ASX Announcement
18 September 2014

New Waitsia field potentially the largest conventional onshore gas discovery in WA since the 1960s

- **The Senecio-3 well has increased the development potential of the Senecio gas field and discovered the new "Waitsia" gas field in the underlying section**
- **Waitsia represents an exciting new play for the north Perth Basin with large upside potential**
- **The Senecio and Waitsia fields provide an early conventional production opportunity with combined gross 2C (P50) Contingent Resources of 360 Bcf**

Following on from the recently announced upgrade of 2C Contingent Resources in the Senecio Field, AWE Limited (ASX: AWE), as Operator of the L1/L2 Joint Venture, today announced initial Contingent Resource estimates for the "Waitsia" discovery (formerly Senecio Deep) located in the north Perth Basin.

After initial analysis of data from the Senecio-3 well, and the existing 3D seismic, AWE estimates that the Kingia/High Cliff Sandstone intervals in the Waitsia Field have gross Contingent Resources in the range from 65 billion cubic feet (Bcf) to 1170 Bcf, with a best estimate (2C) of 290 Bcf (Table 1). The presence of a significant quantity of potentially moveable hydrocarbons is indicated by strong gas shows, petrophysical analysis and pressure data. Net to AWE, the combined Senecio and Waitsia fields represent a best estimate (2C) of 180 Bcf of gas (Table 2).

Further evaluation and appraisal will be required to more accurately define the size of the accumulation and the lateral extent of the conventional and tight gas bearing sands. It should be noted that the Kingia/High Cliff Sandstone interval has not been previously penetrated in this part of the basin and represents an exciting new play with significant upside and follow-up potential.

Table 1. Gross Contingent Resources estimates for the Senecio and Waitsia fields

Field (Permits L1/L2)	Reservoir Interval	Discovered Original Gas in Place (Bcf)			Contingent Resources (Bcf)		
		P90	P50	P10	1C	2C	3C
Senecio	Dongara/Wagina	86	148	246	40	**70**	130
Waitsia (Senecio Deep)	Kingia/High Cliff Sandstone	115	489	1961	65	**290**	1170

Table 2. Net Contingent Resources estimates for the Senecio and Waitsia fields

Field (Permits L1/L2)	Reservoir Interval	AWE 50% Share (Bcf)		
		1C	2C	3C
Senecio	Dongara/Wagina	20	**35**	65
Waitsia (Senecio Deep)	Kingia/High Cliff Sandstone	33	**145**	585

AWE is also evaluating the gas bearing intervals in the Irwin River Coal Measures and Caryniginia Shale which could provide substantial additional unconventional resource potential. AWE estimates that the Irwin River Coal Measures has gross Prospective Resources in the range from 114 Bcf to 1497 Bcf, with a best estimate (P50) of 420 Bcf (Table 3). The presence of a significant quantity of hydrocarbons is indicated by strong gas shows and petrophysical analysis but further evaluation and appraisal would be required to establish whether reservoir productivity will be sufficient for commercial development. At this stage, AWE currently estimates the chance of development at 20%. This risking will change with further appraisal activities. Prospective Resources for the Carynginia Shale have not yet been estimated for this location, but could be substantial.

Table 3. Gross Prospective Resources estimates for the Waitsia field (unrisked)

Prospect (Permits L1/L2)	Reservoir Interval	Undiscovered Original Gas in Place (Bcf)			Prospective Resources (Bcf)		
		P90	P50	P10	P90	P50	P10
Waitsia (Senecio Deep)	Irwin River Coal Measures	228	810	2813	114	**420**	1497
	Carynginia Shale	Not yet determined					

AWE has cased and suspended the Senecio-3 well in preparation for conventional flow testing of multiple reservoir intervals in the Senecio and Waitsia fields later in 2014. A Waitsia appraisal well is also under consideration for drilling in early 2015 immediately following the drilling of the Irwin-1 exploration well in EP320 (8km east of Senecio). The primary target for the Irwin prospect is the Dongara/Wagina sandstone but the well will also evaluate the deeper prospective horizons that have been high-graded by the Senecio-3 result.

The conversion of Contingent Resources to Reserves is subject to successful flow testing and a final investment decision for field development. If developed, Senecio/Waitsia will add approximately 30 million BOE, or 33%, to AWE's 2P Reserves of 91 million BOE as at 30 June 2014.

Mr Bruce Clement, AWE's Managing Director, said:
"This is a fantastic result for AWE, the local Mid West community and for the people of Western Australia. The discovery in the deeper Kingia and High Cliff Sandstones has opened up an exciting new and substantial gas play in the north Perth Basin.

"AWE believes the Senecio/Waitsia discovery could represent the largest onshore conventional gas discovery in Western Australia since the Dongara gas field was discovered in the 1960s.

"Initial evaluation of the Senecio and Waitsia fields has identified 360 Bcf of gross Contingent Resources, which could be brought onto early production, utilising existing gas plant and pipeline infrastructure just 7km from the Senecio-3 location.

"There is also substantial upside to this initial estimated gas volume that could be realised by successful appraisal of the Waitsia discovery and exploitation of the unconventional gas potential identified in the Carynginia Shale and the Irwin River Coal Measures.

"We are now focusing on flow testing of Senecio-3 to establish commercial viability and the potential early, low cost development of the Senecio and Waitsia fields.

"If successful, this could deliver significant additional gas into the Western Australia domestic market and provide substantial value to AWE shareholders," Clement said.

The Joint Venture partners in L1/L2 are:

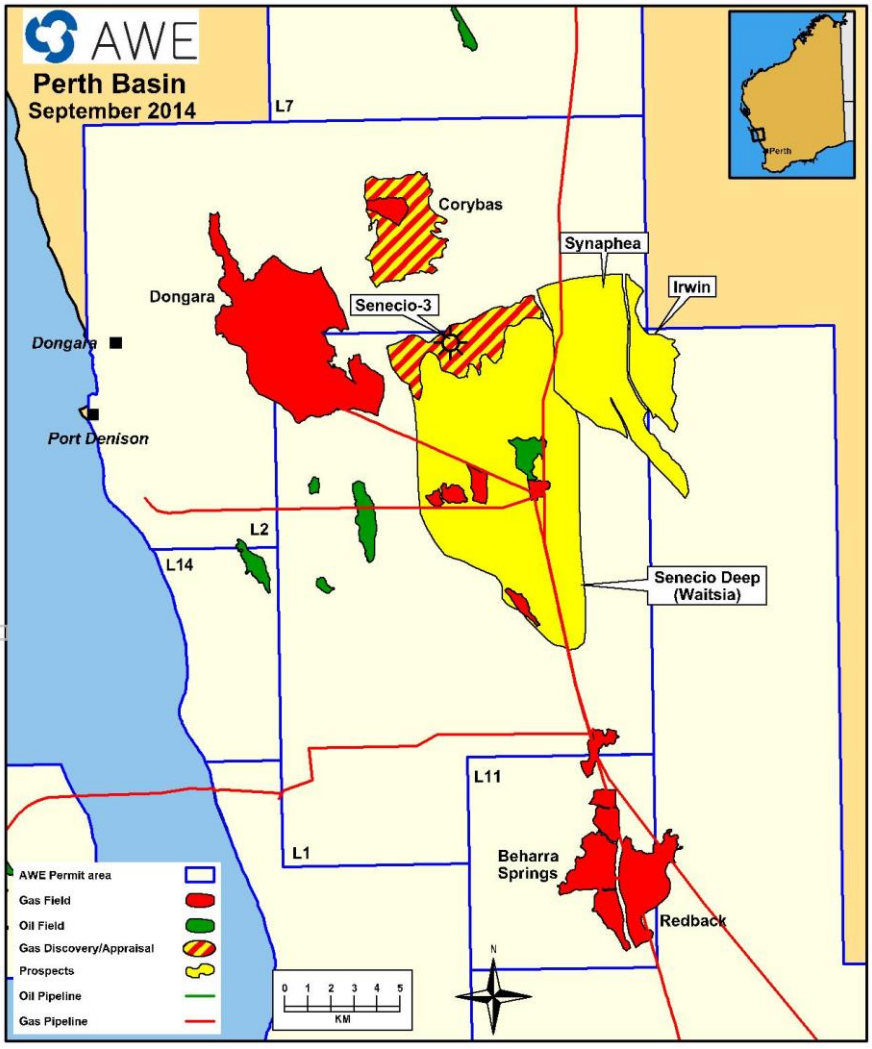
AWE Limited (via subsidiaries) (Operator)	50.0%
Origin Energy Resources Limited	50.0%

Perth Basin PRRT Position. The L1/L2 Permit in the Perth Basin is part of a single project for Petroleum Resource Rent Tax ("PRRT") purposes pursuant to a combination certificate comprising the L1, L2 and L11 production licences. At 30 June 2014, AWE had total carried forward PRRT credits of $211 million (gross) in respect of the onshore Perth Basin which is available to be offset against future PRRT profits arising from a successful development of the Senecio gas field.

Reserves and Resources. The reserve and resource information contained in this announcement is based on information compiled by Neil Tupper (General Manager, Exploration and Geoscience) and Ian Palmer (General Manager Development). Mr Tupper is a Geologist with a Masters Degree in Sedimentology and has over 31 years' experience in petroleum exploration. Mr Palmer holds a Bachelor Degree in Engineering and has 33 years' experience in the practice of petroleum engineering. Both have consented in writing to the inclusion of this information in the format and context in which it appears.

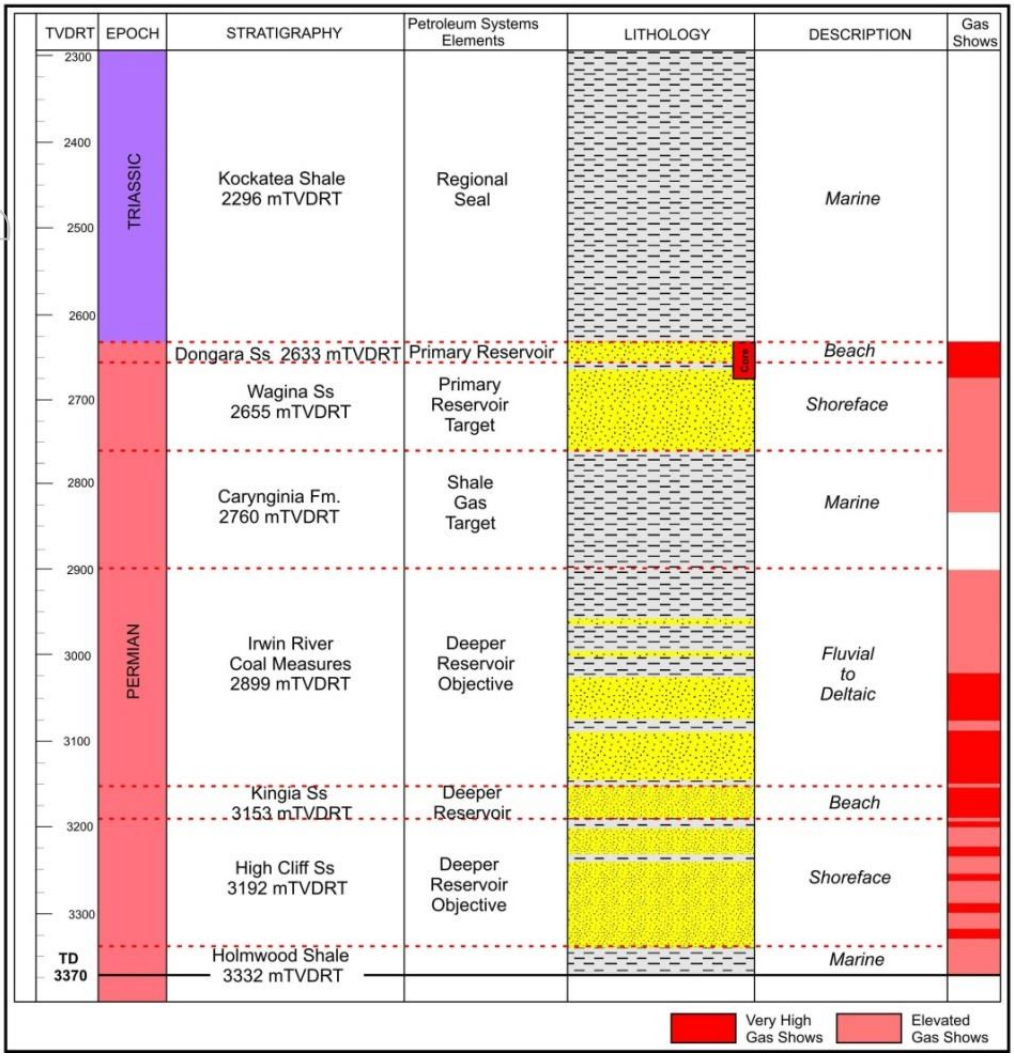
Prospective Resources. AWE follows the Society of Petroleum Engineers – Petroleum Resources Management System (SPE-PRMS) guidelines with respect to the definition of different classes of reserves and resources. SPE-PRMS defines Prospective Resources as being the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have a probability of discovery and a probability of development. Consistent with these guidelines, AWE has assessed the probability that the Irwin River Coal Measures in Senecio-3 constitutes a material discovery to be 80% with a chance of development currently estimated at 20%. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons and better assess the probability of development.

Figure 1. Location Map for the Senecio and Waitsia fields



Note: "Senecio", "Waitsia" and "Synaphea" are named after wildflowers

Figure 2 – Senecio-3 Reservoirs and Gas bearing intervals



About AWE Limited. AWE Limited is an Australian based energy company focused on upstream oil and gas and related energy opportunities. Established in 1997 and listed on the ASX, the Company is headquartered in Sydney, Australia, with international operating offices in New Zealand and Indonesia. AWE has built a substantial portfolio of production, development and exploration assets in Australia, New Zealand, USA, Indonesia and China, including major growth opportunities such as the Ande Ande Lumut oil project in Indonesia and large unconventional gas resources in Australia. AWE also holds an interest in the Sugarloaf AMI in the Eagle Ford shale play in the USA. With its strong financial and technical base, AWE will continue to pursue exploration, appraisal and development growth opportunities in the greater Asian region.

Conversion Tables

Energy Value	Barrel of Oil Equivalents (BOE)
1,000 standard cubic feet of sales gas yields about	**Oil** 1 barrel = 1 BOE
1.055 gigajoules (GJ) of heat	**Condensate** 1 barrel = 1 BOE
1 petajoule (PJ) = 1,000,000 gigajoules (GJ)	**LPG/NGLs** 1 tonne = 11.6 BOE
1 gigajoule = 947,817 British Thermal Units (BTU)	**Sales Gas** 6PJ = 1 million BOE

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

Investor Relations
Matthew Sullivan
AWE Limited
02 8912 8022
matthew.sullivan@awexplore.com

Media Enquiries
Ian Howarth
Collins St Media
03 9223 2465
ian@collinsstreetmedia.com.au