



Waitsia Stage 2 enters FEED with start of design competition

- **Joint Venture agrees to commence the design phase of FEED for Waitsia Stage 2**
- **Shortlist of contractors for Waitsia Stage 2 facilities design competition announced**

AWE Limited (ASX: AWE), the Operator of Production Licences L1/L2 in the northern Perth Basin, Western Australia, today announced that the Joint Venture partners have agreed to commence the design competition phase of FEED for Stage 2 of the Waitsia Gas Project.

The design competition for Waitsia Stage 2 facilities will include a gas plant capable of processing 100 TJ/d, CO₂ extraction, collection hubs and flow lines. The approach will allow the Joint Venture to establish a high degree of capital cost certainty and will also develop and compare EPC and BOO contracting models.

The four contractors selected to proceed to the design competition are:

- (i) Quanta/Suez (EPC)
- (ii) ATCO Australia (BOO)
- (iii) SNC-LAVALIN (EPC/BOO)
- (iv) Clough (EPC).

The design competition will commence immediately and will be followed by a commercial phase. AWE is targeting completion of all phases of FEED by the end of CY 2017, prior to achieving a FID (subject to finalising gas sale agreements).

David Biggs, CEO and Managing Director of AWE, said:

“Waitsia Stage 2 has been making excellent progress and the Joint Venture's decision to begin the design competition is another sign that this project is rapidly gaining momentum.

“A design competition is the best way for the Waitsia Joint Venture to compare the various aspects of EPC and BOO delivery methods while at the same time ensuring a high degree of certainty around the capital cost component,” he said.

“In addition, AWE is currently drilling the Waitsia-3 appraisal well – the first of a two well program which will facilitate a review of Waitsia reserves – and we are negotiating gas sale arrangements with a number of potential customers.

“When developed, Waitsia will provide around 10% of Western Australia's gas demand. Recent market data¹ shows that the Western Australian gas market is tightening, with new sources of gas required to meet domestic demand. Waitsia offers potential customers increased competition, diversity of supply, and improved security of supply by offering a lower risk onshore supply chain,” Biggs said.

1. AWE's Asia Roadshow Presentation, released to the ASX on 24 May 2017, Slides 23 and 24



The Joint Venture partners in L1/L2 are:

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

Glossary

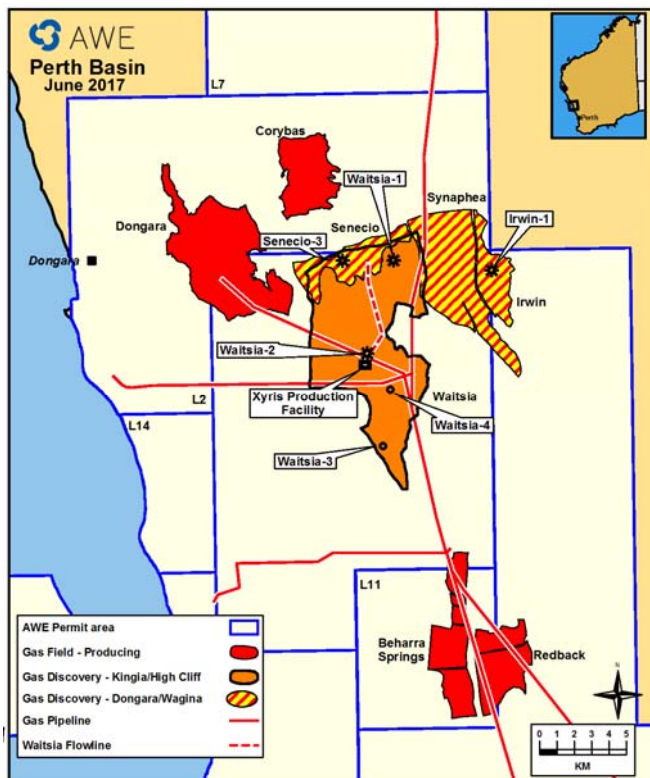
BOO	Build Own Operate
CY	Calendar Year
EPC	Engineering Procurement Construction
FEED	Front End Engineering and Design
FID	Final Investment Decision

About the Waitsia gas field

The northern Perth Basin has been one of Western Australia’s major gas producing regions for more than 50 years. Discovered in September 2014, the Waitsia field is regarded as the largest onshore conventional gas discovery in Australia for the last 30 years and has the capability to supply the domestic market with 100 TJ/d for 10 years from conventional reservoirs.

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 a project office in Perth. AWE has a substantial portfolio of production, development and exploration assets in Australia, New Zealand, and Indonesia.



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