

ASX Announcement

9 December 2016



Waitsia gas project rapidly building momentum

- **Joint Venture approves 2017 development activities budget**
- **Joint Venture approves final Stage 2 appraisal wells, Waitsia-3 and Waitsia-4, for drilling in April-June 2017**
- **Gas tender process making excellent progress with bids received totalling more than double the Joint Venture's 2P Reserves**
- **Project on track and Operator targeting FID in late 2017**

AWE Limited (ASX: AWE), Operator of the Waitsia gas project in WA production licence L1/L2, reports that the Waitsia Joint Venture has made strong progress in its preparations for Stage 2 of the Waitsia gas project.

The Waitsia Joint Venture partners, AWE and Origin Energy, have approved the 2017 development activities budget which will include drilling the final two appraisal wells required for Stage 2 of the project, located in Western Australia's onshore Perth Basin.

David Biggs, CEO of AWE Limited, said that preparations for drilling were well advanced.

"The Joint Venture has approved the budget and the schedule and we anticipate drilling Waitsia-3 and Waitsia-4 from April to June 2017, subject to approvals. These are the final appraisal wells planned ahead of Stage 2 development and will provide valuable data and potentially increase our 2P Reserves," he said.

AWE can also report that it has commenced a tender process for Waitsia Stage 2 gas sales and that bids have been received.

"We have received an exceptional response from potential customers with bid volumes totalling more than double the Joint Venture's 2P Reserves. The decision to align with customer demand from 2020 onwards is bearing out and discussions with potential buyers are proceeding well," Biggs said.

"Waitsia Stage 2 could supply 10% of WA's domestic gas demand, 100 TJ per day, for 10 years. Feedback from potential customers indicates that gas from Waitsia Stage 2 is a welcome addition to the WA domestic gas market because it increases diversity of producers and offers a lower risk onshore supply train," Biggs said.

"The project is making excellent progress and AWE is targeting a final investment decision by the end of 2017," he said.

Biggs also commented on the recent announcement by Origin that they are considering an IPO of their upstream exploration and production assets.



“Although the information that Origin has provided to the market is understandably limited, a new entity that is purely focused on upstream exploration and production should be a positive for Waitsia and we do not anticipate any delays to our schedule.

“Origin was very supportive of the Waitsia gas project Stage 1A and the sales process for their Perth Basin assets, recently concluded, did not impact the schedule. First gas was successfully delivered on time and under budget in August 2016,” he said.

“On the numbers provided by Origin, Waitsia will represent around 25% of the new company’s current estimated 2P Reserves and will therefore be a valuable growth asset in a post IPO environment.

“We believe that the new company will be even better aligned with AWE,” Biggs said.

The Waitsia gas project is operated by AWE and located in production licence L1/L2 in the onshore Perth Basin, Western Australia, approximately 367km north of Perth and 16.5km east-southeast of Dongara.

The Joint Venture partners in L1/L2 (Waitsia) are:

AWE Limited (via subsidiaries) (Operator)	50.00%
Origin Energy Resources Limited	50.00%

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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