

AWE Reserves Report

AWE Limited (ASX: AWE) provides the following report on the company's share of 1P and 2P Reserves and 2C Contingent Resources as at 30 June 2017. The Reserves and Resources documented in this report incorporate the revised estimates for the Waitsia gas field, the Yolla gas field and the Ande Ande Lumut oil field announced on 9 August 2017.

1. Summary of Notable Changes to 2P Reserves and 2C Contingent Resources

Waitsia Gas Field - The transfer of Waitsia Contingent Resources to Undeveloped Reserves following the drilling results from Waitsia-3 in June 2017, which successfully appraised the southern extension of the field. Refer ASX announcement dated 9 August 2017. An additional booking of 2P reserves is anticipated later in 2017 after the results of Waitsia-3 & 4 are incorporated into geological models.

Yolla Gas Field - The adoption of the Operator's revised reserves, as supported by AWE's static and dynamic modelling study. Refer ASX announcement dated 9 August 2017.

Ande Ande Lumut Oil Field - The transfer of Undeveloped Reserves to Contingent Resources due to project delays and the uncertainty of commencing production within the SPE PRMS recommended timeframe. Refer ASX announcement dated 9 August 2017.

Tui Area Oil Fields - The divestment of the Tui Oil Field was completed on 1 March 2017 with an effective date of 30 November 2016.

Lengo Gas Field - The divestment of the Lengo Gas Field pending completion in 2017, with an effective date of 1 April 2016.

2. Proved (1P) Reserves at 30 June 2017

Geographical Area	Proved (1P) Reserves at Evaluation Date 30 June 2017														
	Developed					Undeveloped					Total				
	Sales Gas (PJ)	LPG (K tonnes)	Condensate (million bbls)	Oil (10 ⁶ bbls)	All Products (million BOE)	Sales Gas (PJ)	LPG (K tonnes)	Condensate (million bbls)	Oil (10 ⁶ bbls)	All Products (million BOE)	Sales Gas (PJ)	LPG (K tonnes)	Condensate (million bbls)	Oil (10 ⁶ bbls)	All Products (million BOE)
South East Australia															
Bass Basin	20.0	55.6	0.6	0.0	4.6	0.0	0.1	0.0	0.0	0.0	20.0	55.7	0.6	0.0	4.6
Otway Basin	5.1	0.0	0.0	0.0	0.9	22.2	0.0	0.0	0.0	3.7	27.3	0.0	0.0	0.0	4.6
Western Australia															
Onshore Perth Basin	75.6	0.0	0.0	0.0	12.6	46.1	0.0	0.0	0.0	7.7	121.7	0.0	0.0	0.0	20.3
Indonesia															
Ande Ande Lumut	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AWE Aggregated	100.7	55.6	0.7	0.0	18.1	68.3	0.1	0.0	0.0	11.4	169.0	55.7	0.7	0.0	29.5



3. Proved plus Probable (2P) Reserves at 30 June 2017

Geographical Area	Proved plus Probable (2P) Reserves at Evaluation Date 30 June 2017														
	Developed					Undeveloped					Total				
	Sales Gas (PJ)	LPG (K tonnes)	Condensate (million bbls)	Oil (10 ⁶ bbls)	All Products (million BOE)	Sales Gas (PJ)	LPG (K tonnes)	Condensate (million bbls)	Oil (10 ⁶ bbls)	All Products (million BOE)	Sales Gas (PJ)	LPG (K tonnes)	Condensate (million bbls)	Oil (10 ⁶ bbls)	All Products (million BOE)
South East Australia															
Bass Basin	29.9	83.5	1.0	0.0	6.9	0.1	0.5	0.0	0.0	0.0	30.0	84.0	1.0	0.0	7.0
Otway Basin	5.3	0.0	0.0	0.0	0.9	29.8	0.0	0.0	0.0	5.0	35.1	0.0	0.0	0.0	5.9
Western Australia															
Onshore Perth Basin	148.7	0.0	0.1	0.0	24.8	84.8	0.0	0.0	0.0	14.2	233.8	0.0	0.1	0.0	39.0
Indonesia															
Ande Ande Lumut	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AWE Aggregated	183.9	83.5	1.0	0.0	32.7	114.6	0.5	0.1	0.0	19.2	298.8	84.0	1.1	0.0	51.9

4. Reconciliation of 1P and 2P Reserves at 30 June 2017

Geographical Area	Reserves Reconciliation (million BOE)														
	Proved (1P) Reserves							Proved plus Probable (2P) Reserves							
	Evaluation Date 30 June 2016	Revisions and Reclassification	Transfers	Extensions and Discoveries	Divestments	Production	Evaluation Date 30 June 2017	Evaluation Date 30 June 2016	Revisions and Reclassification	Transfers	Extensions and Discoveries	Divestments	Production	Evaluation Date 30 June 2017	
New Zealand															
Taranaki Basin	0.6	0.0	0.0	0.0	-0.2	-0.4	0.0	1.1	0.0	0.0	0.0	-0.7	-0.4	0.0	
South East Australia															
Bass Basin	5.9	0.2	-0.2	0.0	0.0	-1.2	4.6	7.4	1.0	-0.2	0.0	0.0	-1.2	7.0	
Otway Basin	4.2	1.0	0.0	0.0	0.0	-0.6	4.6	6.2	0.3	0.0	0.0	0.0	-0.6	5.9	
Western Australia															
Onshore Perth Basin	17.0	-0.1	3.9	0.0	0.0	-0.5	20.3	31.7	0.0	7.8	0.0	0.0	-0.5	39.0	
Indonesia															
Ande Ande Lumut	16.7	0.0	-16.7	0.0	0.0	0.0	0.0	24.6	0.0	-24.6	0.0	0.0	0.0	0.0	
AWE Aggregated	44.4	1.1	-13.1	0.0	-0.2	-2.7	29.5	71.0	1.4	-17.0	0.0	-0.7	-2.7	51.9	

5. 2C Contingent Resources at 30 June 2017

Geographical Area	2C Contingent Resources (million BOE)									
	Evaluation Date 30 June 2016	Revisions and Reclassification	Transfers	Extensions and Discoveries	Acquisitions and Divestments	Evaluation Date 30 June 2017	Sales Gas (PJ)	LPG (K tonnes)	Condensate (million bbls)	Oil (10 ⁶ bbls)
New Zealand										
Taranaki Basin	0.9	0.0	0.0	0.0	-0.9	0.0	0.0	0.0	0.0	0.0
South East Australia										
Bass Basin	30.3	0.0	0.2	0.0	0.0	30.6	112.5	394.4	6.5	0.7
Otway Basin	1.3	0.0	0.0	0.0	0.0	1.3	7.4	0.0	0.1	0.0
Western Australia										
Onshore Perth Basin	51.2	-0.1	-7.1	0.0	0.0	43.9	255.4	0.0	1.4	0.0
Indonesia										
Ande Ande Lumut	9.3	-0.2	24.6	0.0	0.0	33.7	0.0	0.0	0.0	33.7
Lengo	9.5	0.0	0.0	0.0	-9.5	0.0	0.0	0.0	0.0	0.0
AWE Aggregated	102.5	-0.3	17.7	0.0	-10.4	109.5	375.2	394.4	8.0	34.4

6. Notes and Reserves Consent

- i. The Reserves and Contingent Resources in this report 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 General Manager WA Assets and Engineering, and Mr Andrew Furniss, AWE General Manager Exploration and Geoscience. Dr. Hunt, a Petroleum Engineer with a Ph.D. in Geomechanics, is a member of the Society of Petroleum Engineers and has 20 years' experience in the petroleum sector in geoscience, field development planning, Reserves estimation, reservoir production and facilities engineering and has been involved in the resource sector more generally for 30 years. 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 26 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. Dr Hunt and Mr Furniss have consented in writing to the inclusion of this information in the format and context in which it appears.
- ii. The estimation of 30 June 2017 Reserves and Resources have been prepared in accordance with the following:
 - SPE/AAPG/WPC/SPEE Petroleum Resources Management System guidelines of November 2011;
 - ASX Disclosure rules for Oil and Gas Entities, Chapter 5, July 2014;
 - ASX Listing Rules Guidance Note 32, 2013.
- iii. To ensure accuracy and compliance of Reserves and Resource estimations, AWE has put in place a robust process which incorporates the following governance arrangements and internal controls:
 - Reserves and Contingent Resources estimates are prepared by Asset Managers;
 - All material changes in Reserves and Contingent Resources are presented to the AWE Reserves Committee. Governed by the AWE Reserves Committee Charter, which is formally reviewed and adopted by the Board. The AWE Reserves Committee reviews and endorses Reserves and Contingent Resource proposals by the Technical Reserves Review Panel. The Committee meets as a minimum every six months or when any material changes trigger an ASX announcement based on the continuous disclosure requirements. An independent non-executive director, who is a member of the AWE Audit and Governance Committee and who

has an extensive international experience in petroleum geoscience, attends the AWE Reserves Committee in an Observer capacity. Any material changes to previously publicly reported Reserves endorsed by the AWE Reserves Committee will be immediately reported to the Managing Director for consideration for disclosure to ASX under the continuous disclosure requirements of the ASX Listing Rules.

- The endorsed Reserves and Contingent Resource evaluations are reported to the AWE Audit and Governance Committee and form an integral part of the half-year and annual financial reporting.
 - The AWE practice is to initiate independent audits for those assets with significant Reserves and/or Resource potential on a semi-regular basis, typically at least once every two years subject to the materiality of the asset, complexity of the field and amount of new data that has become available. The purpose is to ensure that AWE Reserve and Resource assessments receive external and independent challenge with respect to methodology, technical validity and commercial rigour.
- iv. AWE intends to develop Undeveloped petroleum Reserves in material oil and gas projects. The company actively supports engineering and commercial work necessary to achieve final investment decisions for material Undeveloped Reserves.
- v. Reserves and Contingent Resources estimations for all assets are based on deterministic methods
- vi. Due to the portfolio effects of the arithmetic summation, 1P Reserves volumes may be a very conservative estimate, whereas 3P Reserves volumes may be very optimistic.
- vii. Estimated Contingent Resources are un-risked and it is not certain that these Resources will be commercially viable to produce.
- viii. Conversion factors used:
- Sales Gas: 6 PJ = 1 million BOE
 - LPG: 1 tonne = 11.6 BOE
 - Oil: 1 barrel = 1 BOE
 - Condensate: 1 barrel = 1 BOE

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 offices in both Sydney and Perth. AWE has a substantial portfolio of production, development and exploration assets in Australia, New Zealand, and Indonesia.

For more information please see our website www.awexplore.com or contact:

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