ASX Announcement
21 August 2015

AWE upsizes onshore Perth Basin gross recoverable gas to over 700 Bcf

- **Total gross 2P Reserves plus 2C Contingent Resources for Waitsia, Senecio, Irwin and Synaphea now 721 Bcf of gas (65 mmboe net to AWE)**
- **Waitsia-2 appraisal well confirms upside in Waitsia gas field with estimated gross 2P Reserves plus 2C Contingent Resources up 67% from 290 Bcf to 484 Bcf of gas from Kingia and High Cliff Sandstones**
- **Initial gross 2P Reserves booked for Waitsia field of 178 Bcf of gas**
- **Waitsia gross 2C Contingent Resources now estimated at 306 Bcf of gas**
- **Early-stage field development has commenced, targeting mid-2016 production**

AWE Limited (ASX: AWE), the Operator of Permits L1/L2 in the Perth Basin, Western Australia, today announced initial 2P Reserves and upgraded 2C Contingent Resource estimates for the Waitsia gas field following evaluation of the Waitsia-1 and Waitsia-2 appraisal well results (See Appendix for details).

Managing Director, Bruce Clement, said the data gathered from Waitsia-2 allowed AWE to significantly increase the company's previous estimate of gross recoverable gas and book initial 2P Reserves.

"Waitsia-2 has proved to be another major success for AWE. With three wells now drilled on the Waitsia field, we have sufficient data to increase our estimates of total gross recoverable gas, on a P50 basis, from 290 Bcf of gas to 484 Bcf of gas – an uplift of 67%," he said.

"In total, we have now booked over 700 Bcf of gas gross as 2P Reserves and 2C Contingent Resources in fields discovered and / or appraised in 2014-15.

"As previously announced, AWE is moving forward with development plans for low-cost, early-stage gas production from the Waitsia field by mid-2016. Gas marketing is making good progress and the joint venture has applied for a licence to construct a pipeline from the Senecio-3 and Waitsia-1 wells to the Xyris production facility, located near the Waitsia-2 well," Clement said.

"In addition to the Waitsia field, we have also estimated gross 2C Contingent Resources of 237 Bcf of gas in the Senecio, Irwin and Synaphea tight gas fields in the Dongara/Wagina formation.

"The Waitsia field, together with AWE's other onshore north Perth Basin gas discoveries, represents an exciting new project for the company. The volume of gas is substantial and should provide AWE with a highly valuable long-term domestic gas business in Western Australia," he said.

The Waitsia-2 appraisal well was drilled to a total depth of 3,530m Measured Depth below Rotary Table (MDRT). The primary and secondary targets were successfully intersected with high gas shows observed in the Kingia and High Cliff Sandstones as well as the Irwin River Coal Measures and the Carynginia Shale. Wireline logs, pressure data and samples confirm the presence of a substantial gas column and extension of the Waitsia field to the southern culmination of the mapped structural closure.

The Waitsia-2 data have been integrated with the information from the Senecio-3 and Waitsia-1 gas wells to estimate reserves and revised contingent resources for the Kingia/High Cliff Sandstone reservoirs over the entire Waitsia field. Sufficient technical data have been collected to justify the booking of reserves for the good quality conventional reservoirs in the areas around Senecio-3, Waitsia-1 and Waitsia-2. Conventional good quality gas pay is defined as reservoir having greater than 11% porosity as interpreted from a combination of wireline log and core data. Average field wide porosity for this reservoir is estimated at 14.5%. Deliverability is demonstrated by flow testing of Senecio-3.

It is predicted that the conventional gas bearing reservoirs extend throughout the greater Waitsia field structure including the undrilled sectors in the south and east. Contingent resource estimates have been made for these areas using the same reservoir assumptions but further appraisal drilling is required to determine reservoir deliverability and book these as reserves.

Development planning and economic modelling indicate that the development of these reserves and contingent resources is economic under AWE's market and gas price assumptions. The preliminary full-field development plan involves the drilling and completion of 20 vertical or deviated production wells, including the three wells drilled to date, with connection to a centralised gas processing facility. It is envisaged that export to domestic markets at a plateau rate of about 85 mmscf/d would utilise existing nearby gas pipelines. The composition of the gas (c.93% methane) indicates that only minimal processing will be required. Early production start-up will be sought subject to achieving the required regulatory approvals.

In addition, further contingent resources have been estimated for lesser quality gas bearing reservoir intervals in the Kingia and High Cliff Sandstone formations which have porosity in the range 7 to 11%. More data and work are required to determine whether some, or all, of these Waitsia field contingent resources intervals will be booked as reserves in the future.

The Senecio-3, Waitsia-1 and Waitsia-2 wells have been completed as production wells and will form part of a future field development.

The Joint Venture partners in L1/L2 are:

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

The Joint Venture partners in EP320 are:

AWE Limited (via subsidiaries)	33.0%
Origin Energy Resources Limited (Operator)	67.0%

APPENDIX

Explanations as to the basis and reasons for the reported revisions to Reserves and Contingent Resources

1. The assessment and categorisation of Reserves and Contingent Resources is in accordance with SPE-PRMS (2011) methodology and associated guidelines.
2. AWE applied deterministic method for reserves and contingent resource estimation.
3. The reported figures have been aggregated from estimates for future wells on an arithmetic basis in each Reserve and Contingent Resource category.
4. Economic assumptions incorporate WA uncontracted gas price forecasts that are based on a combination of gas prices prevailing at 30 June 2015 and longer term observable price forecasts. Longer term gas price forecasts from FY2017 are based on an independent gas price forecast provided to AWE by an industry consultant engaged by the Company.
5. All reserves are undeveloped and recoverable as wet gas net of 4% fuel and economic cut-off.
6. The Evaluation Date for the current assessment is 30 June 2015.

Table 1. Initial Gross 2P Reserves estimates for the Waitsia gas field (as at 30 June 2015, announced 21 August 2015)

AWE estimates initial gross 2P Reserves for the Waitsia field of 178 Bcf of gas (net 16 mmboe to AWE) from the Kingia and High Cliff Sandstones (Table 1). The initial estimate of gross 2P Reserves of 178 Bcf of gas is based on those areas of the Waitsia field intersected by the three wells drilled to date.

Field (Permits L1/L2)	Reservoir Interval	Discovered Original Gas in Place (Bcf)			Gross 2P Reserves (Bcf of gas)		
		P90	P50	P10	1P	2P	3P
Waitsia gas field	Kingia/High Cliff Sandstone (>11% porosity)	151	277	361	101	**178**	242

Table 2. Revised Gross 2C Contingent Resources estimates for the Waitsia gas field (as at 30 June 2015, announced 21 August 2015)

Gross 2C Contingent Resources have been revised upwards to 306 Bcf of gas (net 27 mmboe to AWE) from the Kingia and High Cliff Sandstones (Table 2). Planning has commenced for a new appraisal well on the south-eastern extent of the Waitsia field targeting 2C Contingent Resources. If successful, a substantial portion of 2C Contingent Resources may be converted to 2P Reserves.

Field (Permits L1/L2)	Reservoir Interval	Discovered Original Gas in Place (Bcf)			Gross 2C Contingent Resources (Bcf)		
		P90	P50	P10	1C	2C	3C
Waitsia gas field	Kingia/High Cliff Sandstone (>11% porosity)	164	233	303	110	**149**	203
Waitsia gas field	Kingia/High Cliff Sandstone (7%-11% porosity)	220	314	408	110	**157**	204

Combined gross 2P Reserves plus 2C Contingent Resources for the Waitsia field are estimated at 484 Bcf of gas (net 43 mmboe to AWE), an increase of 67% over the previously announced gross 2C Contingent Resource estimate of 290 Bcf of gas.

Table 3. AWE net Reserves and Contingent Resource estimates for the onshore Perth Basin (as at 30 June 2015, announced 21 August 2015)

Field and Permit	Reservoir Interval	AWE Share (Bcf) of Contingent Resources			AWE Share (Bcf) of Reserves		
		1C	2C	3C	1P	2P	3P
Waitsia (L1/L2)	Kingia/High Cliff Sandstone	110	**153**	204	51	**89**	121
Senecio (L1/L2)	Dongara/Wagina	25	**41**	73	-	**-**	-
Synaphea (L1/L2; EP320)	Dongara/Wagina	53	**69**	92	-	**-**	-
Irwin (L1/L2; EP320)	Dongara/Wagina	4	**7**	11	-	**-**	-
TOTAL			**270**			**89**	

Reserves and Resources
The reserve and resource information contained in this announcement is based on and fairly represents information and supporting documentation prepared by and under the supervision of qualified petroleum reserves and resource evaluators: Neil Tupper (General Manager, Exploration and Geoscience) and Dr. Suzanne Hunt (Manager Engineering and Development). Mr Tupper is a Geologist with a Masters Degree in Sedimentology and has over 31 years' experience in petroleum exploration and is a member of the Society of Petroleum Engineers and the American Association of Petroleum Geologists. Dr. Hunt is a Petroleum Engineer with a PhD in Geomechanics and has over 18 years' experience in the petroleum sector and is a member of the Society of Petroleum Engineers. Both have consented in writing to the inclusion of this information in the format and context in which it appears.

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, Indonesia and China. With its strong technical base and disciplined financial management, AWE will continue to pursue exploration, appraisal and development growth opportunities in Australasia and Asia.

Summary of Abbreviations

Bcf	Billion Cubic Feet
BOE	Barrels of Oil Equivalent
mmboe	millions of barrels of oil equivalent

Except where otherwise noted, all references to "$" are to Australian dollars

Conversion Tables

Energy Value	Barrel of Oil Equivalents (BOE)
1,000 standard cubic feet of sales gas yields about	**Oil** 1 barrel = 1 BOE
1.055 gigajoules (GJ) of heat	**Condensate** 1 barrel = 1 BOE
1 petajoule (PJ) = 1,000,000 gigajoules (GJ)	**LPG/NGLs** 1 tonne = 11.6 BOE
1 gigajoule = 947,817 British Thermal Units (BTU)	**Sales Gas** 6PJ = 1 million BOE

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Fig 1. Waitsia-2 reservoirs and gas bearing intervals

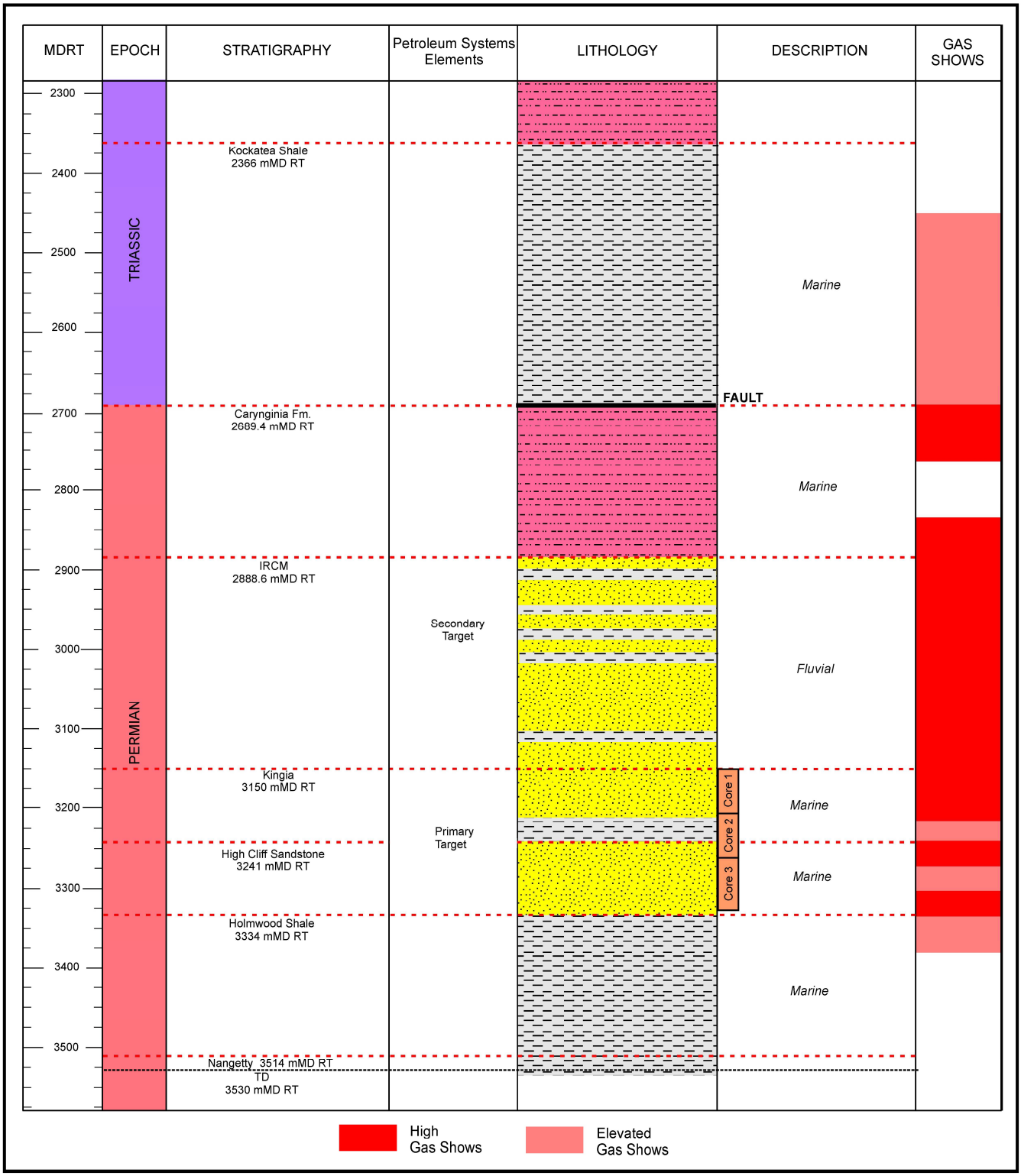
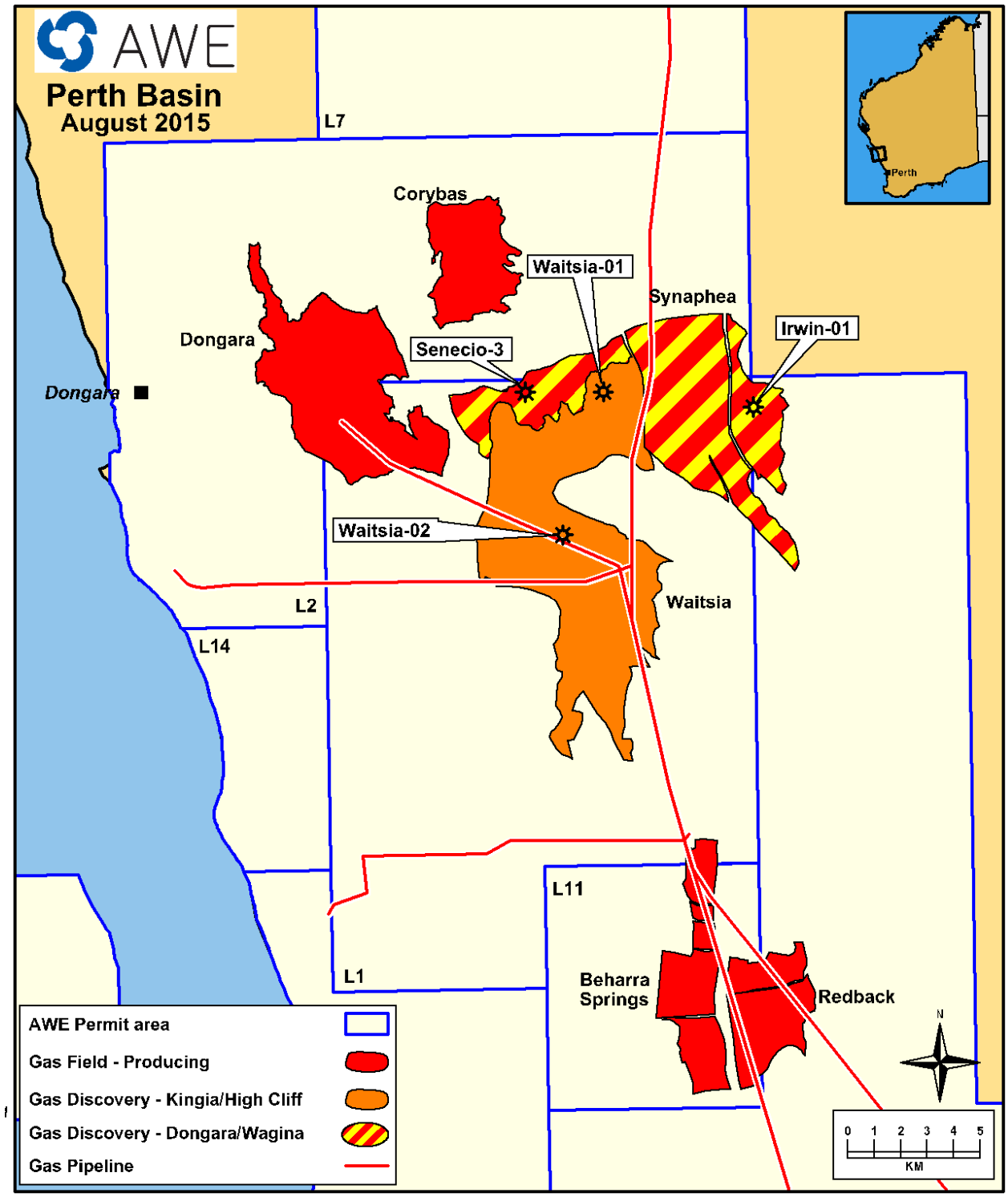


Fig 2. Map of Waitsia, Senecio, Irwin and Synaphea gas fields being appraised by AWE in the onshore North Perth Basin, Western Australia



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