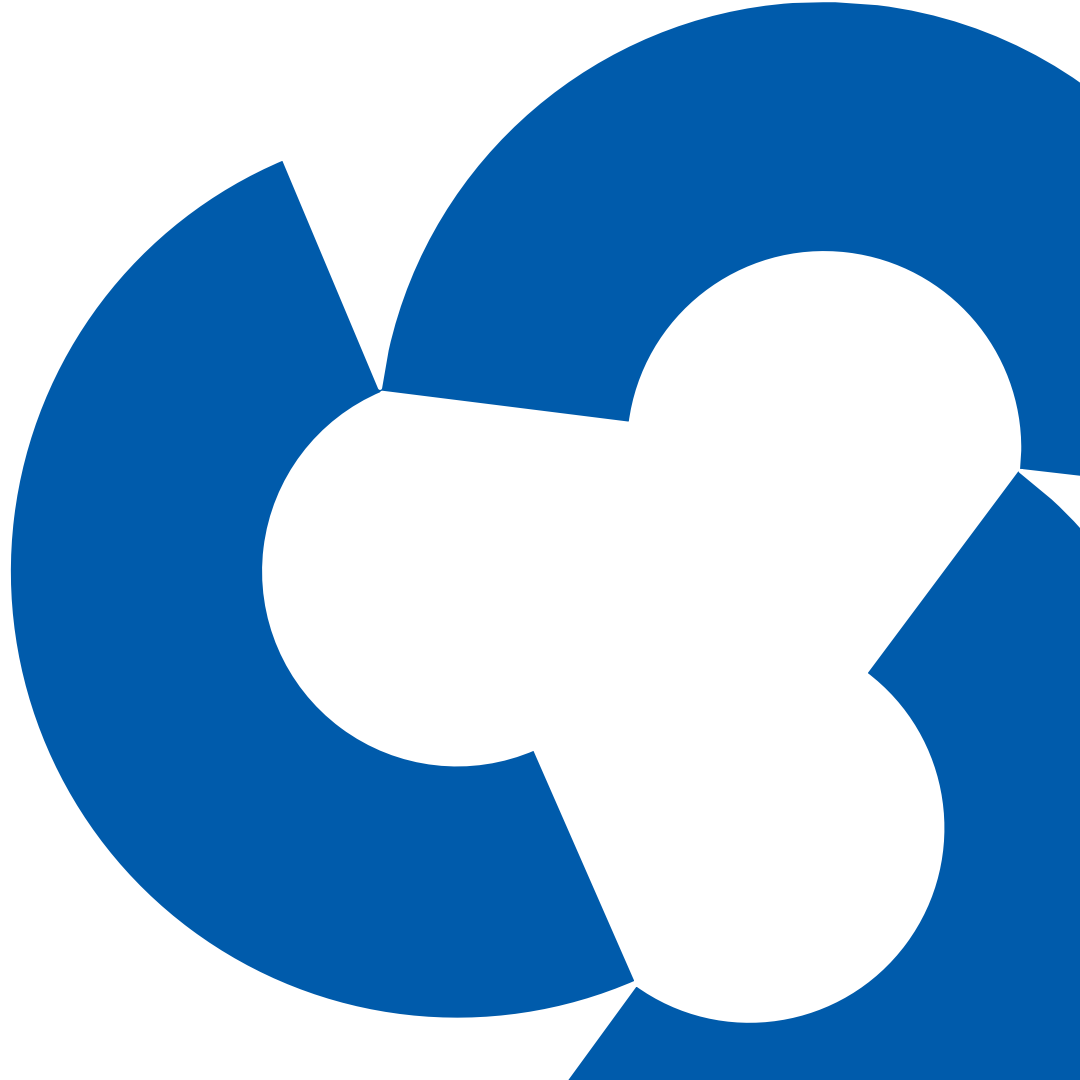


AWE Limited

FY18 HALF-YEAR RESULTS PRESENTATION

21 February 2018



Disclaimer

- This presentation may contain forward looking statements that are subject to risk factors associated with the oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.
- This presentation contains non-IFRS measures that are unaudited but are derived from and reconciled to the audited accounts. All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated.

Definition of a Discontinued operation:

- The Company will classify a segment or operation as discontinued if it has been disposed of and it represents a major line of business or a geographical area or operation. The New Zealand segment (Tui) is classified as a discontinued operation. All other operations are defined as continuing.

Reserves and Contingent Resources

The Reserves and Contingent Resources in this presentation 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 over 20 years' experience in the petroleum sector in geoscience, field development planning, reserves estimation, reservoir production and facilities engineering. 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 over 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.

AWE reserves and contingent resources are estimated in accordance with the following:

- SPE/AAPG/WPC/SPEE Petroleum Resources Management System guidelines of November 2011;
- SPEE Monograph 3 "Guidelines for the Practical Evaluation of Undeveloped Reserves in Resource Plays";
- ASX Disclosure rules for Oil and Gas Entities, Chapter 5; and
- ASX Listing Rules Guidance Note 32.

AWE applied deterministic methods for reserves and contingent resource estimation for all assets. The reserves were estimated at the lowest aggregation level (reservoir) and aggregated to field, asset, basin and company levels. Estimated contingent resources are un-risked and it is not certain that these resources will be commercially viable to produce.

Agenda

- 1 Overview - David Biggs**
- 2 Transaction Update - David Biggs**
- 3 Financials - Ian Bucknell**
- 4 Project Updates - David Biggs**
- 5 Summary - David Biggs**
- 6 Appendix**



Photo: David Biggs CEO & Ian Bucknell CFO

Overview

DAVID BIGGS
Chief Executive Officer



Western Australia – Waitsia

- Three appraisal wells flow tested; delivered outstanding flow test results and significantly enhanced 2P Reserves
- Waitsia 2P Reserves increased by 80% to 820PJ (gross) following independent review
- FEED tender submissions received with evaluation continuing
- Mitsui Bid Implementation Deed prohibits AWE from signing additional Gas Sales Agreement's (GSA)

South East Australia – BassGas & Casino

- BassGas production increased by 25% over the previous half-year with further potential to improve production rates
- GSA signed with Origin to purchase 100% of Casino gas production from March to December 2018 to be processed under a new agreement at the Iona Gas Plant
- Casino-5 shut-in with workover scheduled for 3Q FY18

Indonesia – Ande Ande Lumut

- Strengthening oil price is positive for a future AAL development
- Indonesian Government exercises its right to assign 10% (5% each from Santos and AWE) to a local entity – a sign that the Indonesian Government is keen for the project to progress

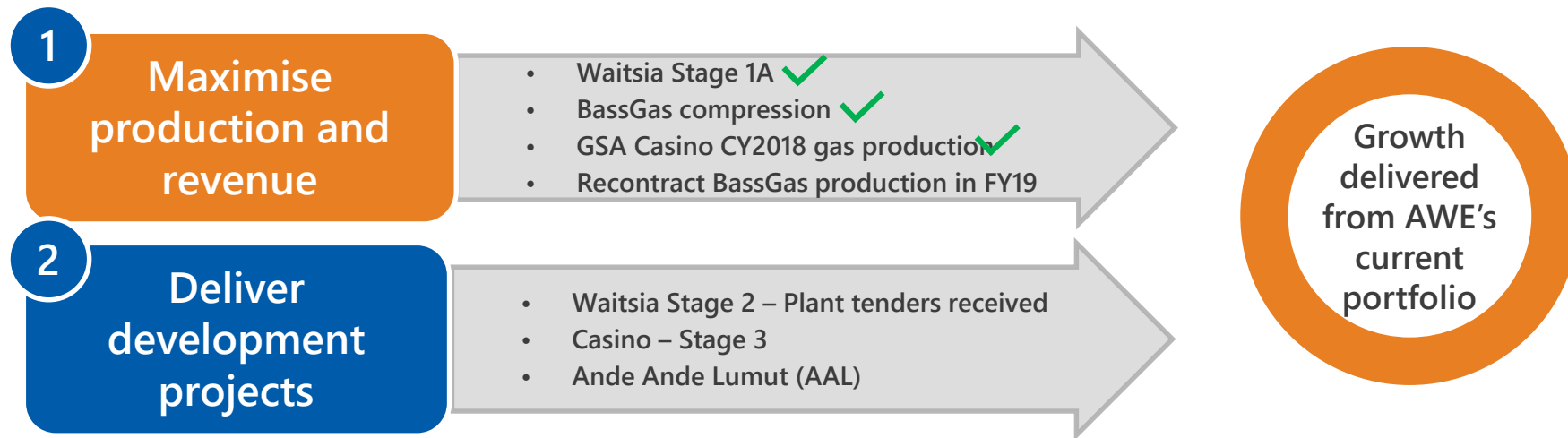
Largely business as usual while takeover proposals are evaluated by shareholders¹

¹ Subject to restrictions in the Mitsui Bid Implementation Deed (BID).

Strategy – unchanged

To become a leading Australian mid-cap E&P company by FY21 by:

- **Doubling Reserves** – Increased Waitsia 2P Reserves boosted AWE's total 2P Reserves by 58% to 82¹ MMboe in HY18
- **Doubling production** - Forecast production growth to be driven by the Waitsia Stage 2 development
- **Doubling revenue** - Revenue growth to be generated from new East Coast gas contracts plus Waitsia Stage 2 start-up

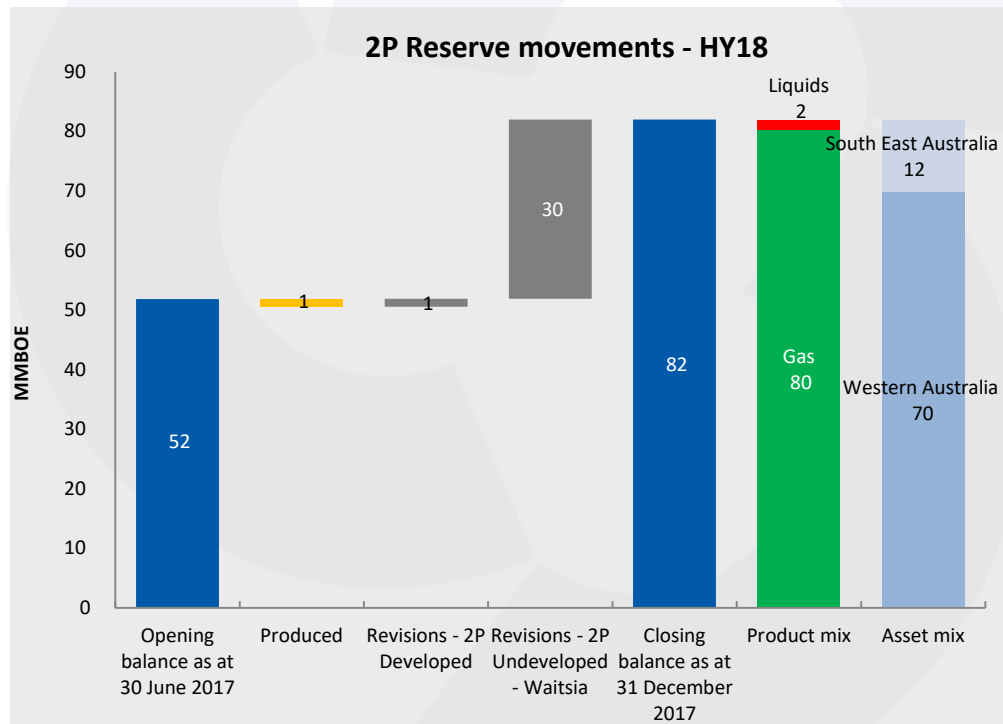


¹ Refer conversion table on slide 33 and Reserves and Contingent Resources disclaimer on slide 2.

Reserves and Resources

WAITSIA 2P RESERVES INCREASED BY 80% TO 820PJ¹ GROSS (NET 410PJ)

- Waitsia-2, -3 and -4 appraisal well data and flow test results underpinned a significant uplift in Reserves and Contingent Resource estimates
- Waitsia now ranked in the top 5 largest gas fields ever discovered onshore Australia² with gross 2P Reserves plus 2C Resources of 910 PJ
- Significant prospective resource targets identified within AWE's nearby existing onshore Perth Basin permits may result in future resource upgrades and tie-in opportunities to the Waitsia field



¹ Refer conversion table on slide 33 and Reserves and Contingent Resources disclaimer on slide 2.

² Source: Based on IHS Markit International Exploration and Production database 'Australian Onshore Conventional Fields Discovery History (1900-2014)', applying AWE estimates of Reserves as at 31 December 2017. AWE discovered the Waitsia field in 2014.

Transaction Update

DAVID BIGGS
Chief Executive Officer



Summary of takeover bids

AWE'S BOARD RECOMMENDS MITSUI'S TAKEOVER BID¹ AT \$0.95 PER SHARE

CERCG Australia

Off-market Takeover Bid at
\$0.73 per AWE share

REJECT²

- All cash
- More onerous conditions
- Rejected

Mineral Resources

Scheme of Arrangement
Offer at \$0.83 per AWE
share

NOT PROCEEDING³

- Cash and shares
- Less onerous conditions
- SID Terminated

MITSUI & CO¹

Off-market Takeover Bid at
\$0.95 per AWE share

ACCEPT³

- All cash
- Less onerous conditions
- Recommended

¹ In the absence of a superior proposal and subject to an independent expert concluding that the offer price is fair and reasonable.

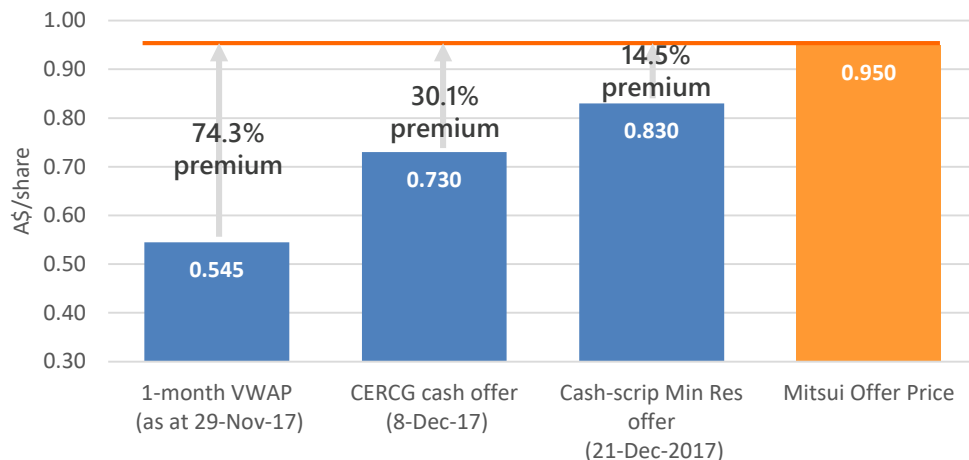
² For further information see AWE ASX announcement dated 5 February 2018 'AWE Board Rejects CERCG Australia Bid'.

³ For further information see AWE ASX announcement dated 5 February 2018 'AWE recommends takeover bid from Mitsui for \$0.95 per share'.

Mitsui takeover bid

AWE'S BOARD RECOMMEND THAT SHAREHOLDERS ACCEPT MITSUI'S TAKEOVER BID¹ AT \$0.95 PER SHARE, ALL CASH

The Mitsui offer price of \$0.95 per share (Offer Price) values AWE at a market capitalisation of \$602 million², and represents an attractive premium:



- 74.3% premium to AWE's 1-month VWAP of \$0.545 per share up to and including 29 November 2017³;
- 30.1% premium to the \$0.73 per share offered by CERCG Australia; and
- 14.5% premium to the \$0.83 per share implied value of the MinRes scheme proposal (which is not proceeding).

AWE's Board unanimously recommend that shareholders **REJECT** the CERCG Australia takeover bid at \$0.73 per share, all cash.

¹ In the absence of a superior proposal and subject to an independent expert concluding that the offer price is fair and reasonable.

² Assumes 633,740,255 AWE shares on issue, including 8,486,352 unvested cash share rights.

³ Being the day prior to the disclosure that CERCG Australia had approached AWE with an indicative proposal to acquire the company.

Indicative timetable – Mitsui takeover bid



Event	Date
Recommended bid announced	5 February 2018
Mitsui lodged Bidder's Statement with ASIC and ASX	9 February 2018
Mitsui's Bidder's Statement dispatched to AWE shareholders	13 February 2018
Offer Period open	12 February 2018
Offer period end (unless extended or withdrawn)	23 March 2018

Financial and Operating Performance

IAN BUCKNELL
Chief Financial Officer



Financial overview

RESULTS BENEFIT FROM IMPROVED PRODUCTION, LIQUIDS PRICING AND REDUCED OPERATING COSTS

Continuing operations

- Production from continuing operations for HY18 up 5% compared to HY17
- Sales revenue increased by 19% to \$41.0m compared to HY17 (\$34.6m)
- OPEX was down 6% to \$19.2m from HY17 (\$20.4m) largely due to a reduction in operating cost achieved at BassGas
- Field EBITDAX² increased 54% to \$21.9m from HY17 (\$14.2m) for continuing operations
- Operating cash flow was \$13.1m for HY18 compared to \$2.6m for HY17 driven by improved field cash margins from continuing operations.

Continuing operations ¹ \$m (unless otherwise indicated)	HY18	HY17	Change
Production (MMboe)	1.3	1.2	↑
Average realised liquids price (A\$/bbl)	56.9	44.6	↑
Sales revenue	41.0	34.6	↑
Operating costs	(19.2)	(20.4)	↓
Field EBITDAX ²	21.9	14.2	↑
Statutory net loss after tax	(23.8)	(21.9)	↑
Underlying net loss after tax ²	(5.3)	(20.9)	↓
Operating cash flow	13.1	2.6	↑
Capital expenditure	14.9	15.4	↓
Exploration expenditure	5.0	10.7	↓

¹ A table highlighting total operating performance (including discontinued operations) is included in the appendix at slide 30.

² Refer to slide 2 regarding Non-IFRS financial information.

Production – continuing operations

TOTAL PRODUCTION IN LINE WITH GUIDANCE

Production from continuing operations increased by 5% over the prior corresponding period driven by:

- Stronger BassGas production due to the completion of the MLE Compression Project
- Improved Beharra Springs production
- Partly offset by:
 - Reduced production from Casino due to natural field decline, the shut-in of Casino-5 and scheduled down time at the Iona Plant
 - A reduction from Waitsia, which was impacted towards the end of HY18 due to reduced nominations

The product split between gas and liquids was 83:17 in HY18 compared to 86:14 for HY17

Production continuing operations (MMboe)

Production by asset	HY18	HY17	Change
South East Australia	1.0	1.0	6%
Western Australia	0.3	0.2	8%
TOTAL	1.3	1.2	5%
Production by product	HY18	HY17	Change
Gas	1.1	1.1	1%
LPG	0.1	0.1	35%
Condensate	0.1	0.1	23%
TOTAL	1.3	1.2	5%

Total production, including discontinued operations, was down 15% compared to the prior corresponding period, reflecting the contribution from the Tui Area Oil Fields in HY17 (asset sold 28 February 2017)

Sales revenue, operating costs & field EBITDAX¹

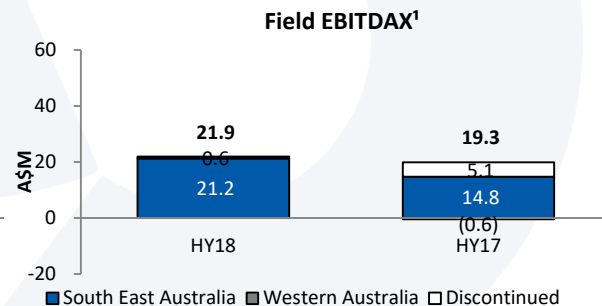
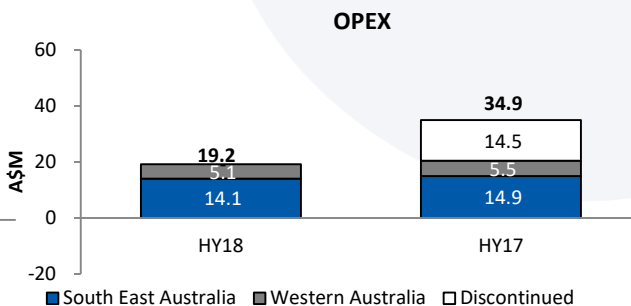
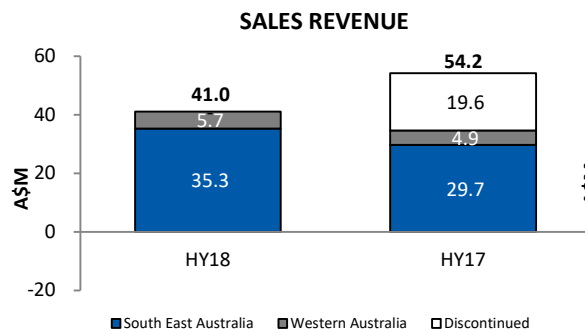
FIELD EBITDAX¹ FROM CONTINUING OPERATIONS INCREASED DUE TO IMPROVED SALES AND REDUCED OPEX AT BASSGAS

Total Sales revenue, Opex and Field EBITDAX¹ results were impacted by the sale of Tui in HY17

Sales revenue from continuing operations was up 19% to \$41.0m on HY17 (\$34.6m)

- Reflecting improved condensate sales and LPG pricing from BassGas
 - Average realised liquids price HY18: \$56.9/bbl (HY17: \$44.6/bbl)
- Opex from continuing operations was down 6% to \$19.2m from HY17 (\$20.4m)
 - Largely due to Opex reductions achieved at BassGas

Field EBITDAX¹ increased 54% to \$21.9m from HY17 (\$14.2m) for continuing operations



¹ Refer to slide 2 regarding Non-IFRS financial information.

Underlying net loss¹ – continuing operations

NON-RECURRING ITEMS ACCOUNT FOR \$18.5M AFTER TAX

Non-recurring items for HY18 include:

- Restructure costs associated with a reduction in staff numbers, head office relocation and corporate takeover activity
- Doubtful debt provision of \$3.2m relates to the HyOil receivable in respect of the divestment of the stake in Bulu PSC - commercial negotiations continuing
- Tax expenses include \$9.1m paid to the Indonesian Tax Office in relation to the acquisition of AAL in 2012

Underlying net loss after tax ¹ (\$m)	HY18	HY17	Change
Statutory net loss after tax	(23.8)	(21.9)	(1.9)
Non-recurring items after tax			
Restructuring costs	1.9	1.0	0.9
Allowance for doubtful debt	3.2	-	3.2
Tax expenses	13.4	-	13.4
Total non-recurring items after tax	18.5	1.0	17.5
Underlying net loss after tax	(5.3)	(20.9)	15.6

Cash movement

CASH BALANCE UP FOLLOWING RECEIPT OF PROCEEDS FROM SUCCESSFUL CAPITAL RAISING

- Operating cash flow of \$13m used to part fund the development of Waitsia Stage 2
- Capital raise - \$47m (net of fees) raised through institutional placement and share purchase plan²
- Development spend of \$22m
- Other include Indonesian tax payment of \$9m
- Drawn debt of \$58m at 31 December 2017
- Corporate debt facility limit reduced from \$300m to \$125m resulting in an undrawn facility of \$67m



¹ Numbers above are net of AUD34.0m funds borrowed to repay and settle the USD debt during period. Debt balance is fully denominated in Australian dollars.

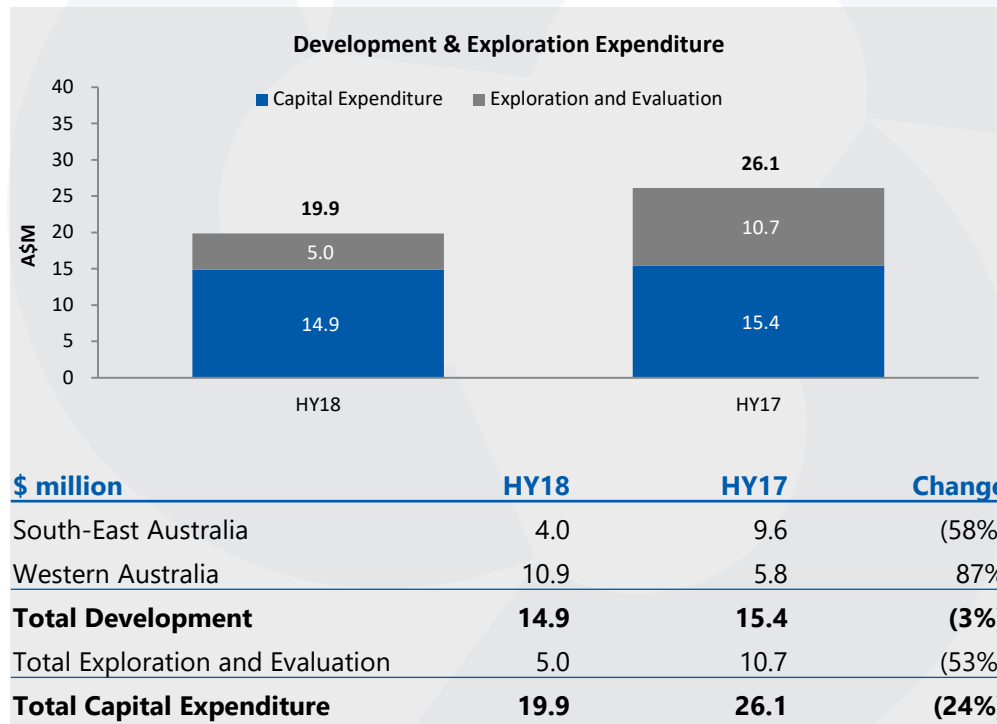
² 96,886,944 new securities issued at an issue price of \$0.50 per share.

Development and exploration expenditure

AWE CONTINUES TO MANAGE INVESTMENT SPEND

Total capital costs of \$19.9m down 24% from \$26.1m in HY17

- South-East Australia spend of \$4.0m includes:
 - BassGas stay in business capex (\$2.6m)
 - Casino-5 workover planning (\$1.4m)
- WA spend of \$10.9m includes:
 - Stage 2 project management – pre-FEED/FEED
 - Waitsia-3 and -4 drilling and flow testing
 - Subsurface studies and seismic planning
- Exploration and Evaluation of \$5.0m includes:
 - AAL spend of \$2.5m for the integration of appraisal well results from AAL-4X and updating of Reserves and Contingent Resources¹
 - Other exploration of \$2.5m







Note: Table may not add due to rounding.

¹ AAL was reclassified from an oil and gas asset to an exploration and evaluation asset effective 30 June 2017. HY17 comparative figure has been adjusted to include AAL for ease of comparison.

HY18 Guidance Scorecard

AWE ON TRACK TO MEET OR BETTER FY18 GUIDANCE

	FY18 Guidance	HY18 Actual	
 Production (MMboe)	2.5 - 2.7	1.3	• Production expected to be toward the bottom end of guidance
 Revenue (\$m)	77 – 85	41.0	• Revenue expected to be at the higher end of guidance
 Development Expenditure (\$m)	40 – 45	17.9	• Development spend tracking just below guidance
 Exploration Expenditure (\$m)	7	2.0	• Exploration expenditure expected to be below guidance

Note: The guidance and actual data shown for Development Expenditure above includes evaluation expenditures in AAL and Trefoil.

Project Updates

DAVID BIGGS
Chief Executive Officer



Waitsia Stage 2: project update

WAITSIA STAGE 2¹ – WORK CONTINUES DESPITE MULTIPLE TAKEOVER OFFERS

Significant progress has been made on Waitsia Stage 2 with three key work streams progressing well:

1. **Subsurface** – 2P Reserves increased by 80% to 820 PJ (gross)
2. **Gas Marketing** – Continuing discussions with prospective buyers, however, current terms of BID with Mitsui prohibits AWE from signing additional GSA's
3. **Facilities FEED** – Design competition tenders received and being reviewed

Takeover bids validate the value of Waitsia - AWE continues to target first gas for CY2020²

2017				2018
1 Subsurface	RISC certify 2P Reserves to underpin 10yr project ✓	Waitsia-2, -3 & -4 flow test results exceed expectation ✓	RISC review increased 2P Reserves by 80% ✓	Ongoing cost optimisation and field deliverability studies
2 Gas Marketing	Detailed Gas Marketing – September 2016 ✓	First term sheet (15TJ/day) signed February 2017 ✓	Additional gas sales (~+50TJ/day) to underwrite project	
3 Facilities FEED	Completed Pre-FEED in Q2 2017 ✓	Commence FEED June 2017 ✓	Facility tenders due November 2017 (3 x EPC, 2 x BOO) ✓	Facility tenders received and being reviewed

¹ Waitsia Stage 2 Project capable of producing 100TJ/day of gas over at least 20 years. ² Subject to project FID by 30 June 2018.

Greater Waitsia – exciting exploration potential



FURTHER DEVELOPMENT POTENTIAL IN WAITSIA BEYOND STAGE 2

1 AWE has one of the largest exploration acreage position in the onshore Perth Basin

Potential to extend the field life or in time increase production from Stage 2

2 Kingia and HCSS horizons

Significant exploration potential at Kingia and HCSS horizons south and east of Waitsia

3 Beharra Springs Deep

Potential Beharra Springs Deep well targeting Waitsia-like prospect adjacent to Beharra Gas Plant

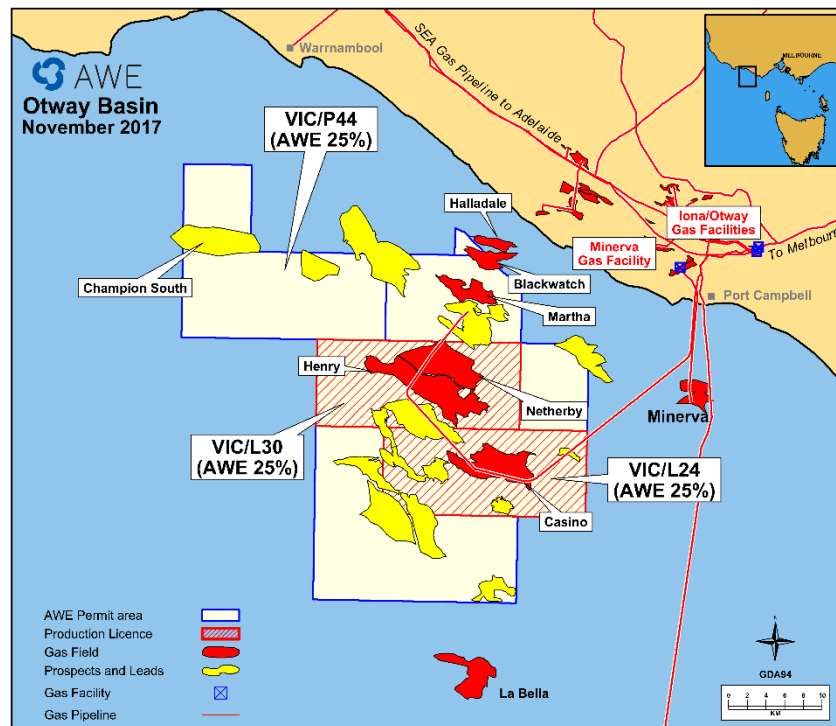


Casino: Update

CASINO WELL PLACED TO LEVERAGE UPSIDE IN EAST COAST GAS PRICES

New Gas Sale Agreement signed with Origin Energy for 100% of Casino Henry gas production from March to December 2018 to be processed under a new agreement at the Iona Gas Plant

- Preserves optionality for further price and production upside
- A workover of Casino-5 (currently shut-in) is planned for Q3 FY18 with a production uplift anticipated following completion
- Operator progressing studies for Stage 3 development case (Henry-3 well estimated 2019)
- Joint Venture reviewing options for possible future exploration program beginning with new seismic inversion studies to de-risk prospects
- Joint Venture reviewing long-term gas processing options

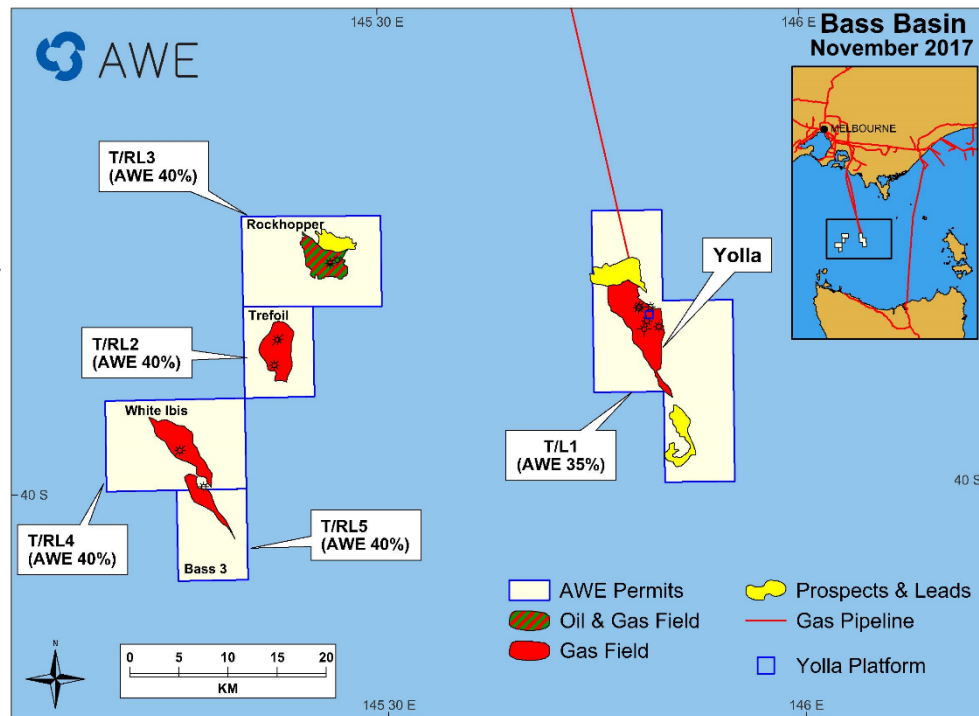


BassGas: Update

25% IMPROVEMENT IN PRODUCTION OVER HY17 FOLLOWING SUCCESSFUL MLE START UP

Final stage of Mid Life Enhancement (MLE) project (compression hook-up) completed in June 2017

- Following a brief period of commissioning, production increased to nameplate capacity (~67 TJ/d) and is currently producing at a stable 54 TJ/d.
- The Operator continues to optimise compressor operation and off-shore water handling
- Transitioning to new Operator, Beach, in 1H 2018
- Process to contract remaining Reserves to commence mid-2018; expected to realise substantially higher prices
- Revenue step up from new gas contract pricing expected mid-2019



AAL: Update

STRENGTHENING OIL PRICE IS POSITIVE FOR A FUTURE AAL DEVELOPMENT

Combined K and G sand creates additional value for development

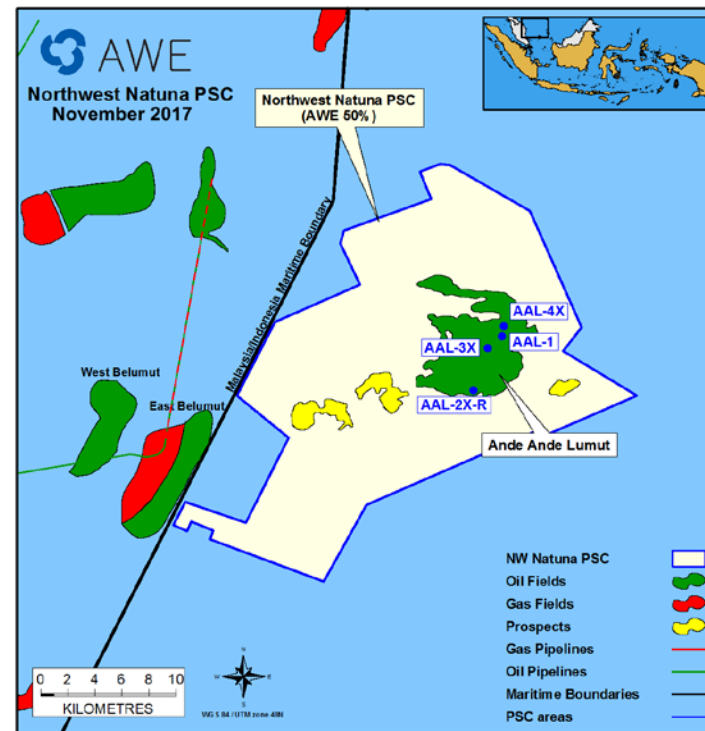
- Improved oil quality in K and G sands increases forecast revenues from the project.

Government exercised its AAL assignment right

- A local Indonesian company has confirmed it will take up the Indonesian Government's right to assign 10% of the Contractors' interest in AAL to a local entity in 2018 (5% from each, AWE and Santos)
- AWE and Santos will each have a 45% interest after assignment but will be required to carry the local entity to first production, after which the partner is obliged to repay its share of the carry

Uncertainty around the Operator remaining in the permit

- Santos regards the asset as non-core and may divest its interest
- The US\$88m carry by Santos in favour of AWE upon any investment decision remains in place



Summary

DAVID BIGGS
Chief Executive Officer



1 Waitsia Stage 2 Project

- Reserves – 2P Reserves increased by 80%
- Gas marketing – Mitsui BID prohibits the signing of additional GSA's
- FEED underway – reviewing five submissions
- First Gas – AWE continues to target CY2020 for first production from Stage 2 (subject to project FID by 30 June 2018)

2 BassGas

- Compression project complete enhancing production for FY18 and beyond

3 Casino

- Gas Sales Agreement signed with Origin Energy from March to December 2018
- New processing agreement in place

4 AAL

- Remains an option to improved oil price

Conclusion

- ✓ Mitsui's takeover bid for AWE at \$0.95 per share RECOMMENDED¹ by AWE's Board
- ✓ AWE Board has REJECTED the CERCG Australia \$0.73 per share takeover bid
- ✓ Transformational development opportunity at Waitsia, plus significant potential beyond Stage 2
- ✓ Stable base production in east coast Australia with strengthening gas pricing
- ✓ Strong platform for growth from existing oil and gas assets, including AAL

¹ In the absence of a superior proposal and subject to an independent expert concluding that the offer price is fair and reasonable.

APPENDIX



Financial overview

TOTAL FINANCIAL PERFORMANCE (INCLUDING DISCONTINUED OPERATIONS)

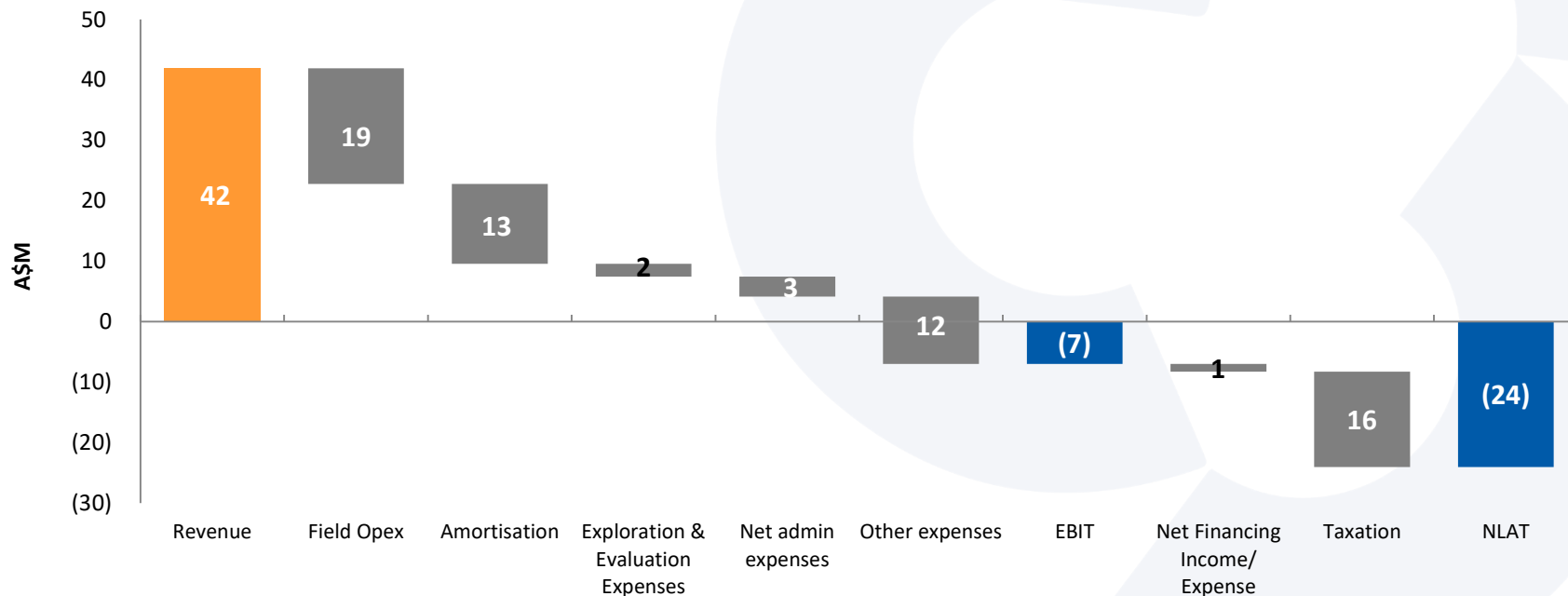
\$m (unless otherwise indicated)	HY18	HY17	Change
Sales revenue	41.0	54.2	(24%)
Production costs and royalties	(19.2)	(34.9)	45%
Field EBITDAX¹	21.9	19.3	13%
Exploration and evaluation expense	(2.1)	(1.5)	(44%)
Amortisation	(13.2)	(20.4)	35%
Net financing expense	(1.2)	(2.9)	57%
Net other income / (expense)	(13.4)	(4.5)	(>100%)
Statutory net loss before tax	(8.0)	(10.0)	19%
Tax expense	(15.8)	(2.6)	(>100%)
Statutory net loss after tax (NLAT)	(23.8)	(12.5)	(90%)

Note: Numbers may not add due to rounding.

¹ Refer slide 2 regarding Non-IFRS financial information.

Earnings analysis

Net Loss after Tax for period ending 31 December 2017

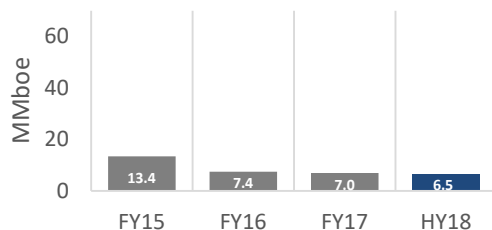


Note: Numbers may not add due to rounding.

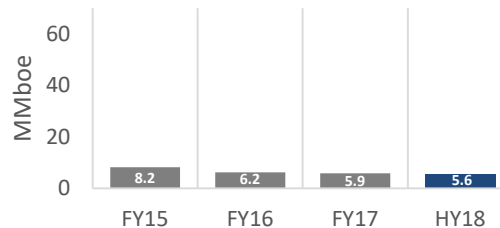
Reserves and Contingent Resources¹

MMboe	30-Jun-17	Production	Revisions - Developed	Revisions - Undeveloped	31-Dec-17	% change
Reserves						
1P	29.5	(1.3)	1.5	19.9	49.6	68%
2P	51.9	(1.3)	1.3	30.1	82.0	58%
Resources						
2C	109.5	na	na	(15.2)	94.3	(14%)
Total 2P + 2C	161.4	(1.3)	1.3	14.9	176.3	9%

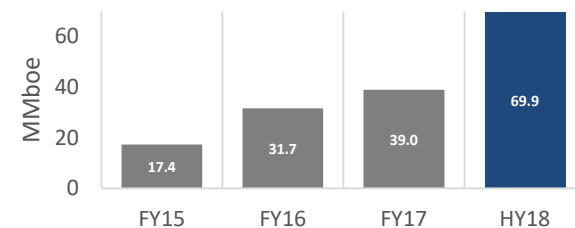
2P Reserves - BassGas



2P Reserves - Casino



2P Reserves - Perth Basin



Note: Numbers may not add due to rounding.

¹Refer conversion table on slide 33 and Reserves and Contingent Resources disclaimer on slide 2.

Glossary and Conversion tables

1H	First Half
2H	Second Half
2P	Proved and Probable Reserves
2C	Contingent Resources
AAL	Ande Ande Lumut
AMI	Area of Mutual Interest
Bcf	Billion cubic feet
BOE	Barrels of Oil Equivalent
Bbls	Barrels
Bopd	Barrels of oil per day
CY	Calendar Year
EBITDAX	Earnings before interest, tax, depreciation, amortisation and exploration expenses
FEED	Front End Engineering & Design
FID	Final Investment Decision
FPSO	Floating Production Storage and Offloading
FY	Financial Year
GM	General Manager
HY	Half Year
LPG	Liquefied Petroleum Gas
LTi	Lost Time Injuries
MDQ	Maximum Daily Quantity
MLE	Mid Life Enhancement
MMboe	Million Barrels of Oil Equivalent
mmscf/d	Million Standard Cubic Feet of gas per day
p.a.	Per annum
P&L	Profit & Loss Account
PJ	Petajoules
PSC	Production Sharing Contract
SA	South Australia
TJ	Terajoules
TJ/d	Terajoules per day
WA	Western Australia
WHP	Well head platform

Volume

1 cubic metre = 1 kilolitre = 35.3 cubic feet = 6.29 barrels

1 megalitre = 1,000 cubic metres

Energy Value

1,000 standard cubic feet of sales gas yields about

1.055 gigajoules (GJ) of heat

1 petajoule (PJ) = 1,000,000 gigajoules (GJ)

1 gigajoule = 947,817 British Thermal Units (BTU)

Barrel of Oil Equivalents (BOE)

Sales Gas: 6PJ = 1 MMBOE

LPG: 1 tonne = 11.6 BOE

Condensate: 1 barrel = 1 BOE

Oil: 1 barrel = 1 BOE

Decimal Number Prefixes

kilo = thousand = 10³

mega = million = 10⁶

giga = 1,000 million = 10⁹

tera = million million = 10¹²

peta = 1,000 million million = 10¹⁵

