

## **Waitsia Stage 1A well performance exceeds expectations**

- **Preliminary results from Waitsia Stage 1A wells have exceeded pre-production expectations over the first three months of operation**
- **Confirms high quality conventional reservoir system with excellent connectivity**

AWE Limited (ASX: AWE), Operator of the Waitsia gas project in Western Australia production licence L1/L2, reports that well performance from Stage 1A of the Waitsia gas project has exceeded pre-production expectations over the first three months of operations (see Table 1).

Stage 1A of the Waitsia gas project commenced production in August 2016 from the Senecio-3 discovery well and the Waitsia-1 appraisal well, connected to the Xyris Production Facility (XPF) and then into the Parmelia Pipeline.

The Senecio-3 well, currently producing from the Kingia Formation, is performing better than pre-production expectations, which were based on well test results recorded in March 2015. AWE has observed an improvement in well productivity that suggests the well has cleaned up and is connected to a significant gas volume in high quality reservoir. The estimated connected volume has increased substantially towards the higher end of pre-production estimates.

The Waitsia-1 well is currently flowing from the High Cliff Sandstone (HCSS) and has exceeded the upper end of pre-production estimates. Waitsia-1 HCSS demonstrates excellent productivity and is connected to a significant gas volume in high quality reservoir.

An independent review of Stage 1A well performance by RISC Advisory Pty Ltd has determined that preliminary results from the two zones under test at Senecio-3 (Kingia Formation) and Waitsia-1 (HCSS) indicate an accessed gas in place volume of approximately 100 Bcf or greater. The Waitsia-1 Kingia Formation, which has not yet been tested, is planned to be connected and flowed in calendar year 2017.

The preliminary results also suggest the 2P connected volumes from Senecio-3 (Kingia) and Waitsia-1 (HCSS) are consistent on a per well basis with RISC's overall assessment of Waitsia gross 2P Reserves of 460 Bcf of gas (announced 20 September 2016), which is 34% higher than AWE's current gross 2P Reserves estimate for Waitsia of 344 Bcf of gas\*.

### **David Biggs, CEO and Managing Director of AWE Limited, commented:**

"The performance of the Stage 1A wells has exceeded the pre-production expectations and further demonstrates the high quality of the Waitsia gas field's conventional reservoir system.

"We are excited about the production potential of the Waitsia-1 Kingia Formation, which we plan to flow in 2017, and we are also considering flow testing the Waitsia-2 appraisal well which was drilled in 2015 and subsequently suspended," Biggs said.



The Stage 1A development has well capacity in excess of the 9.6 TJ/day required under the initial 2.5 year contract which underpins the Waitsia Extended Production Test (EPT). Production from Stage 1A is likely to continue beyond the term of the current sales contract.

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

**Table 1. Well Test results v Extended Production Test preliminary results<sup>^</sup>**

	<b>Senecio-3 (Kingia)</b>	<b>Waitsia-1 (HCSS)</b>	<b>Waitsia-1 (Kingia)</b>
<b>Estimated connected OGIP from well test</b>	18-65 Bcf of gas	16-47 Bcf of gas	49-59 Bcf of gas
<b>Preliminary connected OGIP from EPT</b>	45-80 Bcf of gas	>50 Bcf of gas	Not yet tested

Notes

\* The estimated 2P Reserves for the Waitsia Gas Field, as announced via the Australian Securities Exchange (ASX) on 20 September 2016, remain unchanged.

<sup>^</sup> The OGIP estimates in Table 1 are only a component of the total OGIP that supports 2P Reserves for the Waitsia Gas Field (announced 20 September 2016).

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

AWE Limited (via subsidiaries) (Operator)	50.00%
Origin Energy Developments Pty Ltd	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.

For information please see our website [www.awexplore.com](http://www.awexplore.com) or contact:

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