

ASX Announcement
20 November 2015



AWE Limited Annual General Meeting – Presentation

Please find attached AWE's 2015 AGM Presentation which will be presented at the Annual General Meeting of AWE Limited which commences at 10.30am on 20 November 2015, in compliance with listing rule 3.13.3.

Regards

Neville Kelly
Company Secretary





AWE LIMITED

ANNUAL GENERAL MEETING
20 NOVEMBER 2015

AWE Limited's 2015 AGM



Bruce Phillips, Non-Executive Chairman

Introduction to Directors

Bruce Clement, Managing Director



David McEvoy



Kenneth Williams



Raymond Betros



Introduction to Directors

Karen Penrose



Vijoleta Braach-Maksvytis



Neville Kelly, Company Secretary

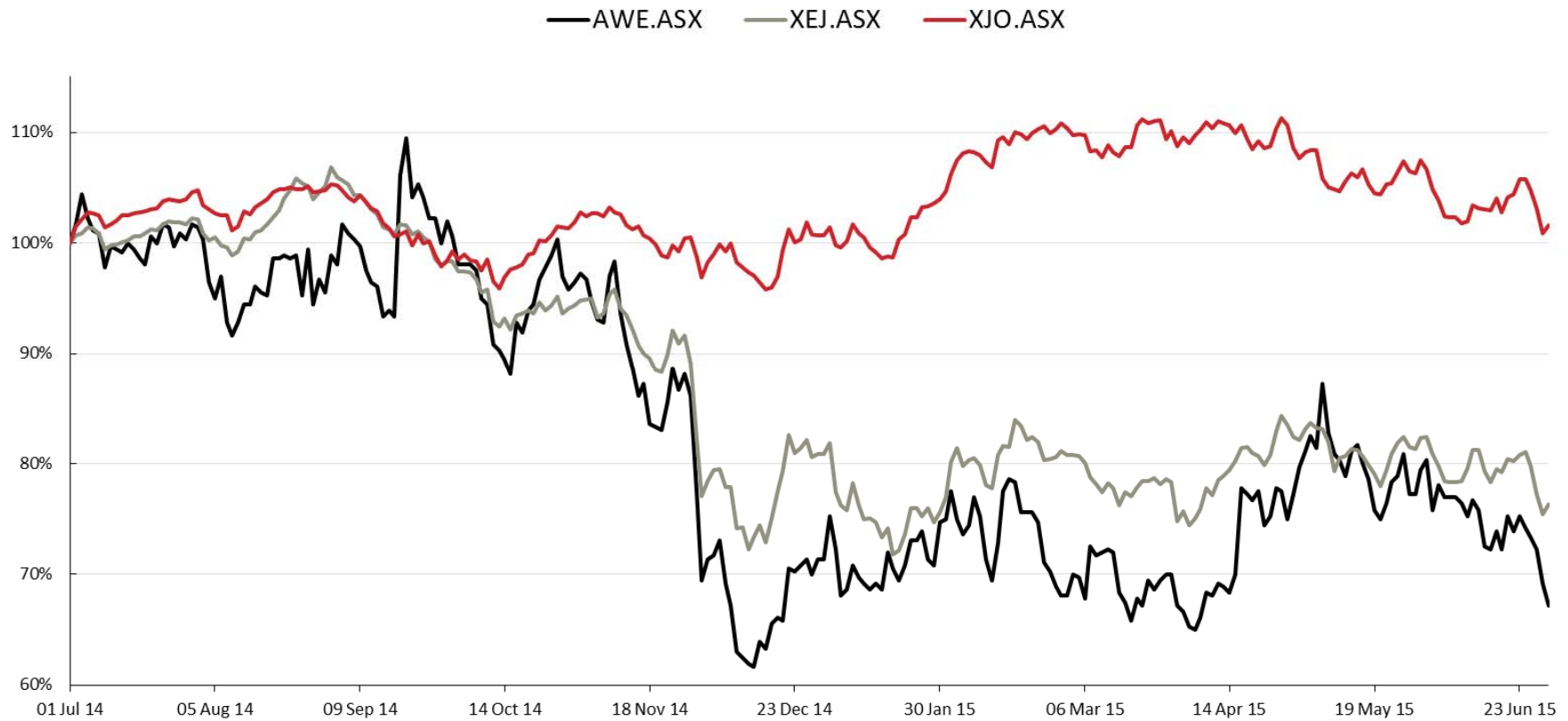


- Notice of meeting**
- Accounts and reports**
 - Chairman's Address**
 - Managing Director's report**
 - Questions**
- Resolution 1 - Remuneration report**
- Resolution 2(A) - re-election of Kenneth Williams as a director**
- Resolution 2(B) – re-election of Raymond Betros as a director**
- Resolution 3 – Changes of Constitution (Proportional Takeover Provision)**
- Closure**

An industrial site at dusk. In the foreground, a large, complex metal valve assembly with multiple handwheels stands on a concrete pad. To the right, a worker in a dark uniform and hard hat stands near a blue barrel. Further back, another worker is visible near a black and blue tent. The ground is reddish-brown dirt, and the sky is a mix of blue and orange from the setting sun, with scattered white clouds. The entire scene is framed by a white border.

CHAIRMAN
BRUCE PHILLIPS

Share price performance

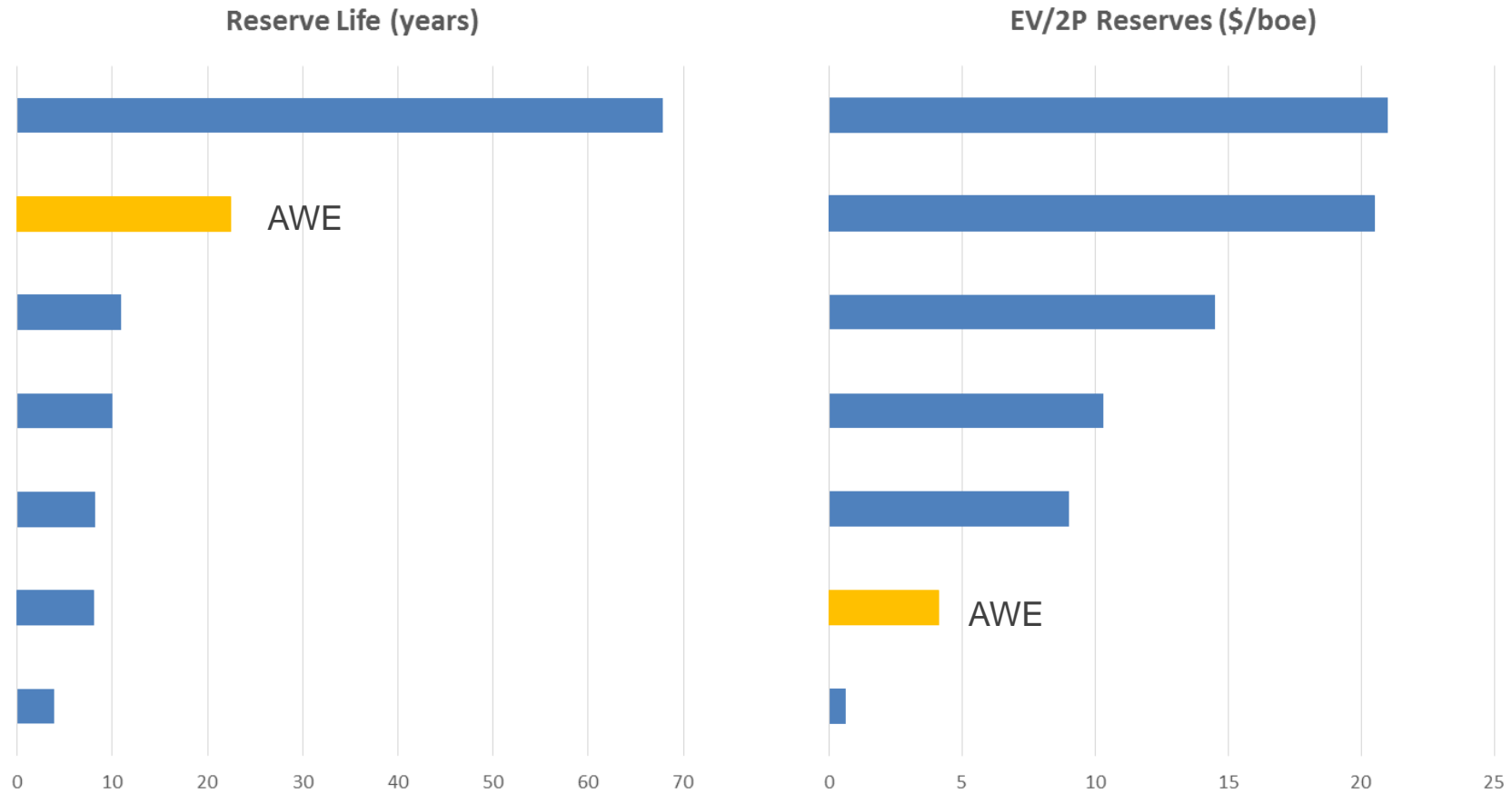


AWE share price v. ASX 200 and ASX 200 Energy, from 1 July 2014 to 30 June 2015

A photograph of an industrial site, likely an oil or gas wellhead, during the "blue hour" of dusk. The sky is a mix of blue and orange, with scattered white clouds. In the foreground, a complex metal wellhead structure with several handwheels stands on a concrete pad. To the right, a black pop-up tent with a blue stripe is set up on a dirt area. Two workers in dark uniforms and hard hats are visible near the tent and a blue barrel. The ground is dry and dusty, and the overall scene is one of active industrial work.

CHAIRMAN
BRUCE PHILLIPS

Value creation opportunity



Source: Company filings, Bloomberg

Notes:

1. Peer group includes Beach Energy, Drillsearch, Horizon Oil, NZOG, Senex Energy, and Tap Oil (not in that order)
2. EV as of 17 November 2015
3. Reserve Life = 2P Reserves / Annualised Production

Ratio of Reserves to Production now more than 22 years

A photograph of an industrial site, likely an oil or gas wellhead, during the "blue hour" of dusk. The sky is a mix of blue and orange, with scattered white clouds. In the foreground, a complex metal wellhead structure with several handwheels stands on a concrete pad. To the right, a black pop-up tent with a blue stripe is set up on a dirt area. Two workers in dark uniforms and hard hats are visible near the tent and a blue barrel. The ground is dry and dusty, and the overall scene is one of active industrial work.

CHAIRMAN
BRUCE PHILLIPS



MANAGING DIRECTOR
BRUCE CLEMENT

Disclaimer

This presentation may contain forward looking statements that are subject to risk factors associated with the oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

This presentation may also contain non-IFRS measures that are unaudited but are derived from and reconciled to the audited accounts. All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated.

Reserves and Resources. The reserve and resource information contained in this report 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.

AWE's 2015 Reserves Report can be found in the company's 2015 Annual Report, along with conversion tables and general shareholder information.

- **FY 2014-15 – The Year in Review**
- **Value and Opportunities**
- **Clear Strategic Pathway**
- **Projects to Deliver Growth**
- **FY 2015-16 - The Year Ahead**



FY 2014 -15

The Year In Review

Highlights for the 12 months
to 30 June 2015

Solid performance in tough year



Key Indicator	Guidance FY 2014-15	Actual FY 2014-15
Production (million BOE)	4.6 – 5.1	5.1
Sales Revenue (\$m)	290 – 320	284
Development Expenditure (\$m)	220 – 250	243
Exploration Expenditure (\$m)	50-75	63

Achieved key targets; sustained low oil prices negatively impacted financial results

Production and Development

- Net 2P Reserves increased by 25%, or 23.4 mmboe, to 114.4 mmboe; more than 22 years' production (based on FY 2014-15)
- Sugarloaf production up 54% for FY 2014-15
- Early oil production from Pateke-4H (Tui) better than anticipated
- BassGas JV completed development drilling (Yolla-5 and 6) and production from three wells commenced September 2015
- Lengo Plan of Development approved and project in FEED stage

Exploration and Appraisal

- Waitsia field may be biggest onshore conventional gas discovery in Australia in the last 30 years – outstanding flow rates from Waitsia-1
- Onshore Perth Basin gross 2P Reserves and 2C Resources increased to 721 Bcf of gas (Waitsia/Senecio/Irwin/Synaphea)
- Initial wells in Sugarloaf's Upper Eagle Ford highlight significant additional potential

Total Production for FY 2014-15	5.1 million BOE, down 9% on pcp
Sales Revenue	\$284 million, down 14% on pcp
Field EBITDAX	\$143 million, down 31% on pcp
Asset impairments before tax	\$158 million
Statutory net loss after tax	\$230 million
Underlying net loss after tax	\$52 million
Operating cash flow [^]	\$100 million, down 36% on pcp
Operating cost per BOE (sold)*	\$24.75, up 18% on pcp
Average realised oil & condensate price	\$79 per barrel, down 28% on pcp

- Completed sale of 11.25% of BassGas and acquired additional 5% of Trefoil (T/18P)
- New 4-year, A\$400 million secured multi-currency syndicated bank loan facility
- At 30 September 2015, AWE held cash of \$54 million, net debt of \$156 million and undrawn facilities totalled \$190 million

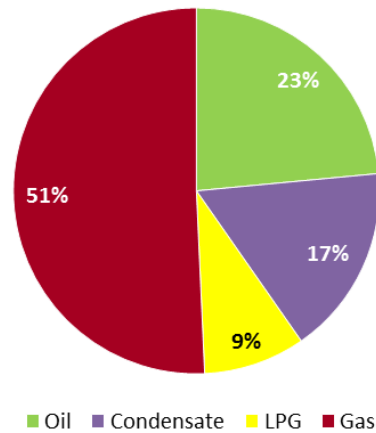
[^] Before exploration expenditure * Driven by lower production and increased Sugarloaf royalties

Results impacted by low oil prices and reduced BassGas production due to development activity

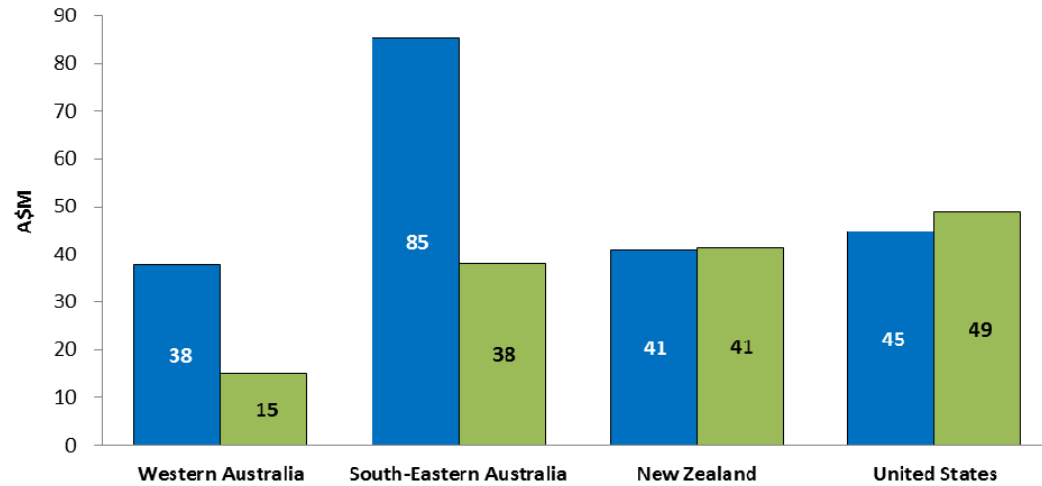
Key Indicators



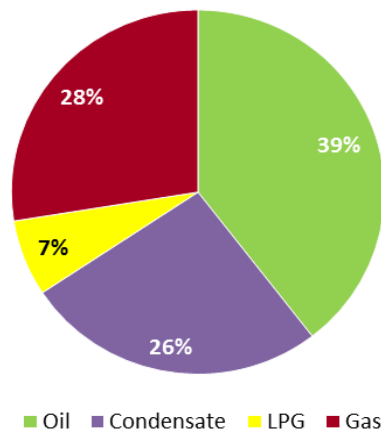
FY15 production by product
5.1 million BOE



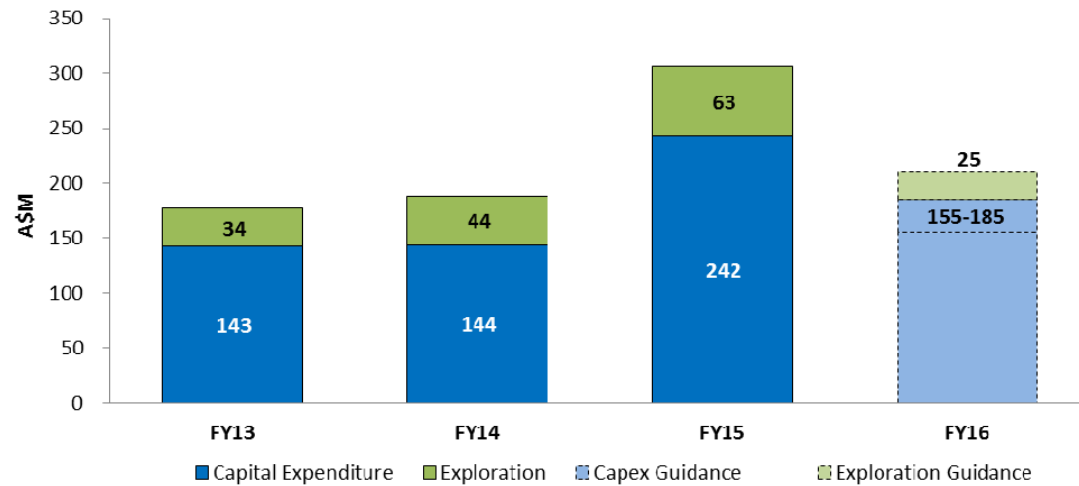
Field EBITDAX ■ FY14 \$208.8m ■ FY15 \$143.2m



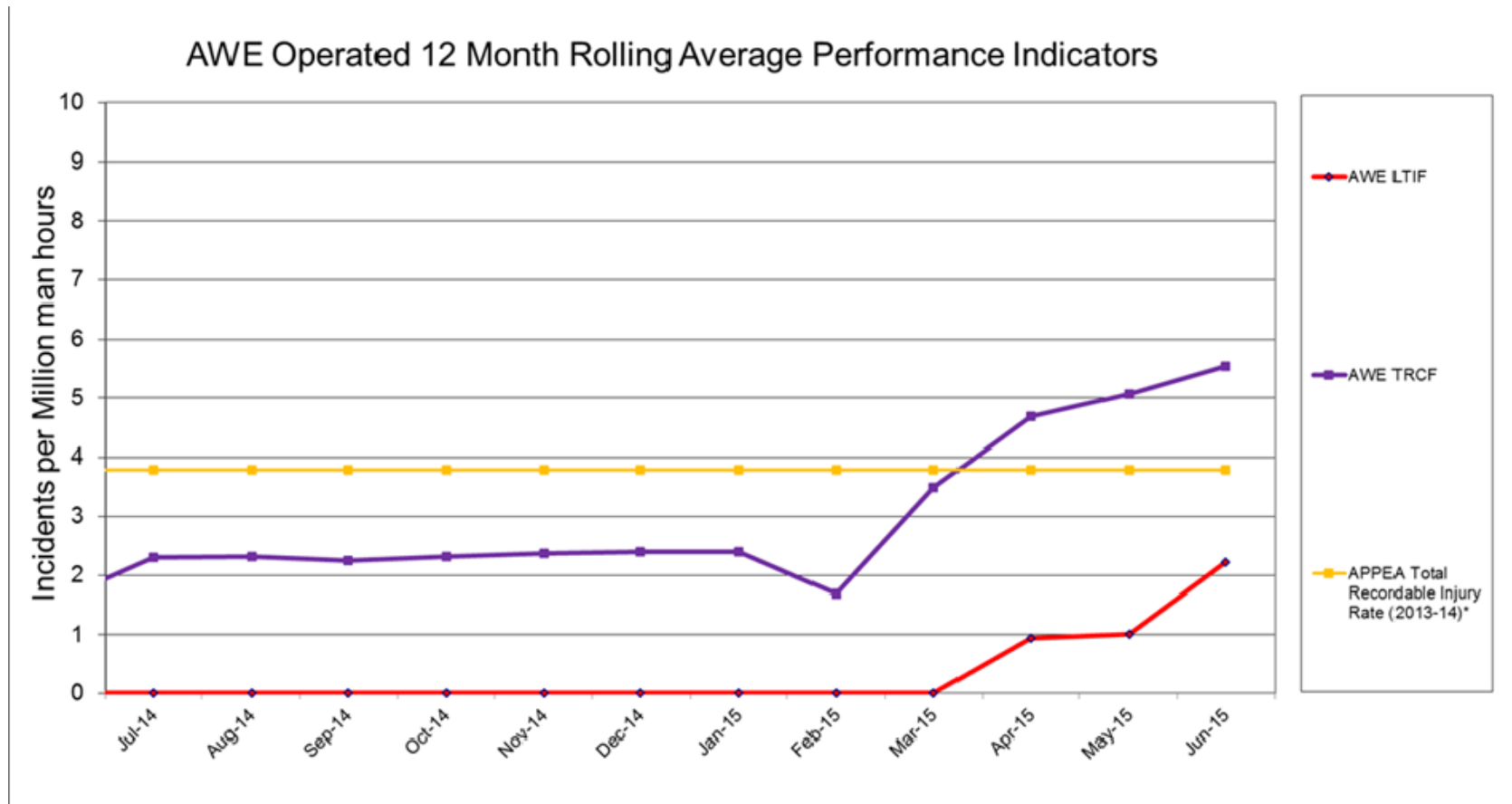
FY15 sales revenue by product
\$284 million



Total Investment Expenditure



Note: Capex Guidance (Development Expenditure) increased since original forecast issued August 2015



* APPEA Total Recordable Injury Rate (2013-2014) is 3.79 injuries per million hours worked, 23% lower than the previous reporting year (which was 4.9).

- Two Lost Time Injuries recorded in 4Q FY 2014-15, disappointing after two years LTI free
- No reportable environmental incidents during FY 2014-15

AWE focused on improving safety performance of employees and contractors at all work sites

Major success at Waitsia



Waitsia-1 flow tests total more than 50 mmscf/d; an excellent result

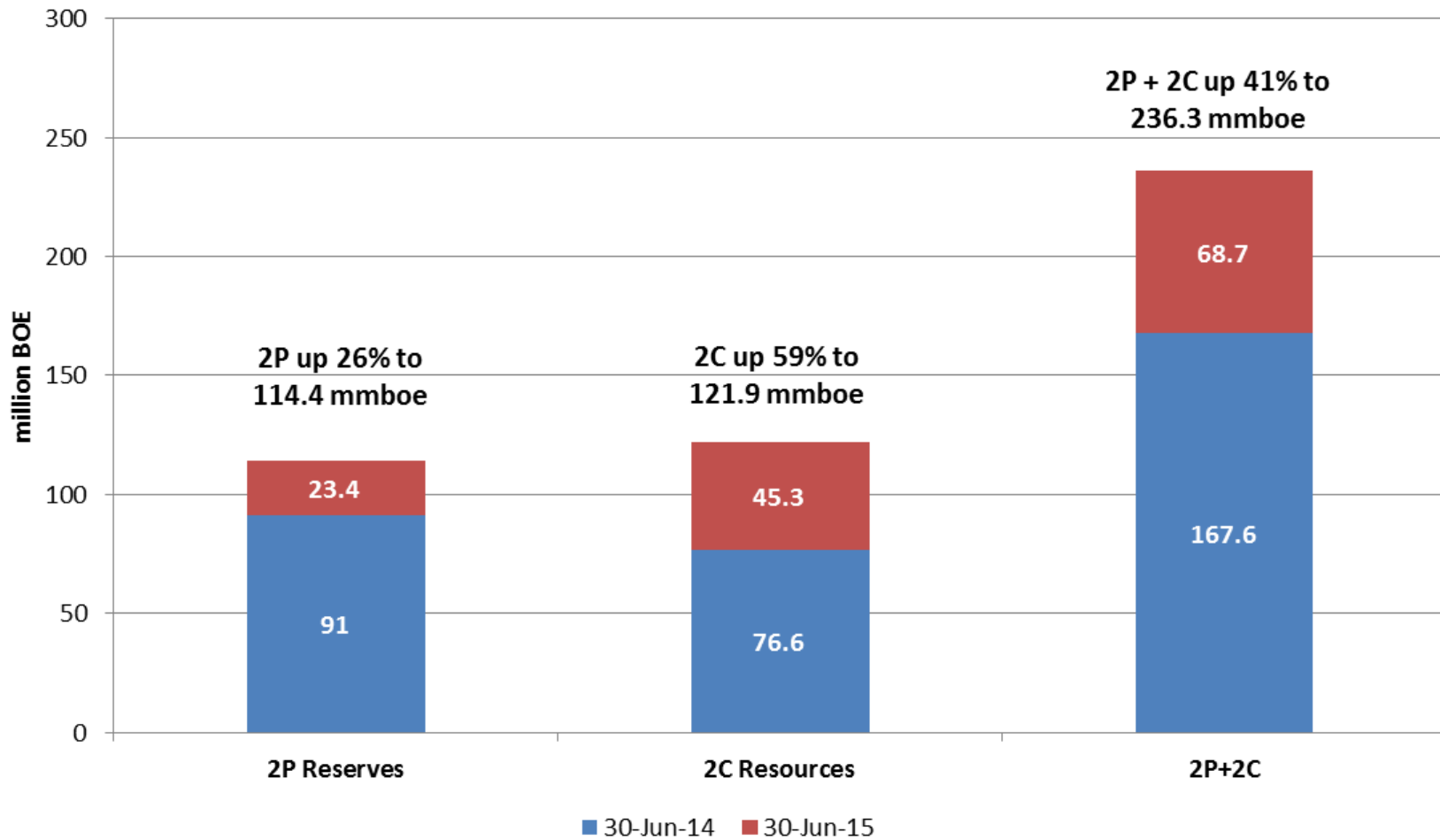


Value and Opportunities

2P Reserves and
2C Contingent Resources

Strong Reserves and Resources growth

AWE 2P Reserves and 2C Resources Growth

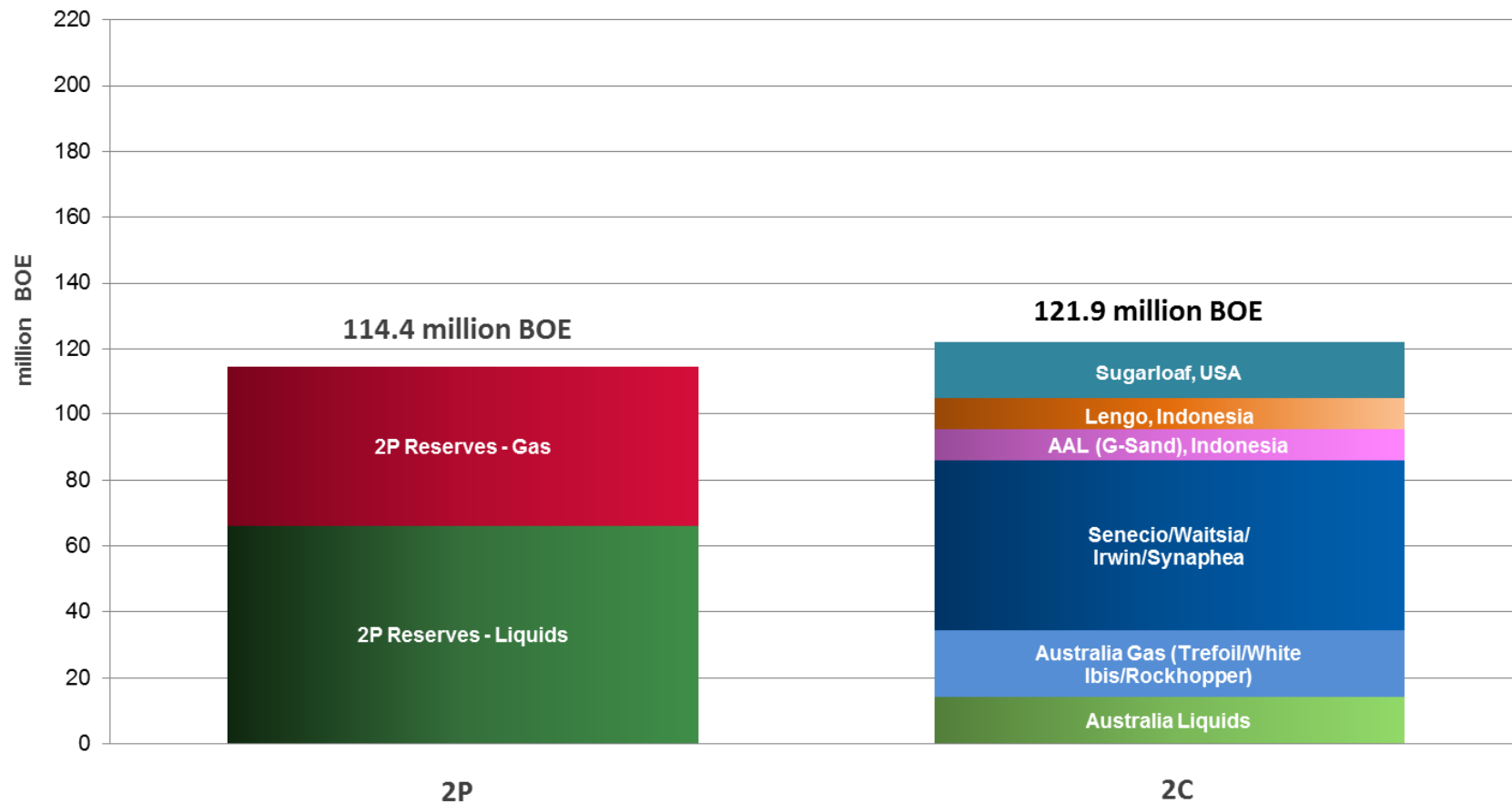


Further growth in 2P and 2C highlights quality assets within AWE's portfolio

Reserves & Resources analysis



AWE 2P Reserves and 2C Resources (as at 30 June 2015)



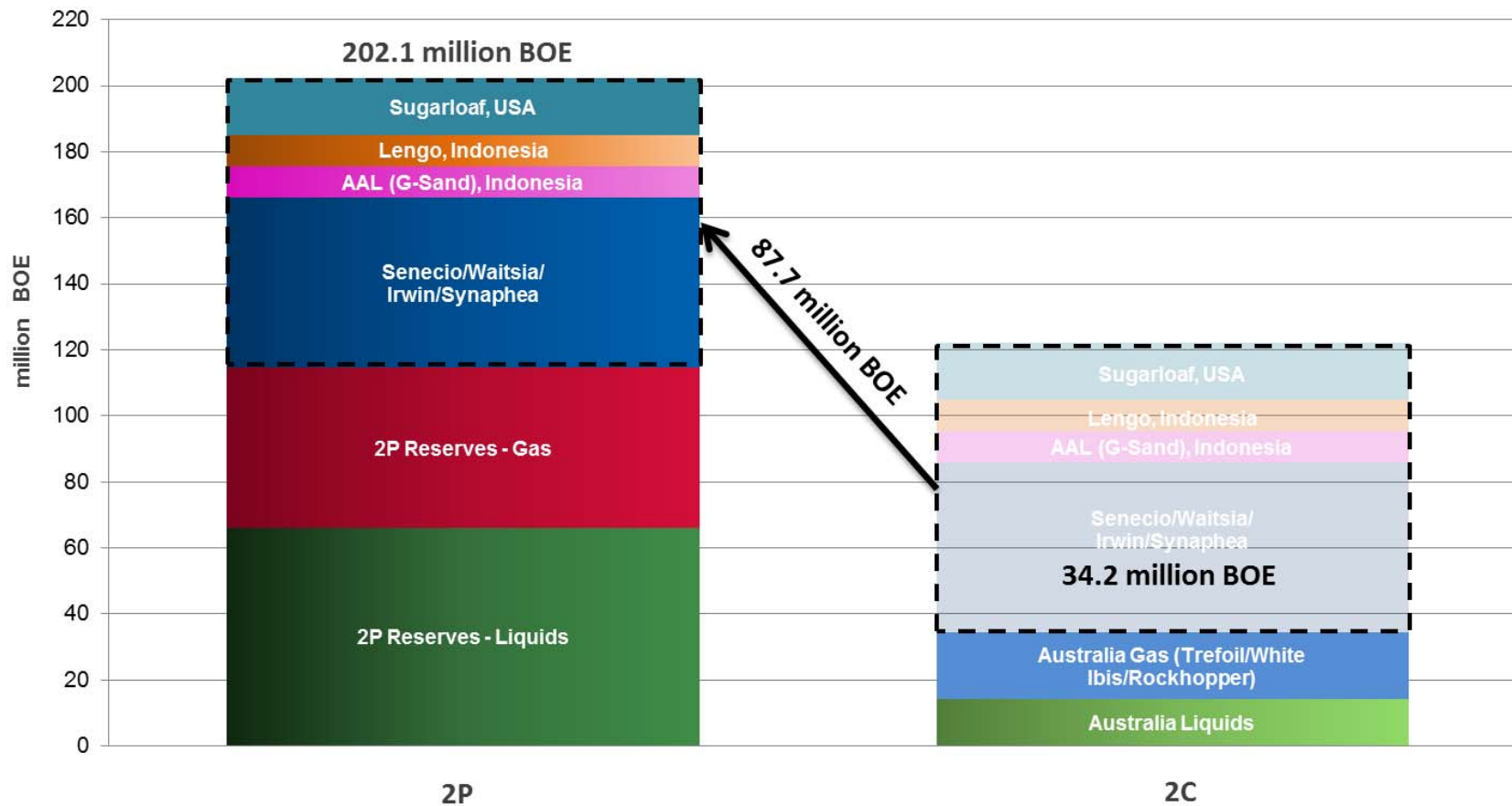
Note: Includes changes to onshore Perth Basin net 2P Reserves and 2C Contingent Resources announced 21 August 2015

More than 22 years of 2P production (based on current production of 5.1 mmboe)

Significant 2P growth potential



Potential AWE 2P Reserves and 2C Resources



Note: Includes changes to onshore Perth Basin net 2P Reserves and 2C Contingent Resources announced 21 August 2015

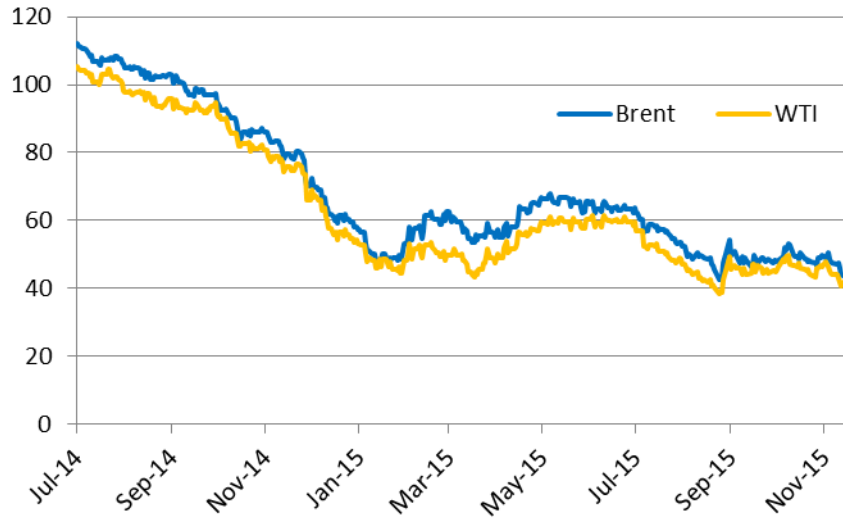
Ability to convert majority of 2C Resources into 2P Reserves in short to medium term



Clear Strategic Pathway

Tougher operating environment

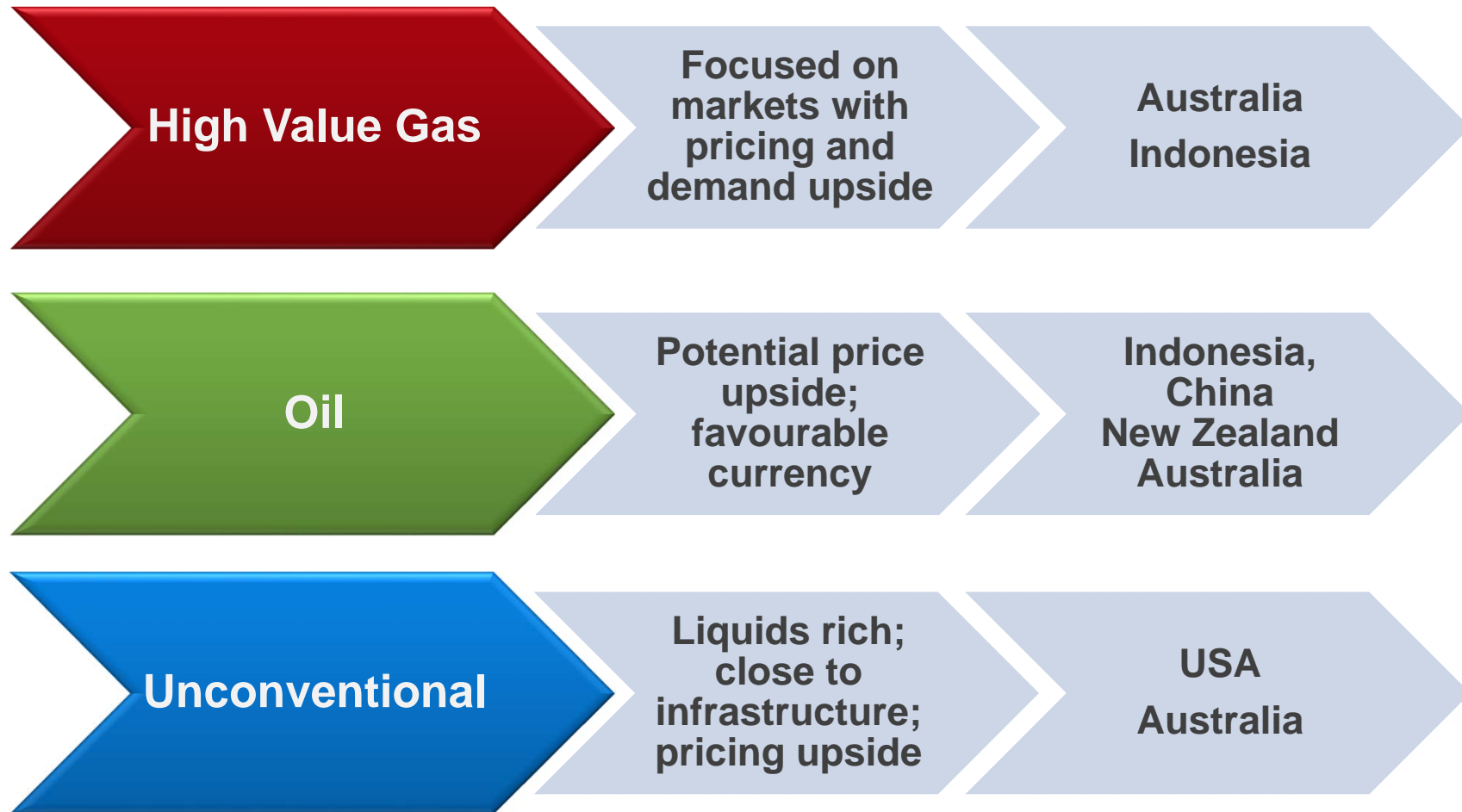
Brent / WTI Oil Prices (US\$/bbl)



AUD/USD








Diverse product mix provides flexibility



Diversity provides flexibility to adapt to challenging market conditions

Managing in a low oil price environment

Cash flow		Maximise production, hedging (oil) in place, cost reduction
Capex and investment		Minimal commitments beyond Sugarloaf; reduced exploration spend
Balance Sheet		Asset sales, tight financial discipline
Strategy		Focused on new gas projects; low cost operator; exposure to future oil price upside
Structure		Lean and efficient; close Jakarta project office

AWE's optionality has it well positioned to manage low oil price environment

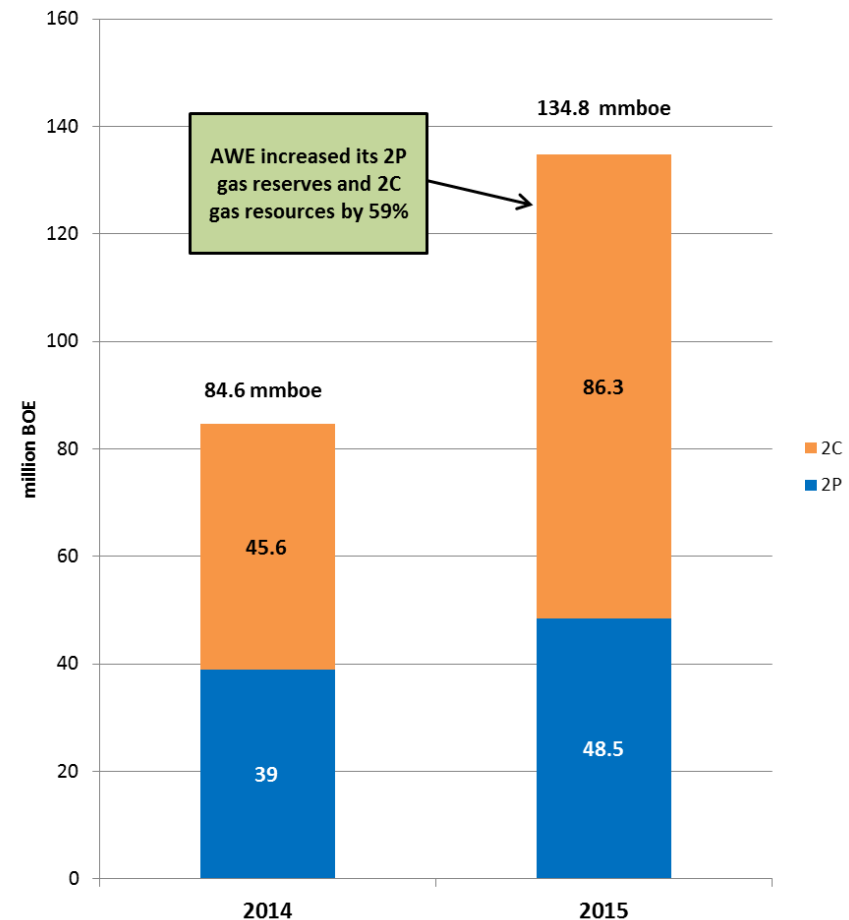
- Underpin certainty of cash flow by hedging oil production
- Maintain flexible balance sheet
 - *Prioritise expenditure*
 - *Exercise discretion on development costs if required*
 - *Carefully assess growth opportunities before committing*
 - *Test the market and monetise some assets to recycle capital, e.g. Cliff Head, Sugarloaf, Lengo*
- Continue to reduce costs and discretionary spending
 - *Reduce corporate and G&A overheads by >20% in FY 2015-16*
 - *Implement procurement and operating cost savings*
 - *Defer non-essential expenditure*
- Reduce total investment expenditure by 30% to 40% (\$180 million to \$210 million) in FY 2015-16
- Minimal exploration commitments
- Ensure operating structure optimised to match projects and activities
 - *Close Jakarta project office; reduce staff levels in Sydney and New Plymouth*

Focus on near-term gas projects

AWE has rapidly increased its project-ready gas Reserves and Resources to take advantage of improving, high-value gas markets

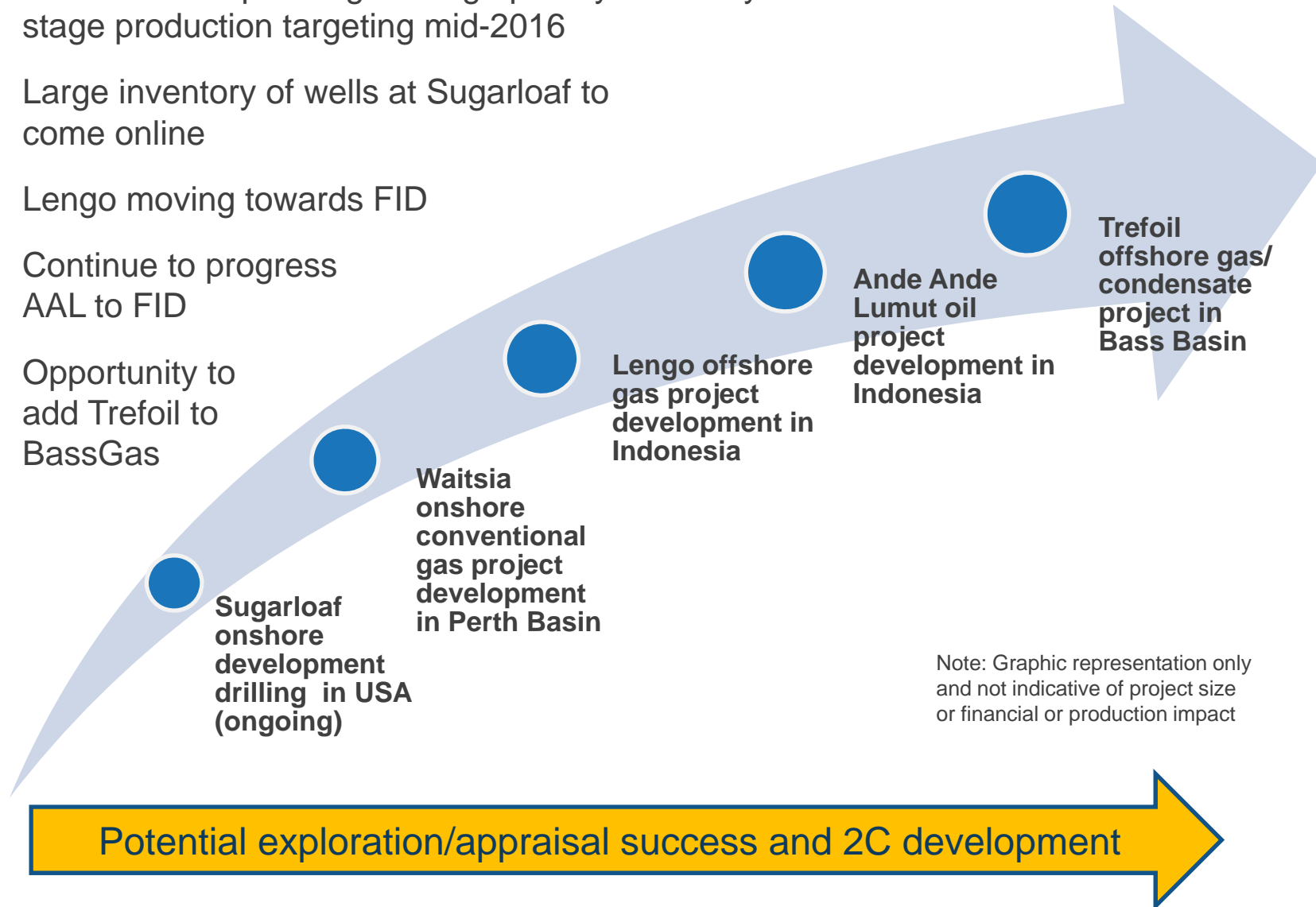
- The majority of AWE's Australian 2P gas reserves and 100% of AWE's Australian 2C gas resources exposed to higher gas prices in east and west coast markets
- Both Otway and Bass basin gas sales to be recontracted within the next 18 months
- Finalising negotiations for early production gas from Waitsia, WA, in mid-2016
- Marketing of larger volumes under way
- Able to ramp up Waitsia production to capture market opportunities and match customer needs
- Lengo gas negotiations under way in Indonesia, where East Java gas market remains strong

AWE sales gas 2P reserves and 2C resources
(at 30 June)



Development portfolio priorities

- Waitsia development given high priority and early stage production targeting mid-2016
- Large inventory of wells at Sugarloaf to come online
- Lengo moving towards FID
- Continue to progress AAL to FID
- Opportunity to add Trefoil to BassGas



Note: Graphic representation only and not indicative of project size or financial or production impact



Projects to Deliver Growth

Exciting flow test results at Waitsia-1



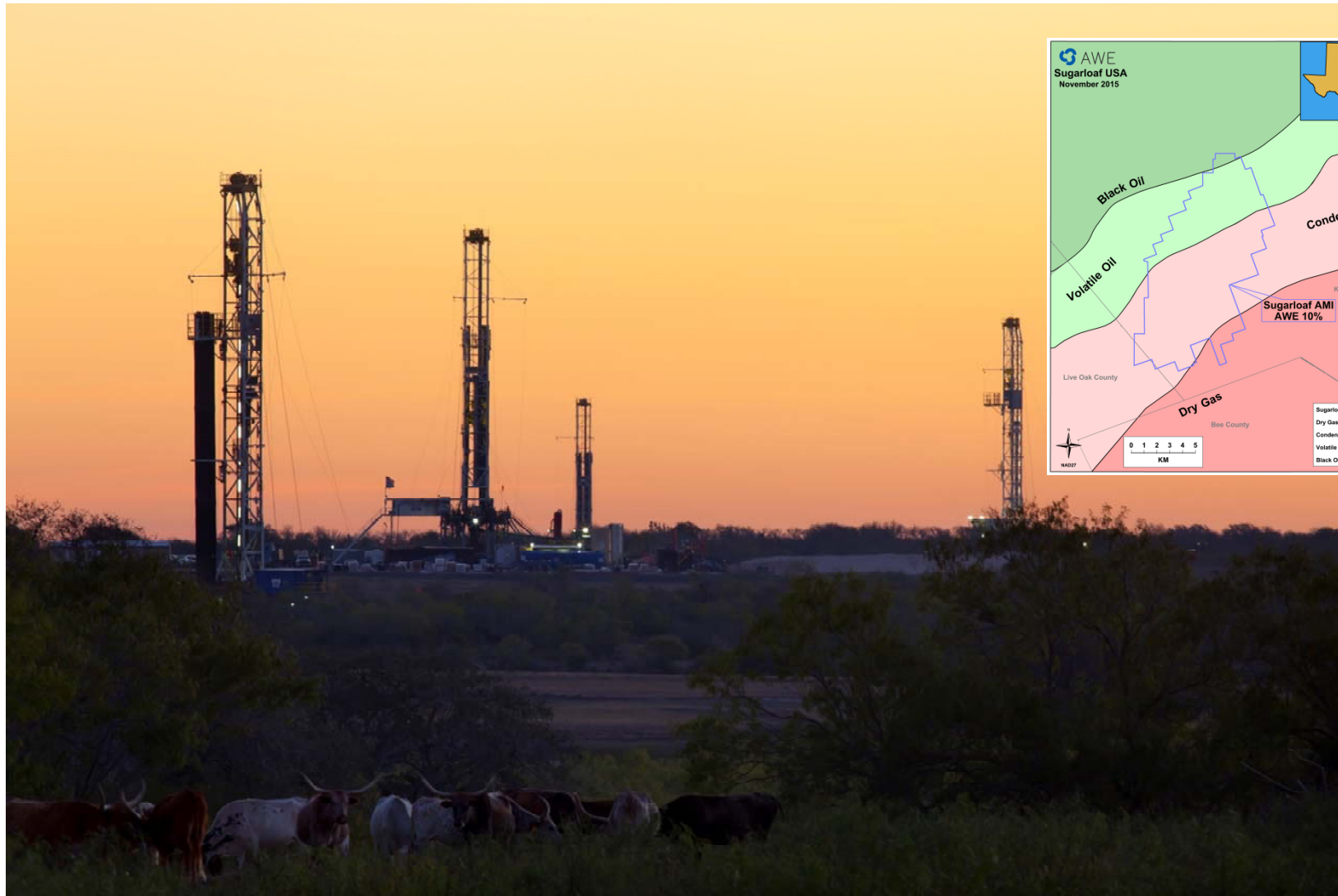
Potentially the largest onshore conventional gas field discovery since the 1980s

Waitsia moves into development phase



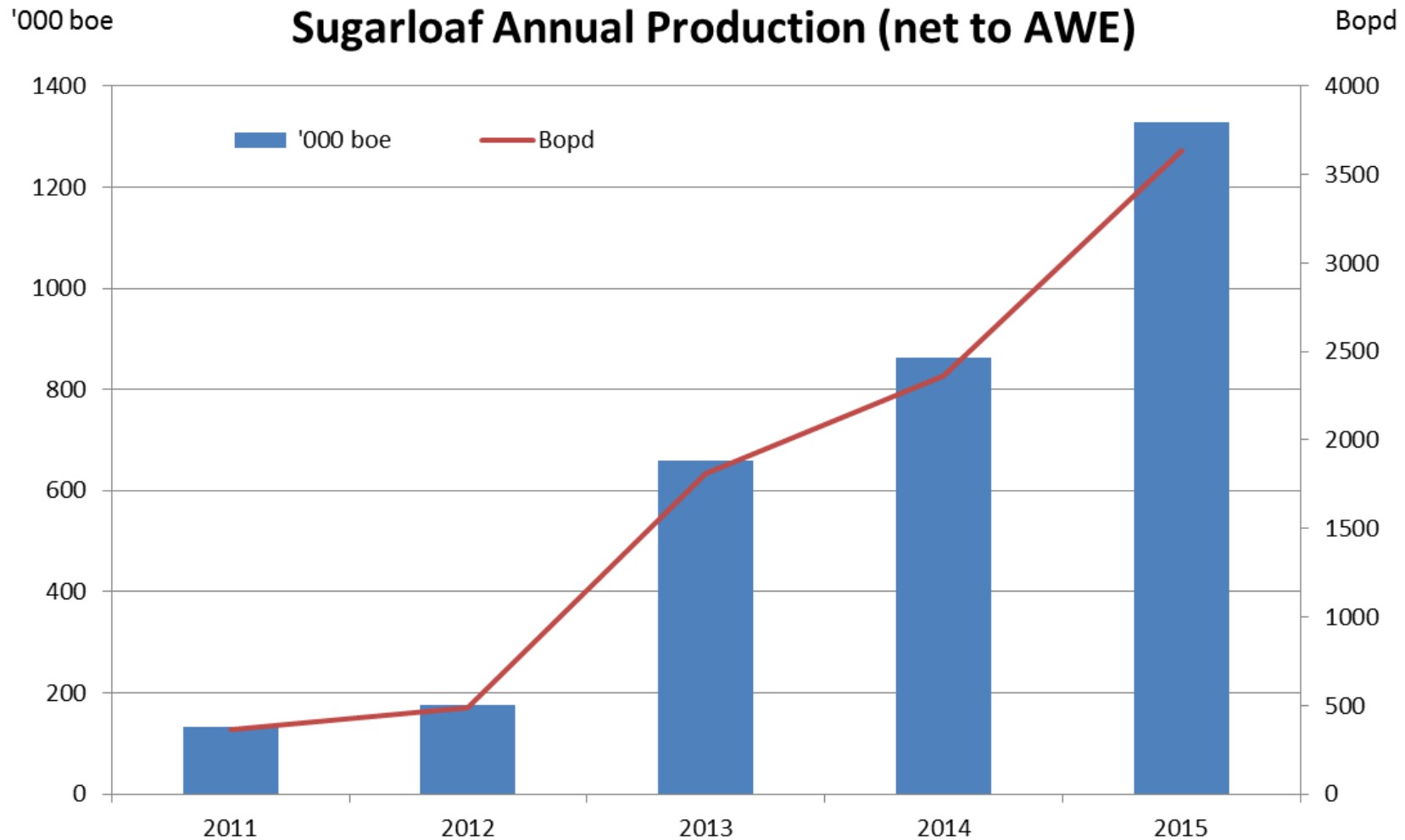
Targeting early production from initial development by mid-2016 subject to approvals

Sugarloaf in the Eagle Ford sweet spot



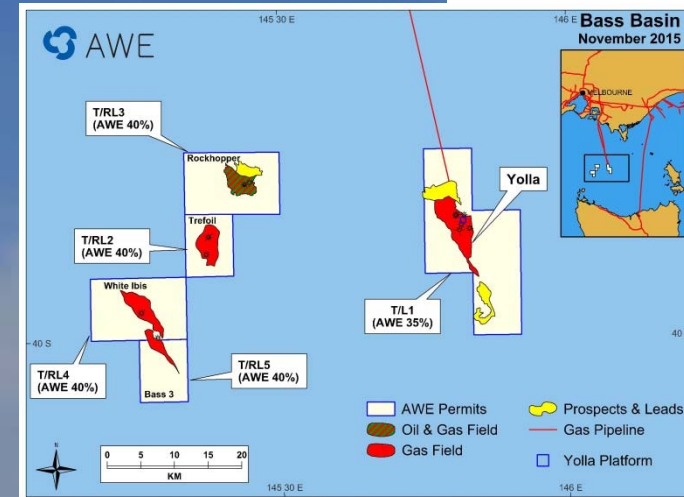
Sugarloaf drilling, fracking and completion costs below US\$5 million per well

Sugarloaf production growth



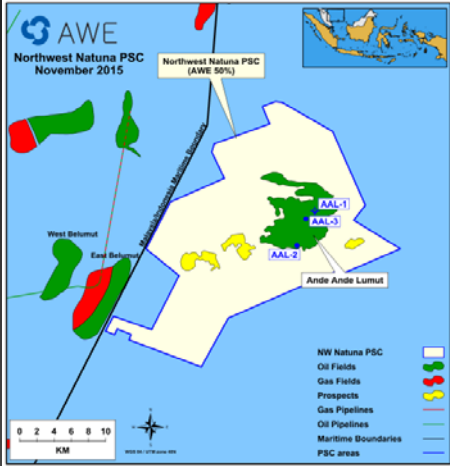
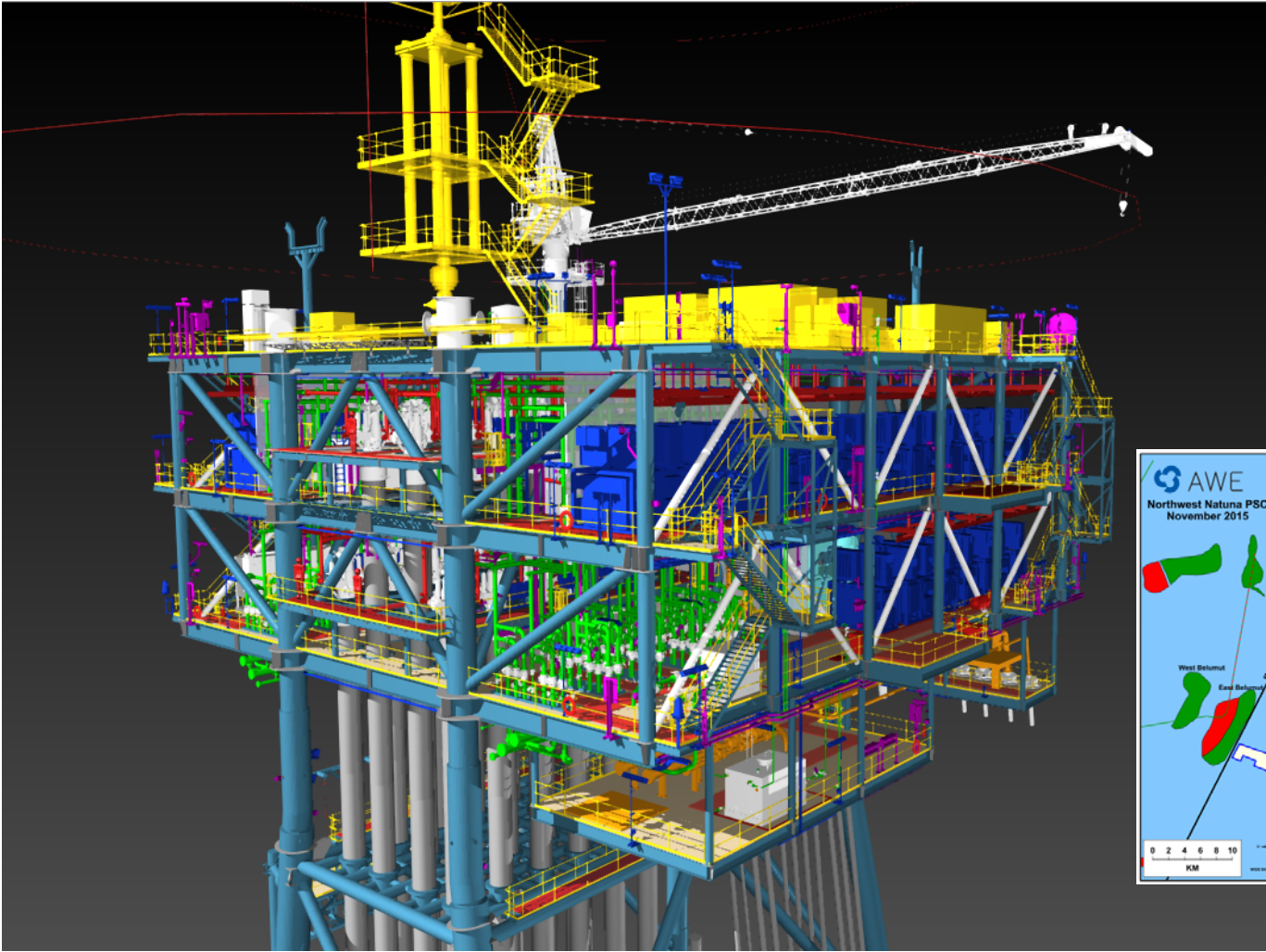
Sugarloaf 2P + 2C increased by 75% in FY2015 to 64.9 million BOE

BassGas producing from 3 wells



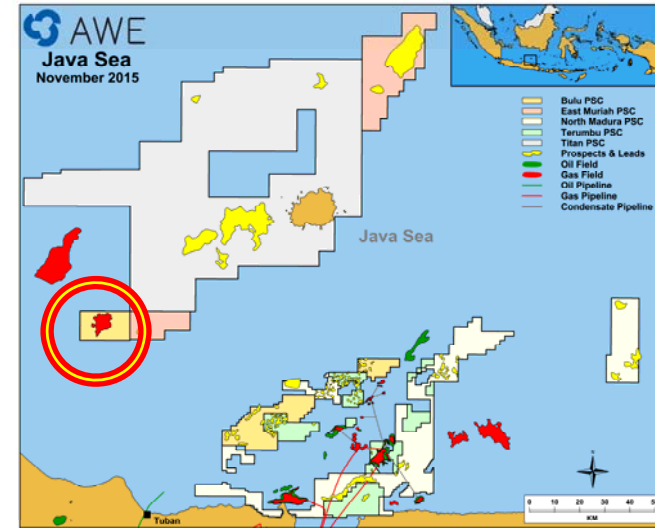
Improved production and well redundancy following development drilling

AAL continues to make progress



FEED completed and FPSO and WHP tender processes under way

Lengo gas project gaining momentum



Images courtesy KrisEnergy Ltd

Lengo gas project making good progress; FID timing subject to gas sales agreement

FY 2015-16 The Year Ahead



First production from Waitsia; accelerating activity in the onshore Perth Basin

- *Low cost, early conventional production from existing wells by mid-2016*
- *Gas marketing for larger resource base under way*
- *Further appraisal drilling planned in 2016 calendar year*

BassGas development

- *Finalise MLE with hook-up of gas compression and condensate pumping modules*
- *Trefoil development feasibility studies*

Sugarloaf production expected to increase substantially over FY 2015-16

- *Large inventory of 63 wells to bring on to production (at 30 Sept 2015)*
- *Drilling pilot development wells in Upper Eagle Ford with further reserve and resource potential*

Ande Ande Lumut oil project

- *Progress FEED and tendering for FPSO and well head platform ahead of planned FID in 2H 2016*
- *Working with Operator to achieve cost savings for drilling, well head platform and FPSO*
- *Operator planning G-Sand appraisal well in first half of 2016*

Guidance for FY2015-16



Key Indicator	Guidance FY2015-16
Production (million BOE)	5.1 – 5.6
Sales Revenue (\$m)	225 - 250
Development Expenditure (\$m)	155 - 185
Exploration Expenditure (\$m)	25

Note: Guidance prepared using Brent Oil price of US\$50 per barrel and A\$/US\$ of 75 cents

Guidance subject to change as a result of potential asset sales

Development Expenditure (Capex) increased since original forecast issued August 2015

Improved production forecast for FY 2015-16; continue to tightly manage costs

- **Excellent base of high quality 2P Reserves and 2C Resources with further upside potential**
- **Significant growth assets and substantial inventory of additional opportunities**
- **Focused on cost control and financial discipline**
- **Capacity and flexibility to fund growth projects**
- **Goal to double annual production to 10 mmboe from current reserves remains achievable, but timing now linked to oil and gas prices**



THANK YOU

A close-up portrait of a man with a beard and mustache, wearing a white hard hat and clear safety glasses. He is smiling slightly and looking towards the camera. He is wearing a dark blue button-down shirt. The background is blurred, showing a green structure with a row of brown, rounded objects. The word "QUESTIONS" is written in white, bold, sans-serif capital letters in the bottom left corner of the image.

QUESTIONS

Accounts and reports

Questions

Remuneration report

Resolution 1, adopt remuneration report

Remuneration report

Resolution 1, adopt remuneration report

This resolution is an advisory resolution

Proxies for	323,008,242
Proxies against	1,778,327
Proxies undirected	1,564,262
Proxies abstained	721,964

Re-election and election of directors

Resolution 2(a)

That Mr Kenneth Williams be re-elected as a director of the Company



Election of directors

Resolution 2 (a), that Mr Kenneth Williams be re-elected as a director of the Company

This resolution is an ordinary resolution

Proxies for	324,451,226
Proxies against	795,697
Proxies undirected	1,530,483
Proxies abstained	298,389

Resolution 2(b)

**That Mr Raymond
Betros be
re-elected as a
director of the
Company**



Election of directors

Resolution 2 (b), that Mr Raymond Betros be re-elected as a director of the Company

This resolution is an ordinary resolution

Proxies for	324,690,152
Proxies against	557,623
Proxies undirected	1,535,483
Proxies abstained	284,537

Adoption of changes to constitution

(Proportional takeover provisions)

Adoption of changes to constitution

(Proportional takeover provisions)

This resolution is a special resolution

Resolution 3, regarding changes to the Proportional Takeover Provisions of the Company's constitution.

As the proportional takeover provisions in the Company's constitution have not been reviewed for more than three years, they have expired and are deemed omitted from the constitution by law.

This proposed change seeks to re-insert the proportional takeover provisions in the same form as the previous provisions.

Adoption of changes to constitution



Resolution 3, regarding changes to the Proportional Takeover Provisions of the Company's constitution.

- This resolution is a special resolution

Proxies for 324,666,553

Proxies against 521,363

Proxies undirected 1,519,897

Proxies abstained 367,982

Download and view AGM presentation at www.awexplore.com

AWE thanks you for your attendance today





AWE LIMITED

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20 NOVEMBER 2015