

ASX Announcement

5 August 2014



AWE starts drilling Senecio-3

AWE Limited (ASX: AWE), as Operator of Permits L1/L2 in the Perth Basin, Western Australia, advises that the Senecio-3 appraisal well commenced drilling at 14:30 hours (02:30 pm) AWST on Monday, 4 August 2014.

As at 06:00 hours (6.00am) AWST today, the well was at a measured depth of 534m and was drilling in a 12 ¼ inch hole to a planned depth of 1,155m in preparation for the installation of the 9 5/8 inch surface casing.

The Senecio-3 well will be drilled vertically to a planned total depth of 2,783m and is forecast to take approximately five weeks to complete. The well is designed to test the unconventional gas potential in the western side of the Senecio reservoir and is targeting the Dongara and Wagina tight sandstone formation. Core samples will be collected and sent for analysis and AWE will not conduct hydraulic fracture stimulation on Senecio-3 at this stage.

If the results are positive, AWE anticipates commencing the approvals process for the first phase of the Senecio unconventional gas field development. The Senecio-3 well could potentially be re-completed as a production well in a future field development.

The Senecio-3 appraisal well is located on agricultural land approximately 14.5kms east of Dongara, Western Australia, and 7km from the operating Dongara gas plant.

The Joint Venture partners in L1/L2 are:

AWE Limited (via subsidiaries) (Operator)	50.0%
Origin Energy Resources Limited	50.0%

About the Senecio Reservoir

AWE has previously advised that the Senecio-2 well, located on the eastern side of the reservoir, was fracture stimulated over a 5m perforation interval in the Dongara and Wagina tight sandstone formation in August 2012. A successful 40 hour flow test was conducted in September 2012 and a stabilised gas flow rate of 1.35 MMscf/d was recorded. The test produced a total of 4.65 MMscf of gas and approximately 65 barrels of crude oil/condensate over the flow period.

About AWE Limited. AWE Limited is an Australian based energy company focused on upstream oil and gas and related energy opportunities. Established in 1997 and listed on the ASX, the Company is headquartered in Sydney, Australia, with international operating offices in New Zealand and Indonesia. AWE has built a substantial portfolio of production, development and exploration assets in Australia, New Zealand, USA and Indonesia, including major growth opportunities such as the Ande Ande Lumut oil project in Indonesia and large unconventional gas resources in Australia. AWE also holds an interest in the Sugarloaf AML in the Eagle Ford shale play in the USA. With its strong financial and technical base, AWE will continue to pursue exploration, appraisal and development growth opportunities in the greater Asian region.



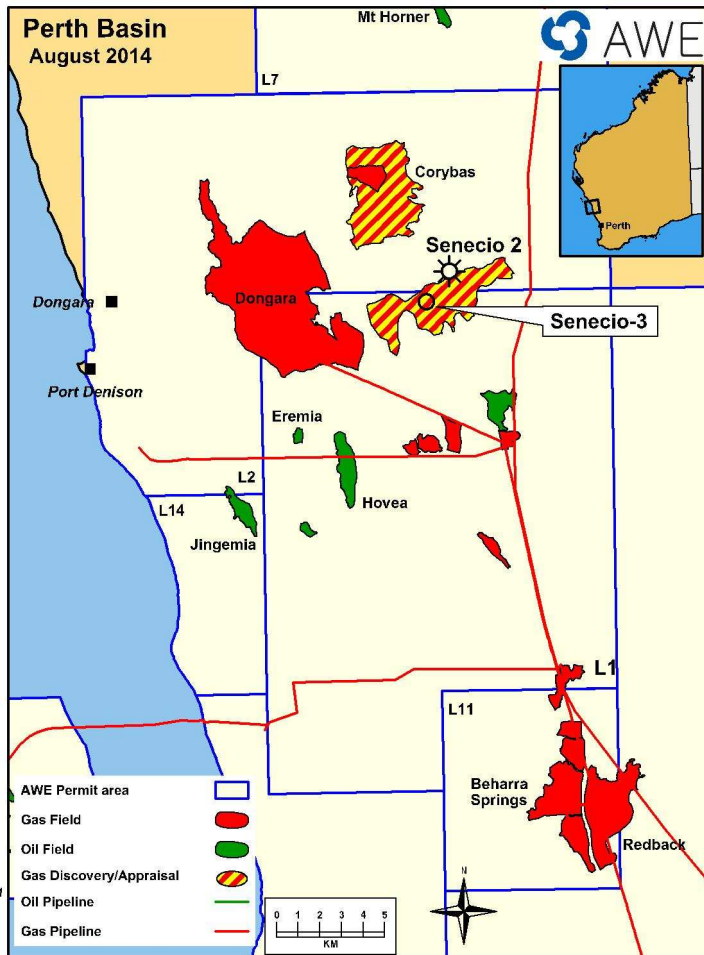
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