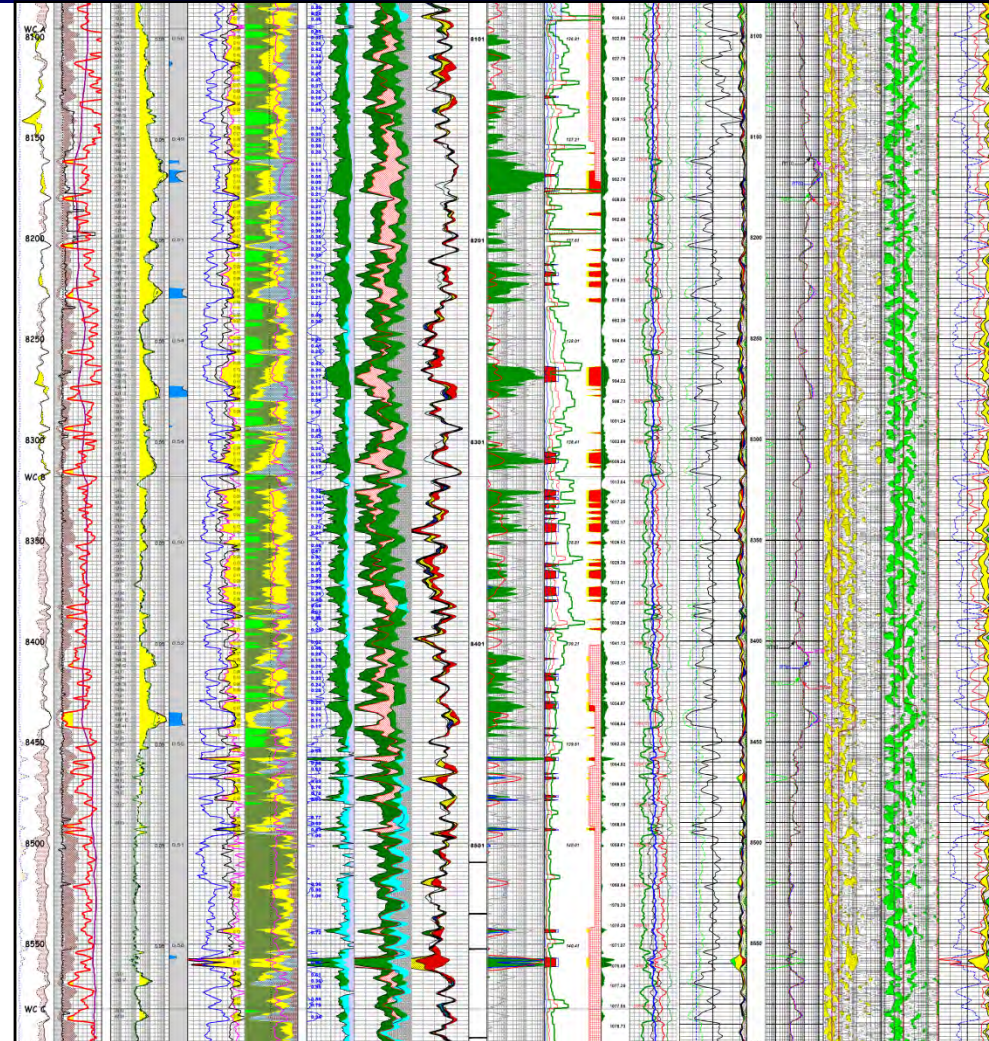


By: G D Shoemaker

# SLKT No.1 Wolfcamp Petrophysics



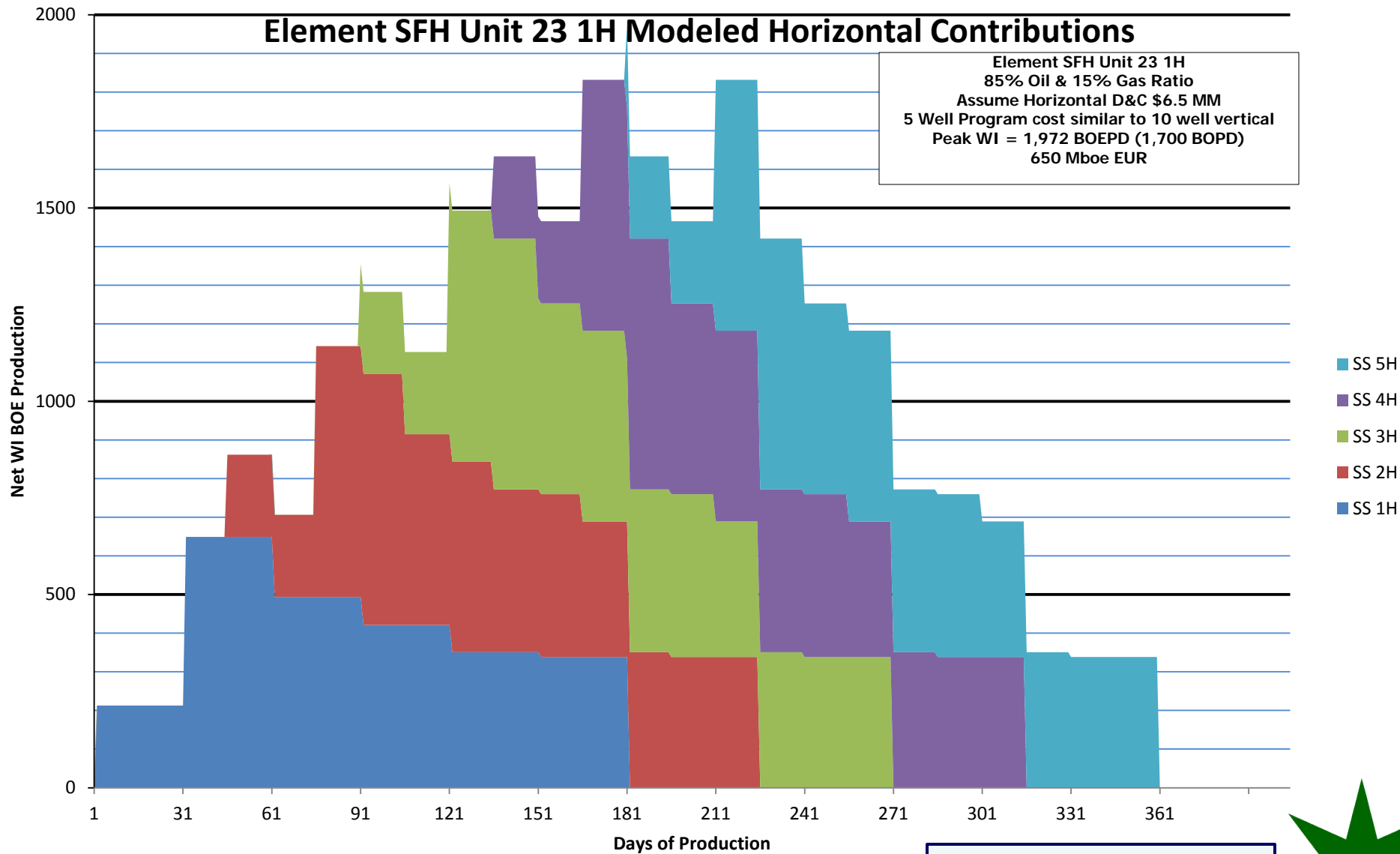
*Permian Wolfcamp A/B*  
Saturations & Permeability Data  
480 Gross – 170' Net Quality Pay



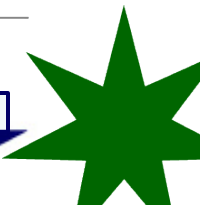
*Permian Wolfcamp A/B*  
Richness & mechanical properties



# Modeled 5 Well Production Profile



Modeled Production Source : TRRC Public Production Data



# Southern Star Summary

- \* 2014 Production – average production of 1,100 BOEPD
- \* 2014 Production – average WI production of 924 BOEPD
- \* 2014 Production – average NRI production of 636 BOEPD
- \* January 2014 Net Operating Income - \$1,561,622
- \* 4 wells drilled over the past 12 months, with 54 wells now producing
- \* Severe winter weather impacted recent fracs and production negatively
- \* 2014 drilling program focused on - 7 vertical wells northern extension Southern Star HBP
- \* Replicating Robinson No. 1 Production – 10 Wells = 1,105 BOPD Net WI (85% Oil – 42-45° API)
- \* New horizontal results – production targets attainable with same cost exposure & half the vertical wells
- \* Targeting gross production of 5,000 BOEPD by end of 2015CY





# Select Operational Photos



*Robinson Battery*



*Beall Fresh Water Pit*



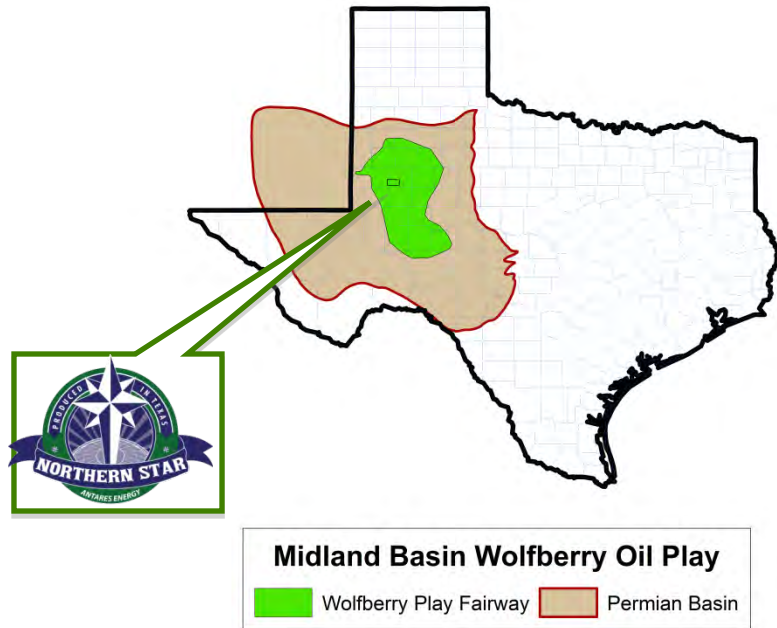
*Robinson No. 2 Drilling*



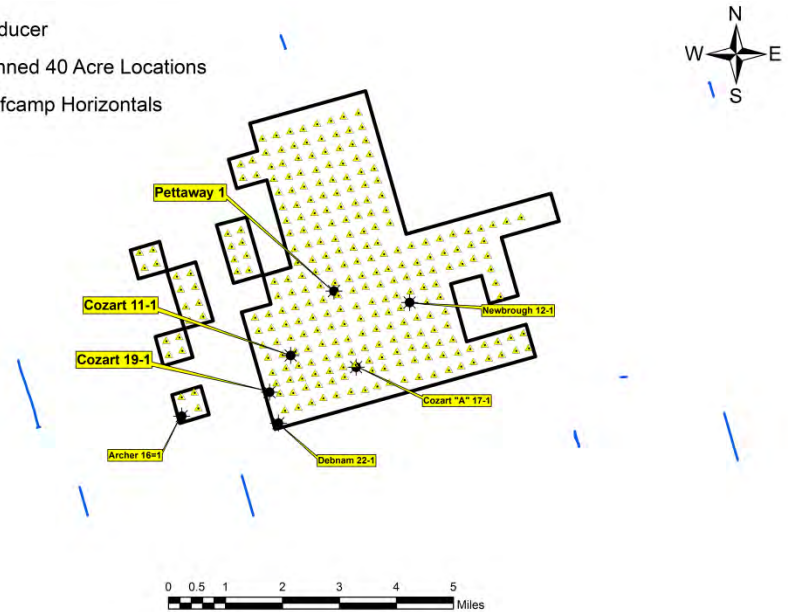
*Northern Star Pump & Battery*



# Northern Star



- ★ Producer
- ▲ Planned 40 Acre Locations
- Wolfcamp Horizontals



## SUMMARY

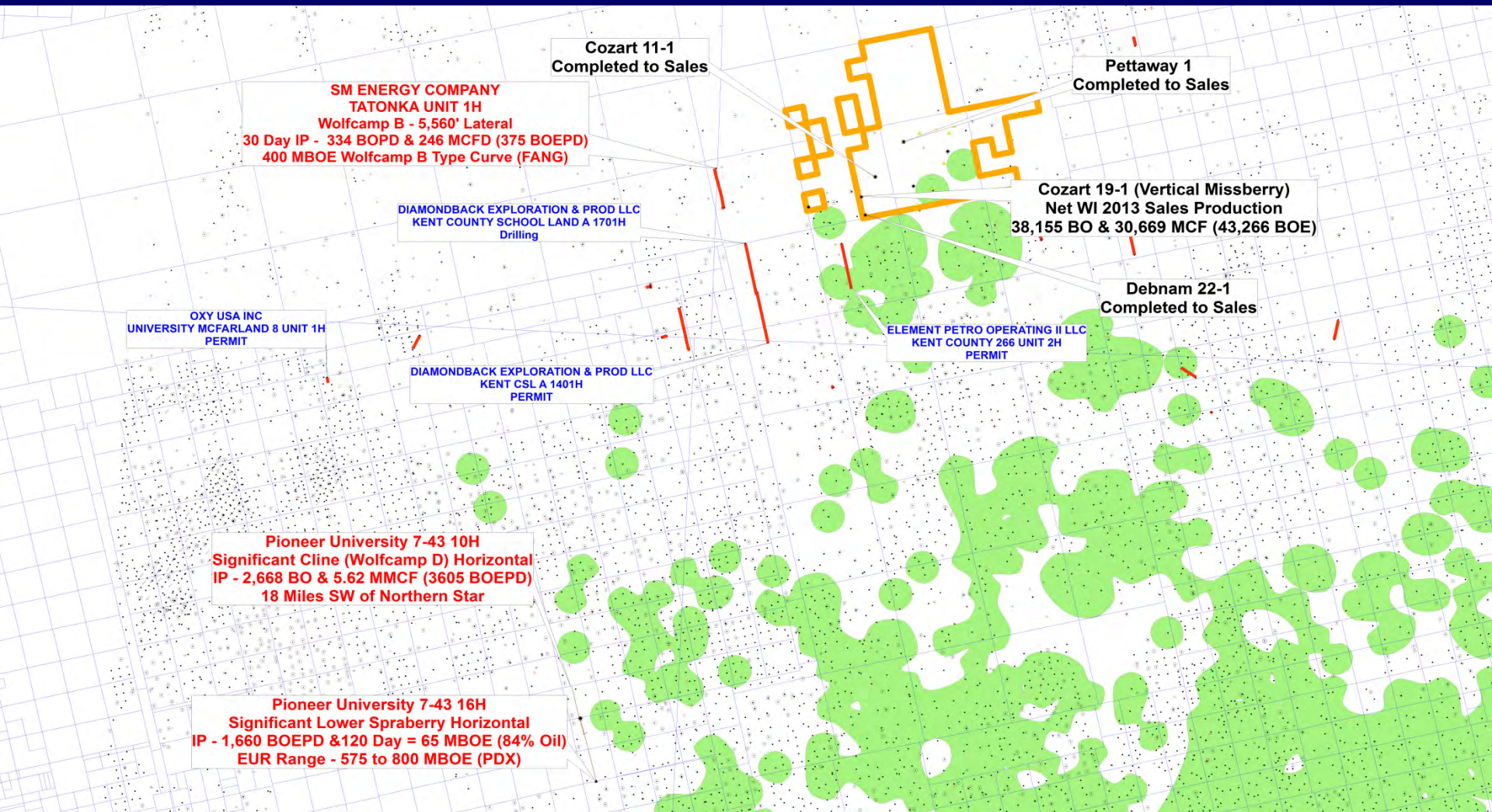
- ★ 12,100 gross (11,984 net) acres
- ★ 12,500' wells: Clear Fork, Spraberry, Dean, Wolfcamp, Cline, Strawn, Mississippian, Woodford & Devonian
- ★ 300+ drilling locations on 40 acre spacing
- ★ 2P Net Reserves of 15.2 MMBOE (80 ac spacing)
- ★ 2013 Net WI Production – 52,514 BOE
- ★ 2013 Net to WI Production – 146 BOEPD
- ★ Lease extension program underway through 2018
- ★ Wolfcamp horizontals being drilled directly adjacent

## OPPORTUNITY

- ★ Cozart 19 No.1 – 357 Day Rates 109 BOPD & 87 MCFD
- ★ Cozart 19 No. 1 – highest NGL yield @ 258 BPMCFG
- ★ Cozart 19 No.1 – Net WI 38,155 BO & 30,669 MCF Prod.
- ★ Debnam 22 No. 1 – Completed to Sales
- ★ Cozart 11 No. 1 – Completed to Sales
- ★ Pettaway 7 No.1 – Completed to Sales



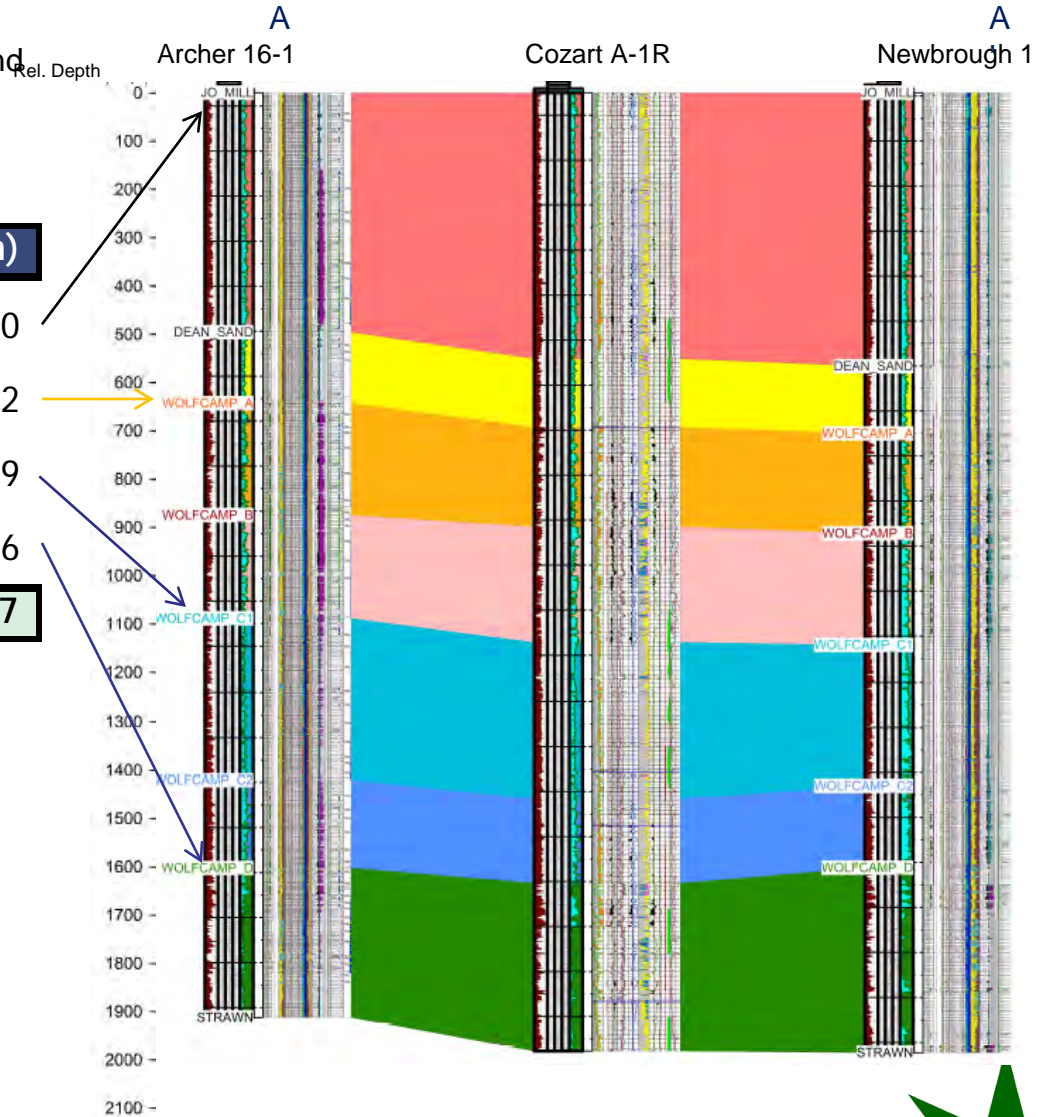
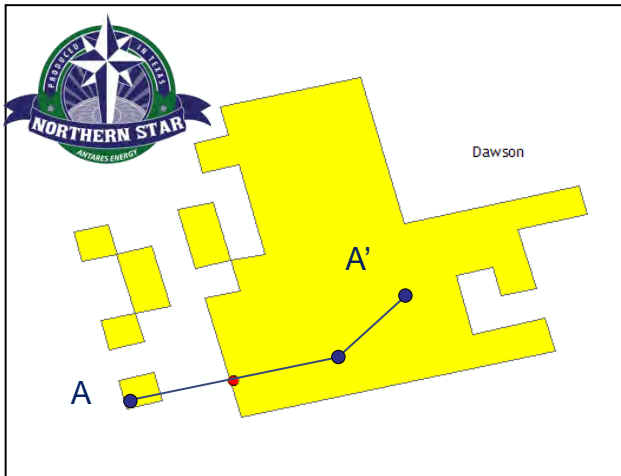
# Northern Star Activity Locator



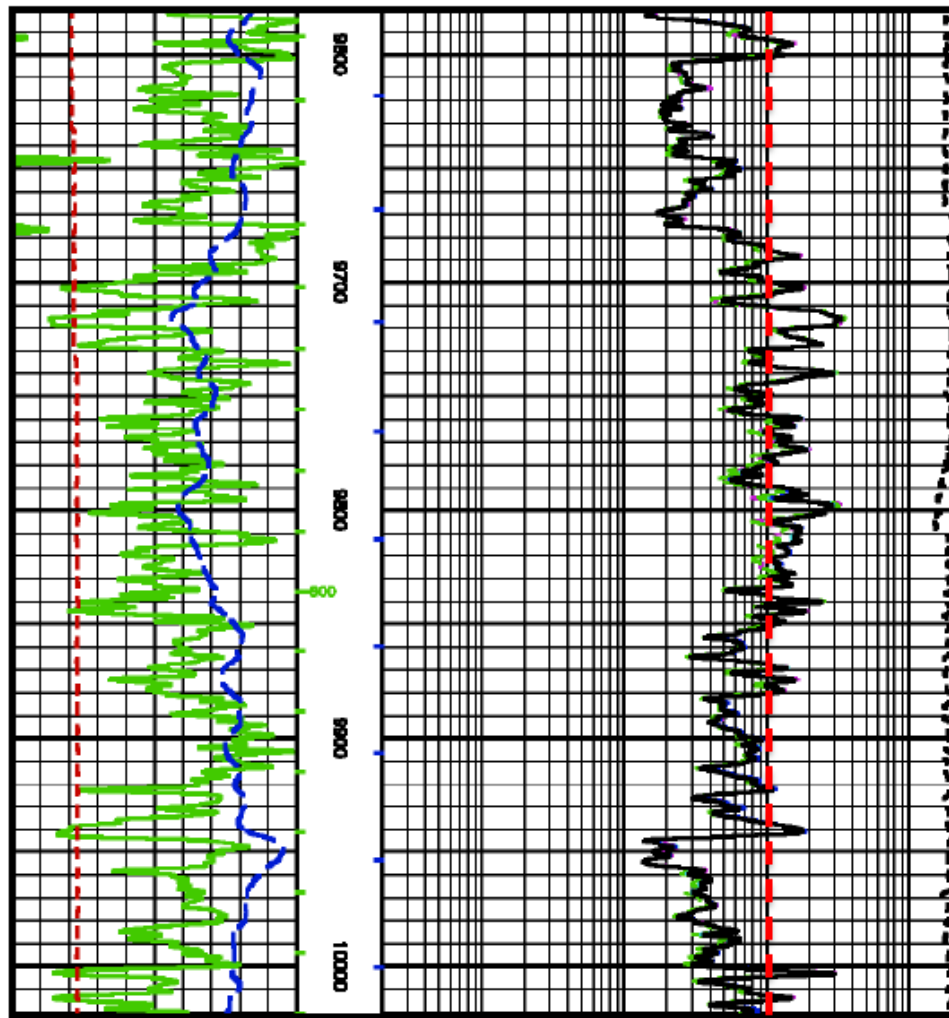
# Oil In Place Resource (Archer 16-1)

- Third-party petrophysical analysis by NuTech and HAL indicates significant OOIP in Northern Star

Formation	OOIP (MMbbl/section)
Lower Spraberry	60
Upper Wolfcamp (A/B)	82
Lower Wolfcamp (C)	39
Wolfcamp D (Cline)	16
<b>Total</b>	<b>197</b>



# Wolfcamp Characteristics *(Archer 16-1)*

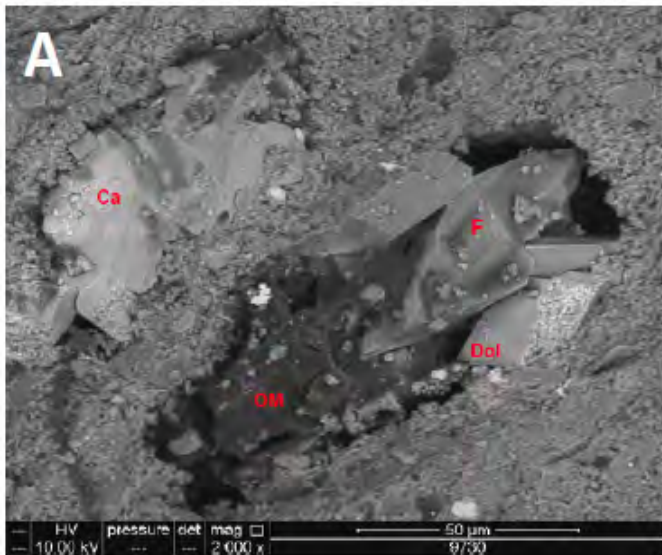


100 ohms

Top Wolfcamp A (ft)	9,500'
API Gravity (°API)	38° API
GOR (scf/bbl)	500-1,000
Thickness (ft)	1,200'+
Average Porosity (%)	>10%
Average Permeability (μD)	>5 μD
Carbonate Content (%)	60-65%
Quartz Content (%)	15-20%
Average TOC (%)	5%



# High TOC and Secondary Porosity in the Wolfcamp



Well	Cozart "A" No. 1R
Depth (ft)	9,730'
Formation	Wolfcamp B
TOC (%)	8.9%
Porosity (%)	10.2%

## Photomicrograph Description

- This sample contains numerous dissolution pores (likely dissolved fossils) partially filled with various authigenic minerals and organic matter (Photo A)
- Authigenic minerals include calcite, dolomite and potassium feldspar
- Small amounts of pyrite are intercalated with mica crystals in some of the larger mica particles (Photo B)



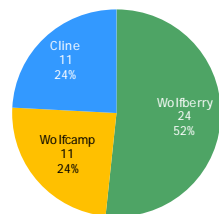
# Northern Star

## 2013 Scoping Economics

### Significant In-Place Oil Resource

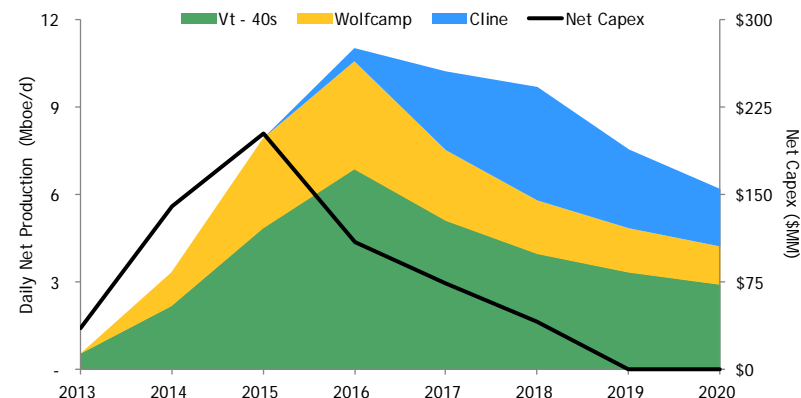
- 11,984 net acres (12,100 gross), 75% NRI (8/8ths)
- 197 MMB/sec OOIP from Lower Spraberry through Cline
- Potential for Vt. Missberry & stacked Hz development (Lower Spraberry, Wolfcamp A, B, and D Shales)
- Opportunity to deploy material capital
  - Potential for over 300 vertical 40-acre Missberry locations
  - Potential for 50+ long-lateral locations per zone (7,500')
  - Development model assumes 50% of position developed with Vt. 40-acre Missberry and stacked Hz's in Wolfcamp A and D

### Net Resource Summary (47 MMboe)

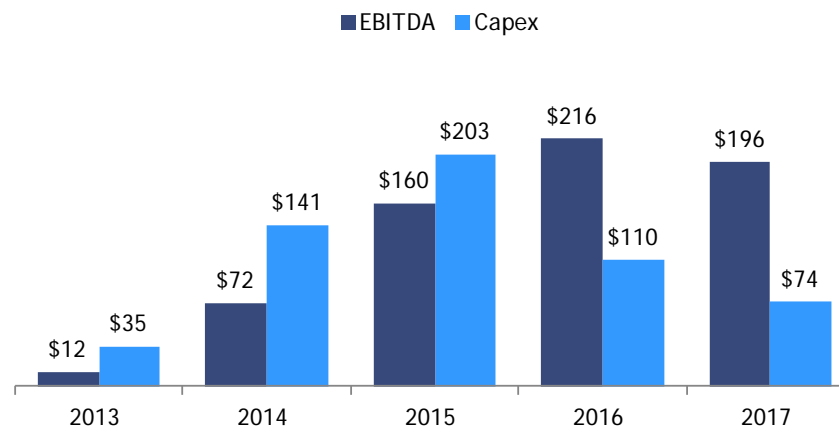


	Vertical 40's	Hz Wolfcamp	Hz Cline	Total
Gross Locations <sup>(1)</sup>	154	26	26	206
Total Resource (MMboe)	24	11	11	47
PV10 (\$MM)	\$264	\$135	\$112	\$512
Total Capex (\$MM)	\$280	\$165	\$157	\$603

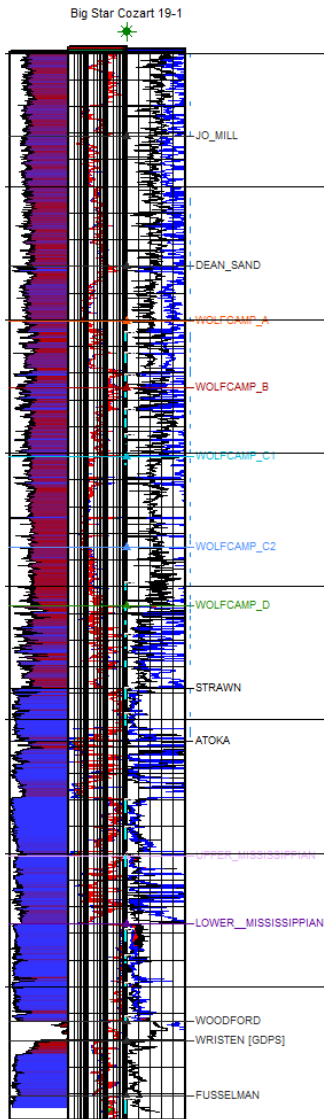
### Peak Net Production of ~11 Mboe/d



### Significant Growth Opportunity

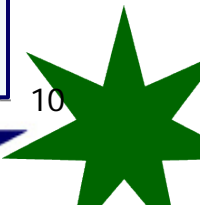
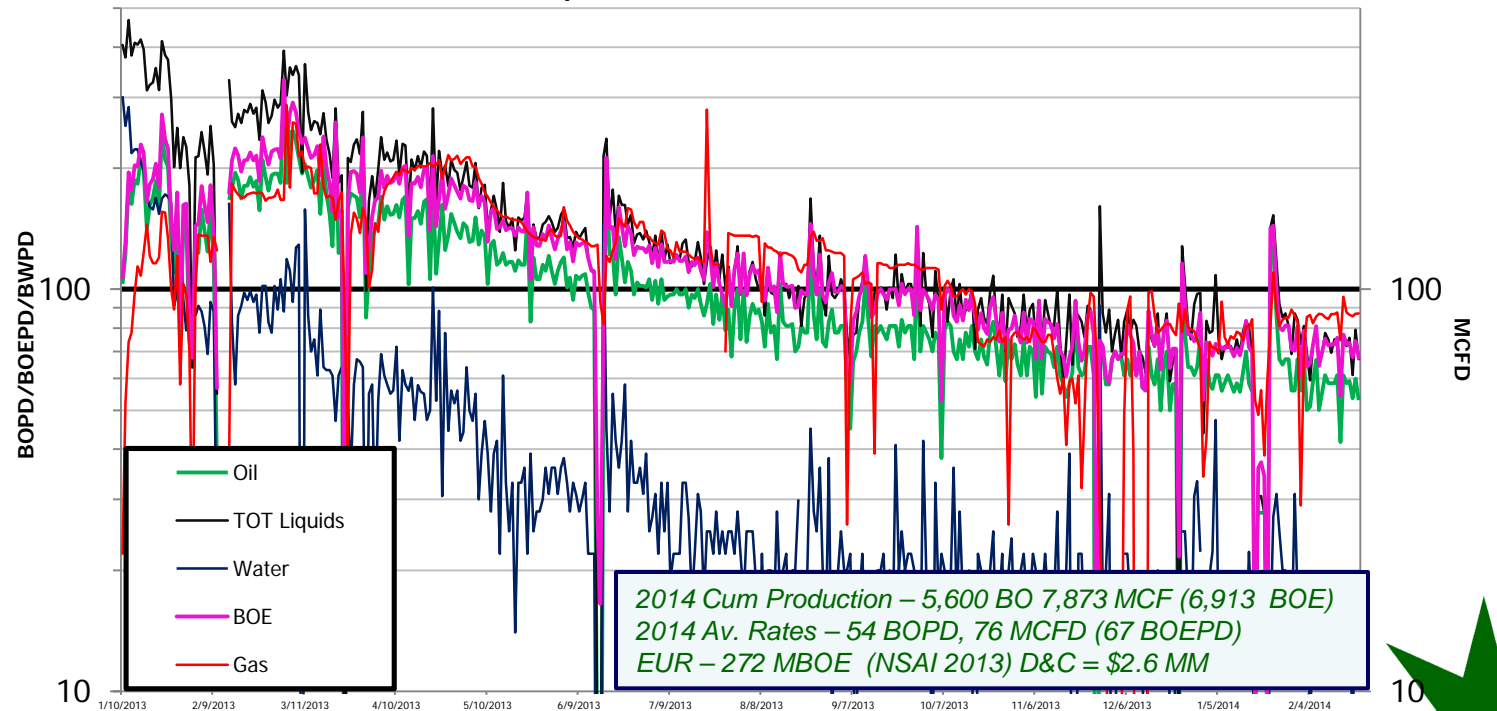


# 2013 Vt. - Cozart 19 No.1 Completion



Project Area	Well	Stage	Zone	Date	Upper Perf.	Lower Perf.	Fluid	Proppant (lbs)	Max Concentration (lbs/gal)	Avg. Treating Rate (bbls/min)	Avg. Treating Pressure (psi)	Breakdown Pressure (psi)	ISIP (psi)	
Northern Star	Cozart 19 No. 1	1	Lower Mississippian 4	11/10/2012	12,116	12,126	3,110 bbls fluid & 12# XLG	58,704 20/40 SLC	2.00	53.00	5,791	4,280	5,244	
		2	Lower Mississippian 3	11/10/2012	11,990	12,000	3,054 bbls fluid & 12# XLG	60,805 20/40 SLC	2.00	58.00	8,671	6,330	5,094	
		3	Lower Mississippian 2	11/10/2012	11,888	11,912	3,089 bbls fluid & 12# XLG	61,445 20/40 SLC	2.00	54.00	5,936	6,003	5,420	
		4	Lower Mississippian 1	11/10/2012	11,795	11,825	---	---	---	---	Unable to breakdown due to pressure			---
		5	Upper Mississippian 3	11/10/2012	11,515	11,545	2,032 bbls fluid & 12# XLG	3,743 20/40 SLC	2.00	40.00	6,160	---	---	5,825
		6	Upper Mississippian 2	11/10/2012	11,415	11,445	3,141 bbls fluid & 12# XLG	60,000 20/40 SLC	2.00	80.00	5,573	---	---	4,692
		7	Upper Mississippian 1	11/11/2012	11,305	11,335	2,082 bbls fluid & 12# XLG	3,160 20/40 Resin	2.00	58.00	6,162	4,500	---	5,378
		8	Strawn 2	11/11/2012	10,985	11,015	3,071 bbls fluid & 12# XLG	40,000 20/40 SLC	2.00	80.00	5,651	3,934	---	3,719
		9	Strawn 1	11/11/2012	10,890	10,920	3,067 bbls fluid & 12# XLG	29,628 20/40 SLC	2.00	78.00	5,540	4,180	---	3,543
		10	Cline	11/11/2012	10,682	10,688	3,277 bbls fluid & 12# XLG	40,000 20/40 white	2.00	82.00	5,522	3,368	---	3,708
		11	Wolfcamp 6	11/11/2012	10,490	10,640	3,252 bbls fluid & 12# XLG	33,125 20/40 SLC	3.00	80.00	5,681	3,973	---	3,674
		12	Wolfcamp 5	11/11/2012	9,936	10,042	3,154 bbls fluid & 12# XLG	44,330 20/40 SLC	3.00	80.00	5,681	3,973	---	3,674
		13	Wolfcamp 4	11/11/2012	9,842	9,900	3,156 bbls fluid & 12# XLG	55,000 20/40 White	3.00	57.00	3,769	3,262	---	2,855
		14	Wolfcamp 3	11/11/2012	9,710	9,790	3,120 bbls fluid & 12# XLG	46,102 20/40 SLC	3.00	80.00	4,951	2,872	---	2,780
		15	Wolfcamp 2	11/12/2012	9,630	9,660	3,112 bbls fluid & 12# XLG	48,780 20/40 SLC	3.00	75.00	4,349	2,169	---	2,116
		16	Wolfcamp 1	11/12/2012	9,550	9,580	3,172 bbls fluid & 12# XLG	55,000 20/40 White	3.00	75.00	4,303	2,226	---	2,108
<b>TOTAL</b>							<b>44,889 bbls</b>	<b>1,156,985 lbs</b>						

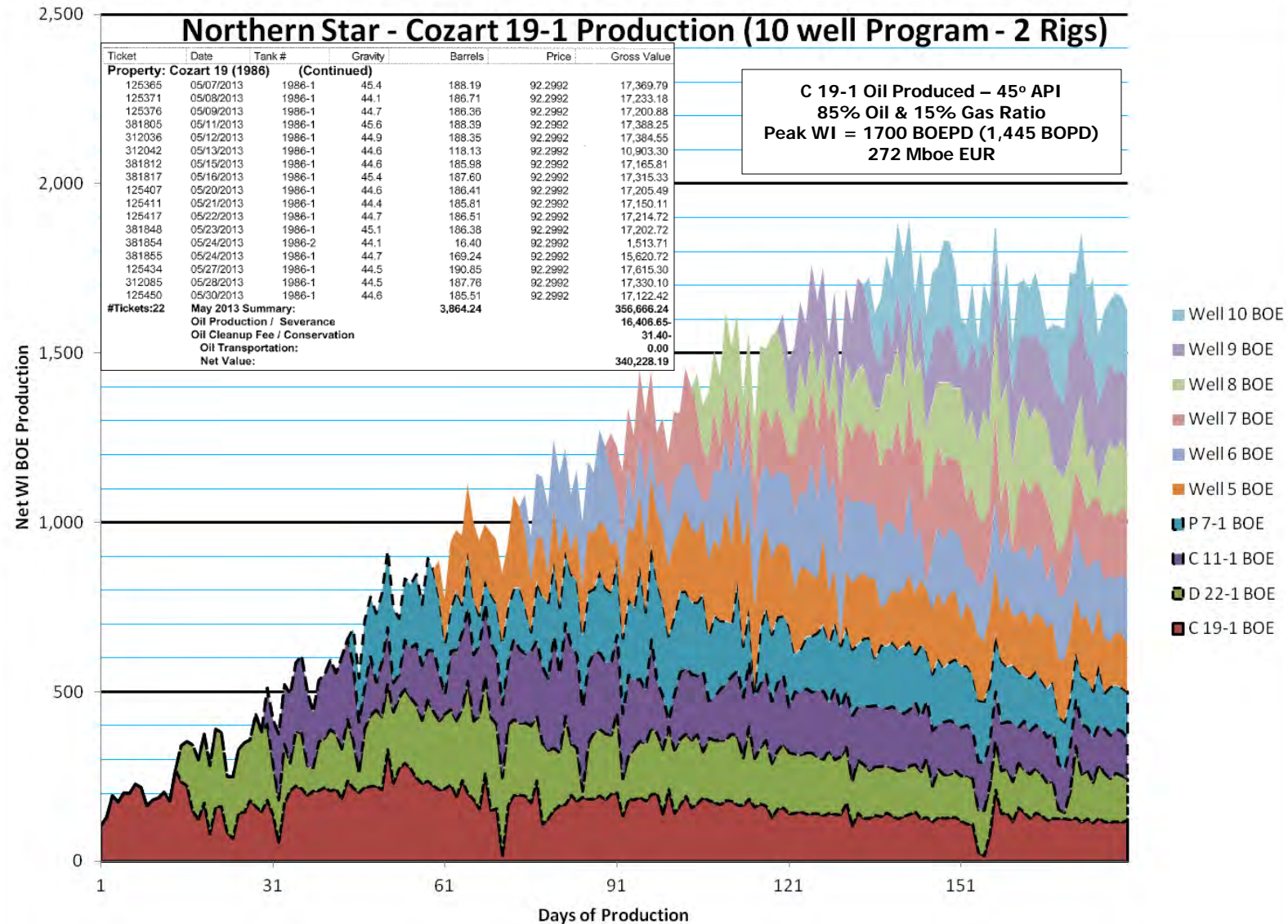
Pumped Cozart 19 No. 1 - Production



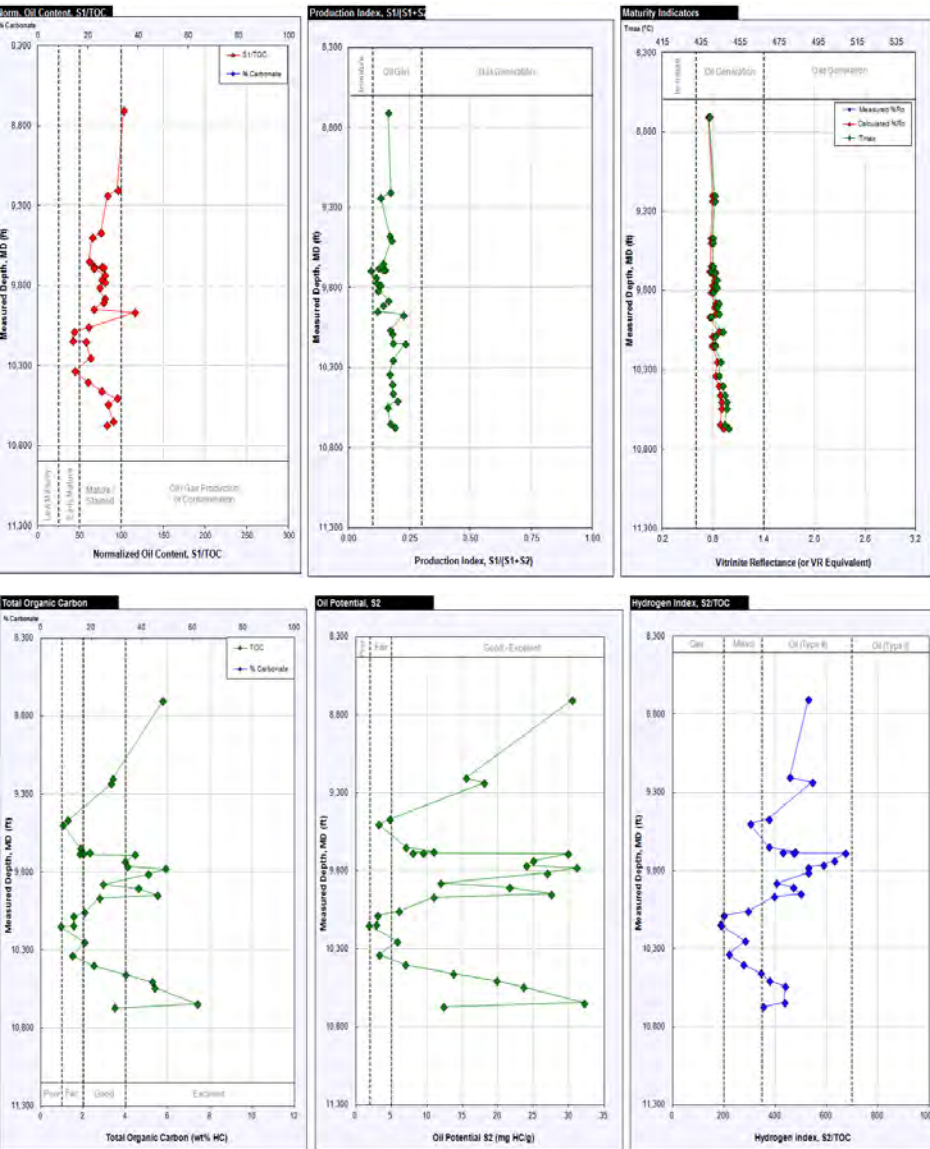




# Modeled 10 Well Production Profile



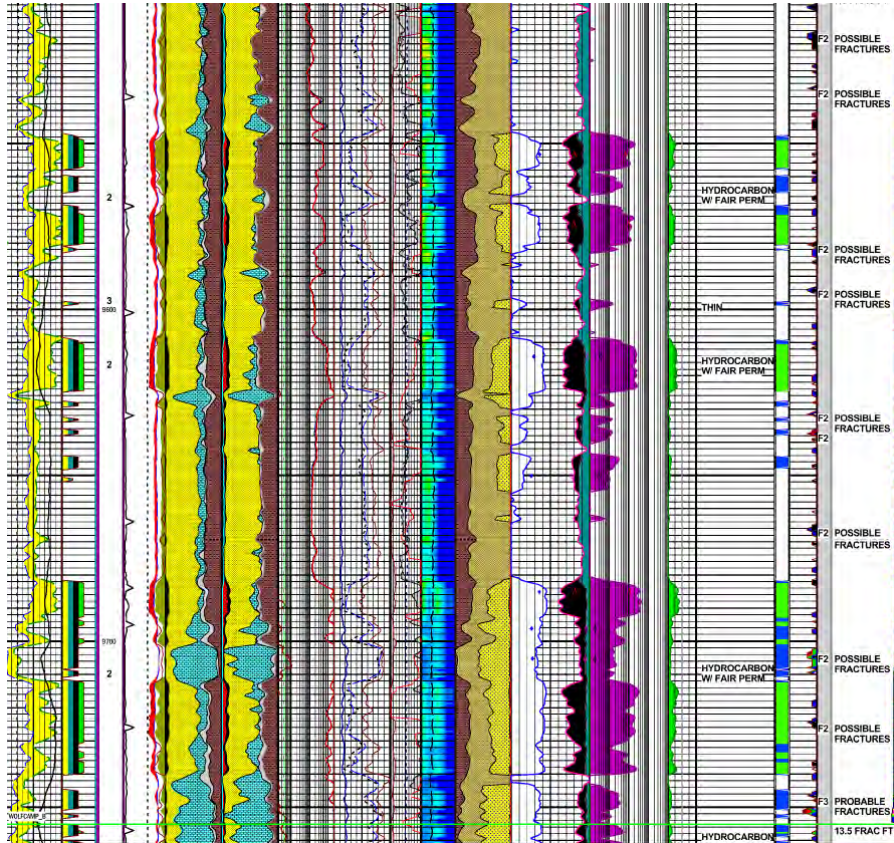
# Northern Star Geochemical Character



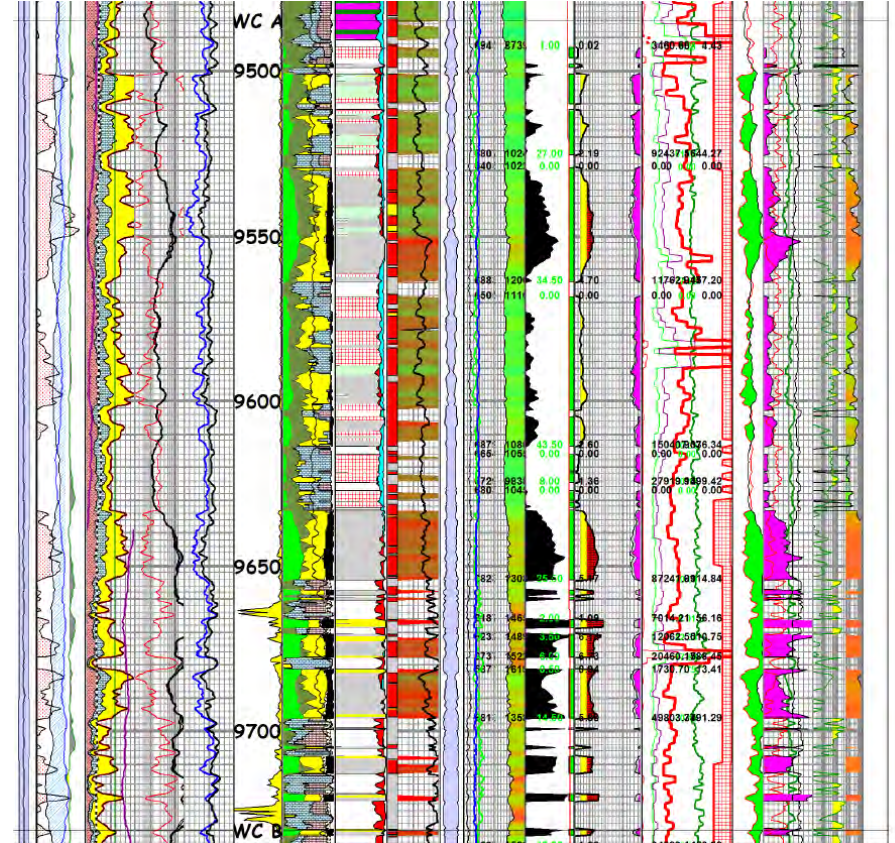
Formation Name	Depth (ft)	Leco TOC (wt% HC)	Rock-Eval S1 (mg HC/g)	Rock-Eval S2 (mg HC/g)	Rock-Eval S3 (mg CO2/g)	Tmax (°C)	Calculated %Ro (RE TMAX)	Hydrogen Index (S2x100/TOC)	Oxygen Index (S3x100/TOC)	S2/S3 Conc. (mg HC/mg CO2)	S1/TOC Norm. Oil Content	Production Index (S1/(S1+S2))
Spraberry												
E	8,704.00	5.77	5.93	30.47	0.27	439	0.74	528	5	113	103	0.16
Jo Mill	9,203.00	3.40	3.24	15.48	0.21	442	0.80	455	6	74	95	0.17
Jo Mill	9,236.00	3.32	2.76	18.02	0.22	442	0.80	543	7	82	83	0.13
Dean	9,470.00	1.27	0.96	4.74	0.22	441	0.78	373	17	22	76	0.17
Dean	9,500.00	1.05	0.68	3.16	0.33	441	0.78	301	31	10	65	0.18
WFC A	9,647.00	1.87	1.15	6.98	0.34	441	0.78	373	18	21	61	0.14
WFC A	9,677.00	2.30	1.54	10.92	0.32	440	0.76	475	14	34	67	0.12
WFC A	9,683.00	1.85	1.40	7.94	0.32	442	0.80	429	17	25	76	0.15
WFC A	9,686.00	2.01	1.57	9.48	0.34	442	0.80	472	17	28	78	0.14
WFC A	9,690.00	4.45	2.97	29.87	0.33	442	0.80	671	7	91	67	0.09
WFC A	9,735.00	3.98	3.18	25.00	0.27	443	0.81	628	7	93	80	0.11
WFC A	9,765.00	4.09	3.12	23.95	0.37	442	0.80	586	9	65	76	0.12
WFC A	9,780.00	5.90	4.71	31.10	0.63	443	0.81	527	11	49	80	0.13
WFC B	9,813.00	5.09	3.73	26.89	0.61	441	0.78	528	12	44	73	0.12
WFC B	9,880.00	2.94	2.34	11.87	0.54	444	0.83	404	18	22	80	0.16
WFC B	9,906.00	4.62	3.63	21.62	0.63	443	0.81	468	14	34	79	0.14
WFC B	9,948.00	5.51	3.69	27.50	0.51	444	0.83	499	9	54	67	0.12
WFC B	9,968.00	2.77	3.20	10.95	0.59	440	0.76	395	21	19	116	0.23
WFC C1	10,060.00	2.06	1.25	6.05	0.51	446	0.87	294	25	12	61	0.17
WFC C1	10,087.00	1.53	0.66	3.03	0.30	442	0.80	198	20	10	43	0.18
WFC C1	10,144.00	1.55	0.64	2.86	0.25	442	0.80	185	16	11	41	0.18
WFC C1	10,150.00	0.94	0.54	1.77	0.25	442	0.80	188	27	7	58	0.23
WFC C1	10,250.00	2.05	1.29	5.78	0.47	445	0.85	282	23	12	63	0.18
WFC C2	10,336.00	1.49	0.66	3.25	0.25	444	0.83	218	17	13	44	0.17
WFC C2	10,400.00	2.50	1.50	6.89	0.41	446	0.87	276	16	17	60	0.18
WFC C2	10,458.00	4.00	3.04	13.69	0.55	447	0.89	342	14	25	76	0.18
WFC C2	10,505.00	5.27	4.98	19.85	0.55	448	0.90	377	10	36	94	0.20
WFC C2	10,543.00	5.39	4.52	23.57	0.56	448	0.90	437	10	42	84	0.16
WFC D	10,646.00	7.40	6.69	32.15	0.53	447	0.89	434	7	61	90	0.17
WFC D	10,671.00	3.50	2.89	12.34	0.51	449	0.92	353	15	24	83	0.19



# Northern Star - Petrophysical Wolfcamp A



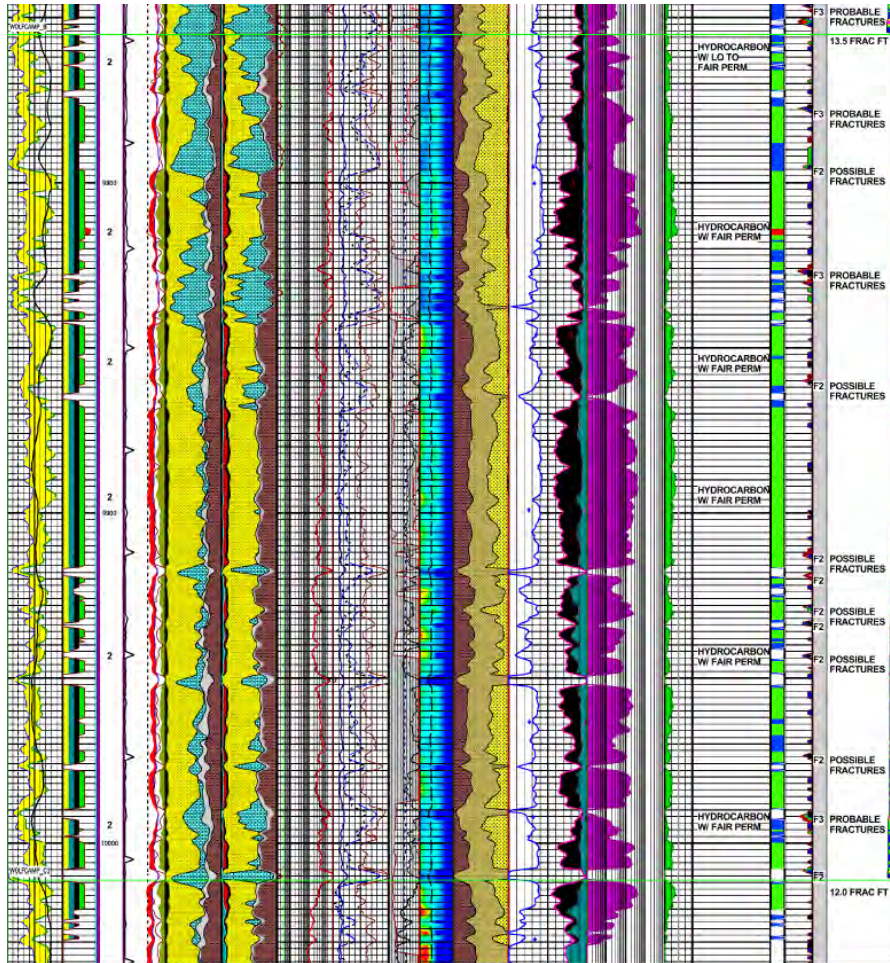
Cozart 19-1 NuLook



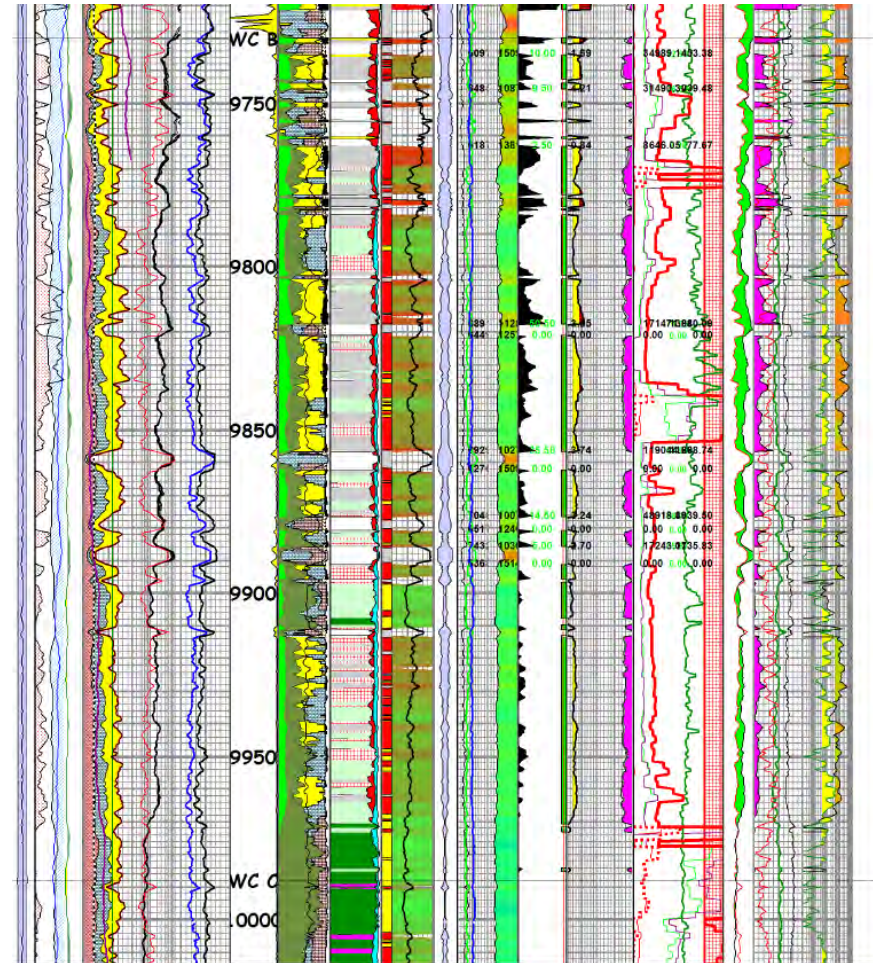
Pettaway-1 ShaleLog



# Northern Star - Petrophysical Wolfcamp B



Cozart 19-1 NuLook

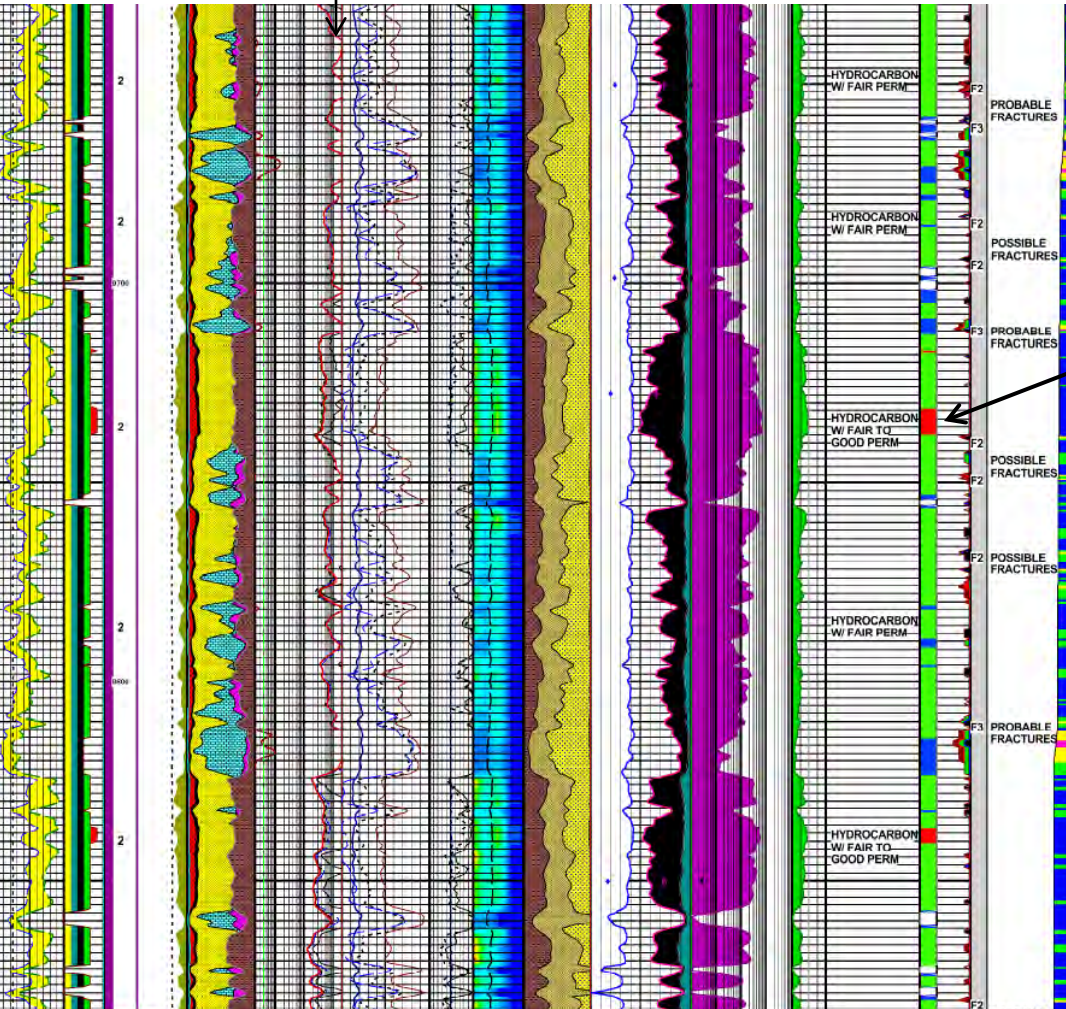


Pettaway-1 ShaleLog



# Northern Star - Petrophysical & Core Wolfcamp B

100 Ohms



Cozart 17 AR-1 NuLook

Company: Antares Energy  
 Well: Cozart "A" 1R  
 Location: Sprayberry Trend  
 Dawson Co., Texas  
 Depth (ft): 9730'  
 Sample # 22

TOC = 8.91%



Photomicrograph Captions

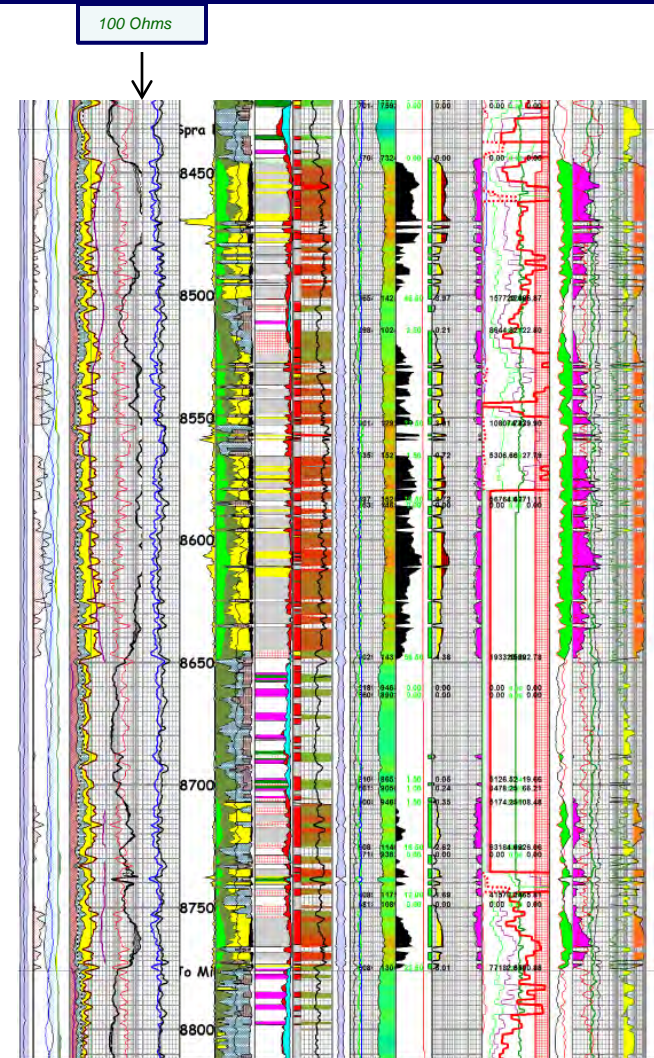
This sample contains numerous dissolution pores (likely dissolved fossils) that are filled with various authigenic minerals and organic matter (OM, Photo A). Authigenic minerals that partially fill the moldic pores include calcite (Ca, Photo A), dolomite (Dol, Photo A), and potassium feldspar (F, Photo A). Small amounts of pyrite are also identified in the sample. Some of the pyrite (arrows, Photo B) is intercalated with mica crystals in some of the larger mica particles (M, Photo B). The morphology of the pyrite suggests it is a replacement of a precursor mineral (possibly siderite).



# Northern Star - Petrophysical LS Pay 1



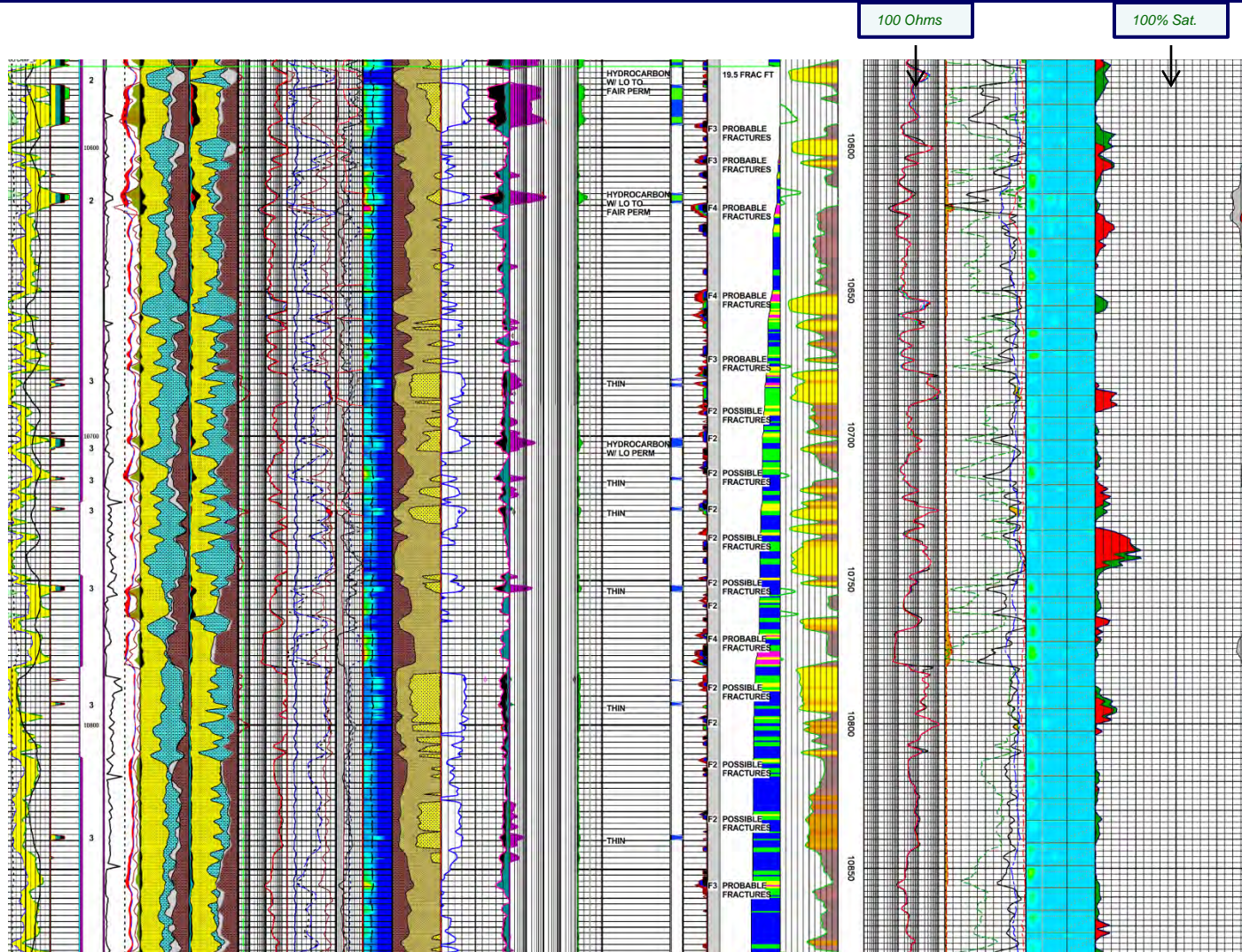
Cozart 19-1 NuLook & NMR



Pettaway-1 ShaleLog



# Northern Star - Petrophysical Wolfcamp D



Cozart 19-1 NuLook & NMR

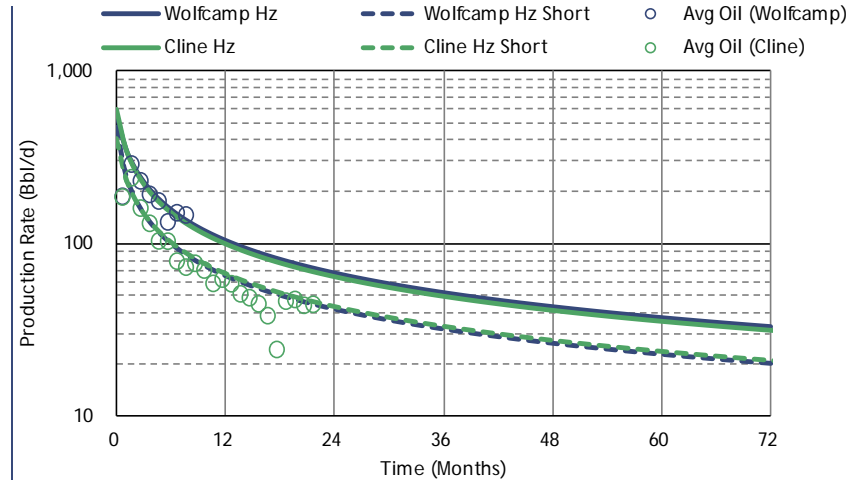




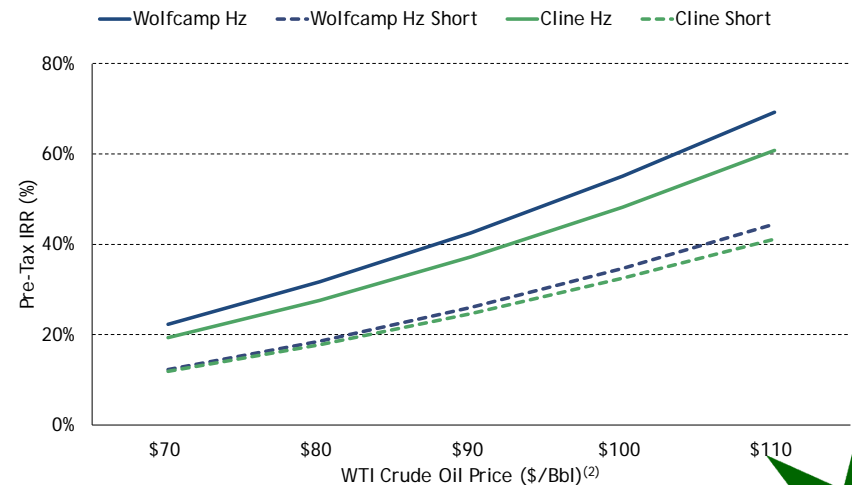
# Northern Star Hz Type Curves: Wolfcamp and Cline

## Type Curve and GOR

	Wolfcamp Hz Long	Wolfcamp Hz Short	Cline Hz Long	Cline Hz Short
<b>Type Well Assumptions</b>				
Gross EUR (Mboe)	601	375	561	374
Oil EUR (Mbbbl)	326	204	312	208
Gas EUR (MMcf)	691	430	627	418
NGL EUR (Mbbbl)	160	99	145	96
% Liquids	81%	81%	81%	81%
IP (boe/d)	747	627	756	504
Initial GOR (scf/bbl)	2,000	2,000	1,500	1,500
Final GOR (scf/bbl)	3,500	3,500	3,500	3,500
NGL Yield (bbl/MMcf)	150	150	150	150
<b>Type Curve</b>				
Oil IP (bbl/d)	561	470	605	403
Gas IP (Mcf/d)	1,121	940	907	605
30-Day IP (boe/d)	669	507	636	424
1st Yr Decline (%/yr)	81%	86%	83%	83%
B Factor	1.50	1.50	1.50	1.50
Terminal Decline (%/yr)	6%	6%	6%	6%
Type Curve Life (yrs)	40	40	40	40
<b>Economics</b>				
D&C (\$M)	\$7,000	\$5,500	\$7,000	\$5,500
Long Term Fixed LOE (\$/mo)	\$4,500	\$4,500	\$4,500	\$4,500
Variable LOE (\$/boe)	\$5.34	\$5.34	\$5.34	\$5.34
Oil Differential (\$/bbl)	(\$2.00)	(\$2.00)	(\$2.00)	(\$2.00)
Gas Differential (%)	(5%)	(5%)	(5%)	(5%)
NGL Differential (% of WTI)	50%	50%	50%	50%
BTU Multiplier (Btu/scf)	1,050	1,050	1,050	1,050
Shrinkage	35%	35%	35%	35%
Royalty	25%	25%	25%	25%
POP	85%	85%	85%	85%
<b>Results</b>				
NPV10 (\$MM) <sup>(1)</sup>	\$5.8	\$2.4	\$5.0	\$2.3
IRR <sup>(1)</sup> (%)	42%	26%	37%	25%
F & D (\$/boe)	\$15.54	\$19.56	\$16.63	\$19.59

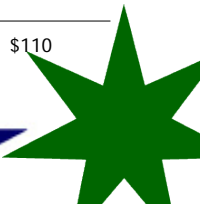


## Commodity Price Sensitivity

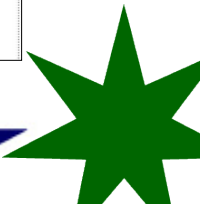
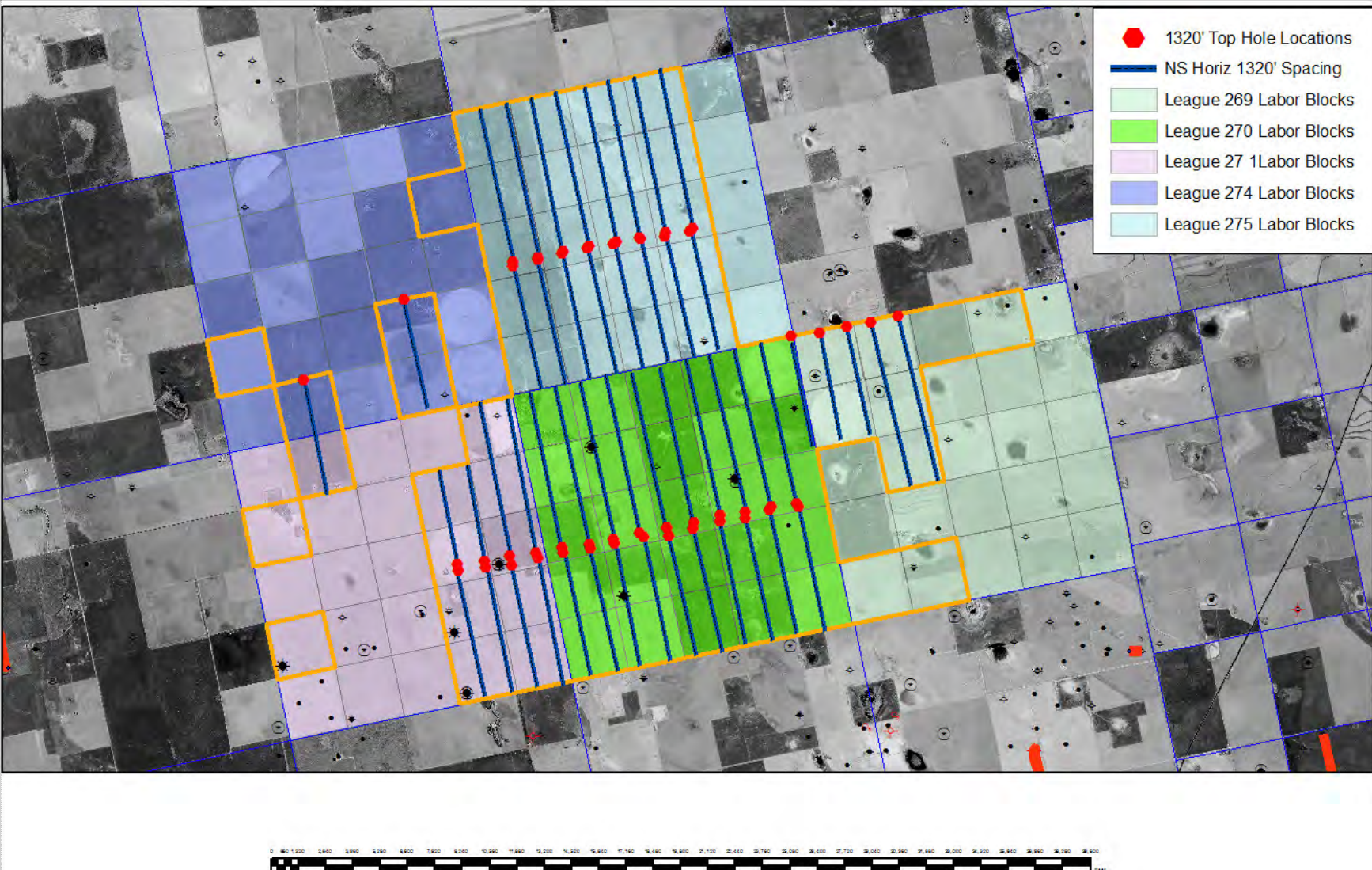


(1) IRR and PV(10) based on \$90/bbl and \$4.50/Mcf flat NYMEX price deck.

(2) Assumes 20:1 oil to gas ratio.



# Northern Star - Horizontal Development



# Northern Star Summary

- \* 2014 Production – average production of 95 BOEPD (85% oil)
- \* 2014 Production – average WI production of 95 BOEPD (85% oil)
- \* 2014 Production – average NRI production of 71 BOEPD (85% oil)
- \* Average 2013 Net Operating Income - \$154,891/mo.
- \* 3 wells drilled over the past 12 months, with 6 wells now producing
- \* Replicating Cozart 19 No. 1 Production – 10 Wells = 1,700 BOPD Net WI (85% Oil – 42-45° API)
- \* Severe winter weather impacted recent fracs and production negatively
- \* 2014 drilling program focused on - 1 Wolfcamp A/B horizontal



