

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

ANTARES ENERGY LIMITED

ABN

75 009 230 835

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | | | | | | | | | | | | | |
|---|---|--|-------------------|--|------------------|--|---------------------|-----------------|-------------------|-----------------|---|--|--------------------------------|--|
| 1 | +Class of +securities issued or to be issued | Convertible Notes (AZZG) | | | | | | | | | | | | |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1,415,000 | | | | | | | | | | | | |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <table border="1"><tr><td>1. Interest Rate:</td><td>10% per annum (payable quarterly in arrears)</td></tr><tr><td>Conversion Rate:</td><td>1:3 (each Note is convertible into three fully paid ordinary shares)</td></tr><tr><td>3. Next reset date:</td><td>31 October 2015</td></tr><tr><td>4. Maturity date:</td><td>30 October 2023</td></tr><tr><td>5. Convertible at any time prior to maturity.</td><td></td></tr><tr><td>6. Redeemable on a reset date.</td><td></td></tr></table> | 1. Interest Rate: | 10% per annum (payable quarterly in arrears) | Conversion Rate: | 1:3 (each Note is convertible into three fully paid ordinary shares) | 3. Next reset date: | 31 October 2015 | 4. Maturity date: | 30 October 2023 | 5. Convertible at any time prior to maturity. | | 6. Redeemable on a reset date. | |
| 1. Interest Rate: | 10% per annum (payable quarterly in arrears) | | | | | | | | | | | | | |
| Conversion Rate: | 1:3 (each Note is convertible into three fully paid ordinary shares) | | | | | | | | | | | | | |
| 3. Next reset date: | 31 October 2015 | | | | | | | | | | | | | |
| 4. Maturity date: | 30 October 2023 | | | | | | | | | | | | | |
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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes (AZZG).</p> <p>The ordinary shares to be issued upon conversion of the Convertible Notes will rank equally with existing ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>\$2.00 each</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The funds raised will be used for the further development of Antares Permian projects as well as any additional shareholder wealth creative activities available.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No.</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	

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6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)							
6f	Number of +securities issued under an exception in rule 7.2							
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.							
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements							
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements							
7	<p>+Issue dates</p> <p><small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</small></p> <p><small>Cross reference: item 33 of Appendix 3B.</small></p>	16 May 2014						
8	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">255,000,000</td> <td>Fully paid ordinary shares</td> </tr> <tr> <td style="text-align: center;">20,000,000</td> <td>10% unsecured redeemable convertible notes maturing on 30 October 2023 with a conversion ratio of 1:3 (AZZG)</td> </tr> </tbody> </table>	Number	+Class	255,000,000	Fully paid ordinary shares	20,000,000	10% unsecured redeemable convertible notes maturing on 30 October 2023 with a conversion ratio of 1:3 (AZZG)
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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	

Part 2 – Deleted – Not Applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

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39 +Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

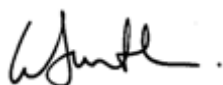
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date:16 May 2014.
(Company secretary)

Print name:
Graeme Smith

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ANTARES ENERGY LIMITED

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Subiaco WA 6008

PO Box 690
West Perth WA 6872
www.antaresenergy.com

16 May 2014

Company Announcements Office
ASX Limited

Dear Sir

ISSUE OF ANTARES ENERGY LIMITED SECURITIES – SECONDARY TRADING NOTICE - NOTIFICATION PURSUANT TO PARAGRAPH 708A(5)(e) OF THE CORPORATIONS ACT 2001 ("Act")

On 16 May 2014, Antares Energy Limited ("**Company**") issued 1,415,000 convertible notes at an issue price of \$2.00 each ("**Securities**").

Secondary Trading Exemption

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A. By the Company giving this notice, sale of the Securities noted above will fall within the exemption in section 708A(5) of the Act.

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Act that:

- (a) the Company issued the Securities without disclosure to investors under Part 6D.2 of the Act;
- (b) as at the date of this announcement the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and
- (c) as at the date of this announcement there is no information:
 - i. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - ii. that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - A. *the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or*
 - B. *the rights and liabilities attaching to the Securities.*

Yours faithfully,

A handwritten signature in black ink, appearing to read "Graeme Smith".

Graeme Smith
Company Secretary