

ASX Announcement

30 November 2017



AWE receives indicative proposal to acquire 100% of AWE

AWE Limited (ASX: AWE) announces that it has received an unsolicited, non-binding, indicative and conditional proposal from China Energy Reserve and Chemical Group Australia Pty Limited, which is a subsidiary of China Energy Reserve and Chemical Group Co., Limited (**CERCG**), to acquire 100% of the shares in AWE (on a fully diluted basis) at a price of \$0.71 cash per share pursuant to either a recommended takeover bid or scheme of arrangement (**Indicative Proposal**).

AWE understands that CERCG is a Chinese state-owned entity with operations in oil & gas trading, logistics, distribution and supply services located in China.

The Indicative Proposal is subject to a number of conditions, including:

- completion of satisfactory due diligence;
- obtaining Foreign Investment Review Board approval;
- execution of an Implementation Agreement; and
- approval by CERCG's Board.

The Indicative Proposal includes the acquisition of any shares that are issued by AWE under the recently announced Share Purchase Plan (**SPP**) that is currently scheduled to close at 5.00pm (Sydney time) on 14 December 2017. Having regard to the existence of the SPP, AWE is disclosing receipt of the Indicative Proposal in advance of the AWE Board having concluded its assessment of the Proposal; however its initial reaction is that the Indicative Proposal is not sufficiently attractive to provide access to due diligence.

AWE will keep the market informed of any material developments in relation to the Indicative Proposal in accordance with its continuous disclosure requirements. AWE shareholders do not need to take any action in response to the Indicative Proposal at this stage.

There is no certainty and no guarantee that the Indicative Proposal will result in a transaction.

The AWE Board remains fully committed to acting in the best interests of, and maximising value for, AWE's shareholders.

AWE has appointed UBS AG, Australia Branch as financial advisor and Allens as legal advisor.

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

David Biggs
CEO and Managing Director
AWE Limited
02 8912 8000

Matt Sullivan
Investor Relations & Corporate Affairs
AWE Limited
02 8912 8022
matthew.sullivan@awexplore.com

