

ASX Announcement

13 December 2016



AWE completes divestment program with Tui sale

- **AWE sells its 57.5% interest in the Tui Area Oil Fields to Tamarind**
- **AWE's program to divest non-core and late life assets complete**

AWE Limited (ASX: AWE) has entered into an agreement to sell the company's 57.5% interest in the Tui Area Oil Fields to Tamarind Management Sdn Bhd ("Tamarind"), subject to customary consents from the New Zealand Government and Tui Joint Venture.

Under the terms of the agreement, Tamarind will acquire all of the outstanding shares of AWE New Zealand Pty Ltd and AWE Taranaki Limited, which together own 57.5% of Tui, for US\$1.5m. Subject to Joint Venture consent, this includes Operatorship, assets and inventory, AWE's oil hedge book, and a working capital cash balance of US\$10.8 million.

The sale agreement has an effective date of 30 November 2016 and is subject to purchase price adjustments at completion, which is anticipated in the first quarter of calendar year 2017. AWE will continue to book production and revenue associated with the project until completion, with the final purchase price adjustments to be recognised through AWE's Profit and Loss account.

David Biggs, CEO and Managing Director, said that Tui was a landmark project for AWE that cemented its position as an offshore Operator.

"Tui has been an excellent production asset generating significant returns for AWE and our Joint Venture partners as well as substantial taxes and royalties for the New Zealand government.

"Following expressions of interest from a number of parties, AWE has opted to sell its interest in Tui to Tamarind because of their ability to maximise value from late life assets and their experience in decommissioning offshore oil projects.

"With Tamarind's expertise, and further improvement in the oil price, Tui could potentially continue operating beyond 2019 which would benefit all stakeholders," Biggs said.

Ian Angell, Managing Director of Tamarind, said that this project represents a foundational asset in the development of Tamarind and as an oil producer and partner in New Zealand.

"We are incredibly pleased with the existing AWE team in New Plymouth and look forward to working with this capable and professional unit. The employees and management in New Plymouth and the ongoing support of BW Offshore, as the owner and operator of the FPSO, assures continuity and consistency of operations and performance," Angell said.



The sale of Tui is expected to generate a non-cash profit after tax of approximately A\$28 million (unaudited), subject to purchase price adjustments, and will reduce AWE's provisions by approximately 33%.

The transaction marked the end of AWE's program of divesting non-core and late life assets.

"The Tui sale is another important step in AWE's transition from legacy production assets to new growth assets," Biggs said.

"Although we have sold the Tui project, New Zealand remains a component of AWE's geographic strategy and we continue to evaluate opportunities in New Zealand," he said.

The Tui Area Oil Fields comprise the Tui, Amokura and Pateke fields which are located approximately 50 kilometres off the coast of Taranaki, New Zealand, in PMP 38158. AWE is the Operator and production from each field is fed into the Tui gathering system and then into the FPSO vessel, the "Umuroa".

The Joint Venture partners in PMP 38158 are:

AWE Limited (via subsidiaries) (Operator)	57.50%
New Zealand Oil & Gas (via subsidiaries)	27.50%
Pan Pacific Petroleum (via subsidiaries)	15.00%

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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.

About Tamarind

Tamarind was established in August 2014 with a strategy to build an upstream energy company building on the firm foundation of the team's technical experience and commercial pragmatism, leveraging history and relationships across South East Asia and Australasia creating a bridge to global equity for opportunities where Tamarind can add intrinsic value. The company is based in Malaysia. www.tamarindmanagement.com

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