



AWE reserves update

AWE Limited (ASX: AWE) provides the following update on the status of 2P Reserves for the BassGas (permit T/L1, Origin-operated) and Waitsia (permit L1/L2, AWE-operated) projects.

On 29 July 2016, Origin Energy (ASX: ORG), a joint venture partner in the BassGas and Waitsia projects, published its 2016 Annual Reserves Report. In the report, Waitsia 2P Reserves were increased and BassGas 2P Reserves were decreased as at 30 June 2016.

On a look through basis this would imply an increase in AWE's published Waitsia net 2P Reserves from 30.43 mmbœ (announced on 3 June 2016) to approximately 39.79 mmbœ.

AWE has previously advised it will undertake an independent review of Waitsia reserves and resources (p33 of AWE's Half Year Results presentation of 24 February 2016). AWE's 2P Reserves for the Waitsia project will remain unchanged at 30.43 mmbœ until the review is completed and the results are released to the market.

For BassGas, AWE previously recognised a 2.50 mmbœ reduction in its 2P Reserves in its Half Year Report (issued 24 February 2016) to 10.18 mmbœ, after production as at 31 December 2015, based on technical data provided by the Operator.

Subsequent to the release of its latest reserves report, the Operator has provided AWE with additional technical data relating to the Yolla field (BassGas). Following initial evaluation of this data, AWE has elected to align with the Operator's reserves downgrade, relying on the Operator's assessment that its latest Yolla field (BassGas) reserves estimate conforms to the Society of Petroleum Engineers reserves guidelines (SPE-PRMS 2007) and pending the completion and evaluation of full static and dynamic reservoir modelling later this year.

AWE's net 2P Reserves for the Yolla field (BassGas) at 30 June 2016 have therefore been revised downwards to 7.44 mmbœ, after production (see table below).

Reserves mmbœ	As at 30.06.2015	1H Revisions	1H Production	As at 31.12.2015	2H Revisions	2H Production	As at 30.06.2016
1P	9.96	(1.94)	(0.75)	7.26	(0.58)	(0.74)	5.94
2P	13.43	(2.50)	(0.75)	10.18	(1.99)	(0.74)	7.44

As a result of the downgrade to 2P Reserves for the Yolla field, AWE expects to recognise a non-cash impairment of the carrying value for the BassGas asset of between \$40 million and \$50 million after tax in its full year accounts in addition to the impairments recognised at the half year.

AWE will release its full year results for the 2015-16 financial year on 25 August 2016. The company's Reserves and Resources Report (as at 30 June 2016) will be included in AWE's 2016 Annual Report to be released in October 2016.



The Waitisia Joint Venture partners in L1/L2 are:

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

The BassGas Joint Venture partners in T/L1 are:

AWE Limited (via subsidiaries)	35.00%
Origin Energy Resources Limited (Operator)	42.50%
Toyota Tsusho Gas E&P Trefoil Limited	11.25%
Prize Petroleum International Pte. Ltd	11.25%

Glossary

1P	Proved Reserves
2P	Proved and Probable Reserves
ASX	Australian Securities Exchange
mmboe	million barrels of oil equivalent
SPE	Society of Petroleum Engineers
PRMS	Petroleum Resources Management System

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 geoscience, 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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