

ASX Announcement

15 June 2016



AAL G Sand appraisal well drilling update

AWE Limited (ASX: AWE) has been advised by the Operator of the AAL-4X appraisal well, Santos Limited, that due to a mechanical obstruction in the well bore the proposed Drill Stem Tests (DST) in the K-sand and G-sand reservoirs cannot be completed in the current hole. The AAL joint venture is now planning to commence sidetrack operations to allow completion of the project scope and complete the planned DSTs.

Prior to the obstruction, the well had successfully achieved all other objectives of the AAL-4X well, having intersected oil-bearing sands in both the primary G Sand and secondary K-sand objectives. The evaluation programme has successfully acquired all planned wireline logs, pressure data and oil samples from both reservoirs and also recovered approximately 63m of full core across the two reservoirs. The data acquired to date has provided significant new information to further the development planning of the K-sand reservoir and to assist with the development potential of the G-sand reservoir.

The AAL-4X well was drilled to a maximum total depth of 1,246m TVDSS and was forecast to take approximately 48 days to complete. The well is being drilled in water depth of approximately 72m using the Raniworo jack-up drilling rig. The AAL-4X well is still expected to be completed within the Operator's budget, as the well has been drilled in a shorter timeframe than planned.

The Northwest Natuna PSC is located offshore Indonesia in the Natuna Sea and includes the Ande Ande Lumut (AAL) oil project. The AAL project comprises the K Sand reservoir (101 million barrels gross recoverable oil, net 24.3 million barrels of 2P Reserves to AWE) and the underlying G Sand reservoir.

The AAL-4X appraisal well is targeting the G Sand reservoir, which is estimated to contain 289 million barrels gross oil in place with 36 million barrels gross recoverable oil (net 10 million barrels 2C Resources to AWE). Appraisal of the G Sand will facilitate the preparation of Plan of Development for this resource, which could be developed in conjunction with the already approved K Sand development.

The Joint Venture partners in the Northwest Natuna PSC are:

AWE Limited (via subsidiaries)	50.00%
Santos Limited (Operator)	50.00%

Reserves and Resources

The reserves and resources in this announcement are based on and fairly represent information and supporting documentation prepared by and under the supervision of qualified petroleum reserves and resource evaluators: Dr. Suzanne Hunt, AWE Manager for Engineering and Development, and Mr. Andrew Furniss, AWE General Manager for Exploration and Geoscience. Dr. Hunt, a Petroleum Engineer with a Ph.D. in Geomechanics, is a member of the Society of



Petroleum Engineer Engineers and has over 19 years' experience in the petroleum sector in field development planning, reserves estimation, production and facilities engineering. Mr. Furniss, a member of the Society of Petroleum Engineers and the American Association of Petroleum Geologists, holds an MSc in Exploration Geophysics and a BSc (Hons) in Geological Sciences and has over 25 years' of industry experience in strategic planning, portfolio management, prospect evaluation, technical due diligence and peer review, reserves and resource assessment, the application of advanced geophysical technology and business development. 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 independent, Australian energy company focused on upstream oil and gas opportunities. Established in 1997 and listed on the Australian Securities Exchange (ASX: AWE), the company is based in Sydney with project offices in Perth and New Zealand. AWE has a substantial portfolio of production, development and exploration assets in Australia, New Zealand, and Indonesia.

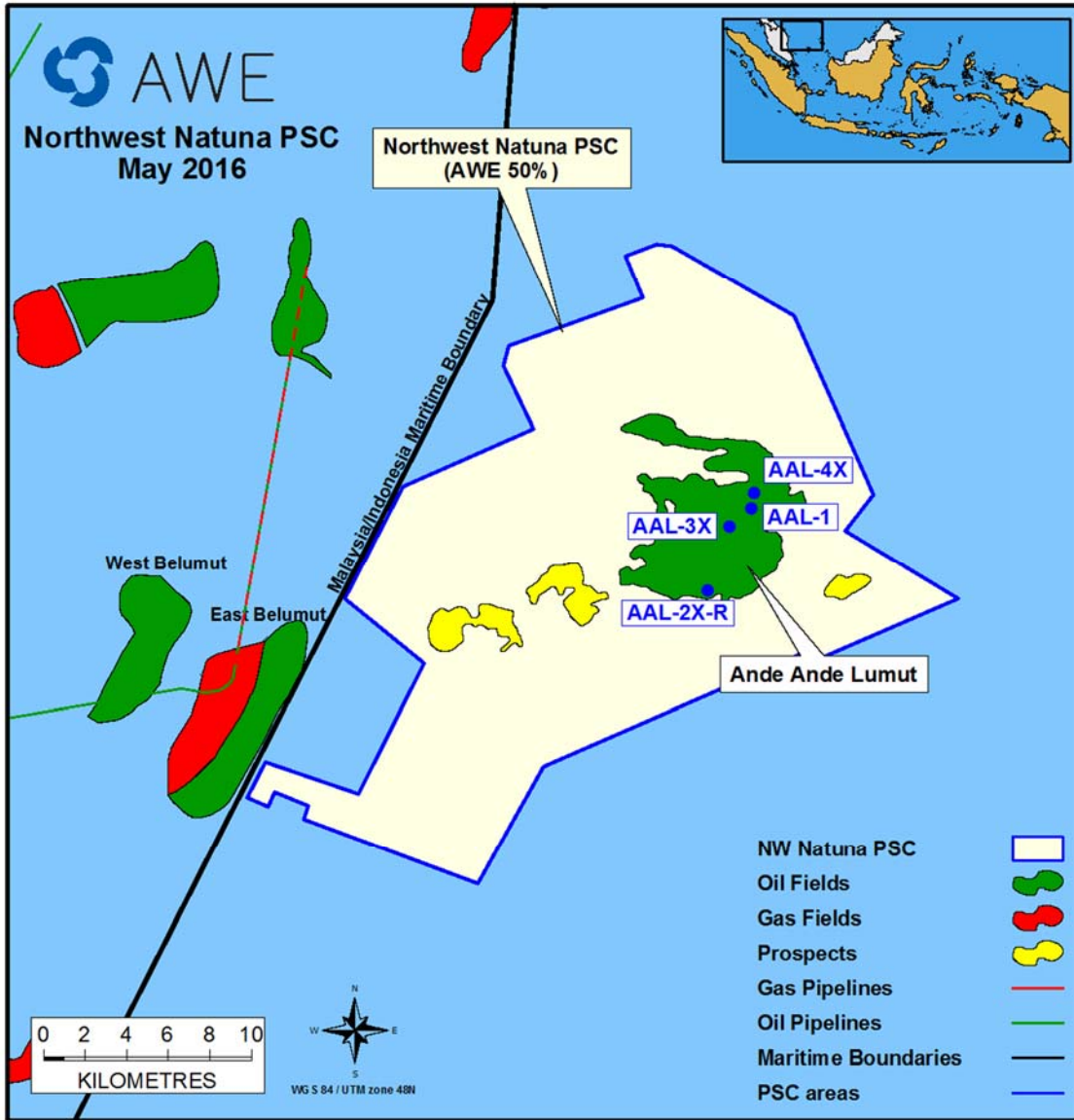
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