ASX Announcement
16 November 2016

AWE Limited Annual General Meeting – Presentation

Please find attached AWE's 2016 AGM Presentation which will be presented at the Annual General Meeting of AWE Limited which commences at 10.00am on 16 November 2016, in compliance with listing rule 3.13.3.

Regards

Neville Kelly
Company Secretary

AWE LIMITED

Annual General Meeting, Sydney
16 November 2016

Welcome

AWE Limited's
2016 AGM

Bruce Phillips, Non-Executive Chairman

Introduction to Directors

David Biggs
CEO & Managing Director

David McEvoy

Introduction to Directors

Kenneth Williams

Raymond Betros

Introduction to Directors

Karen Penrose

Neville Kelly
Company Secretary

Today's formal business

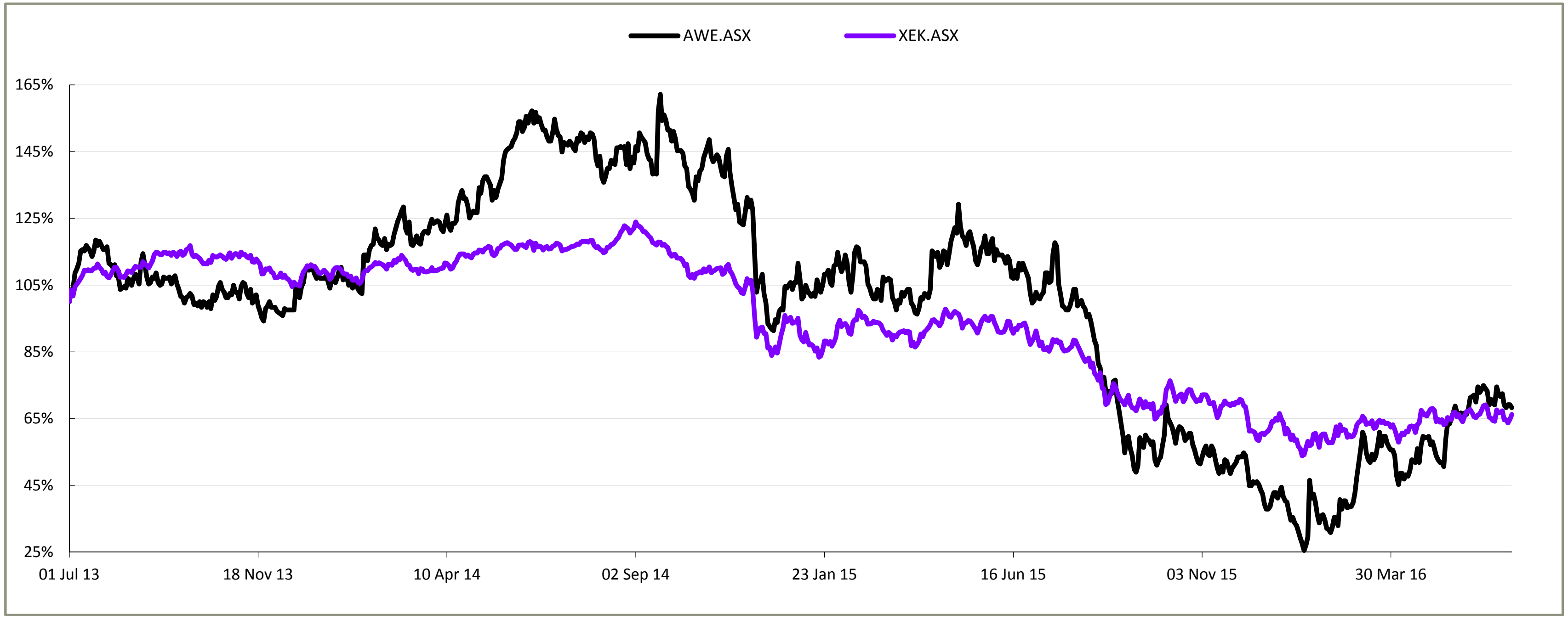
- Notice of meeting
- Accounts and reports
  - Chairman's Address
  - CEO & Managing Director's report
  - Questions
- Resolution 1 - Remuneration report
- Resolution 2(A) - re-election of David McEvoy as a director
- Resolution 2(B) – re-election of Karen Penrose as a director
- Resolution 3 – Issue of Cash Share Rights
- Poll
- Closure

AWE LIMITED

BRUCE PHILLIPS
Chairman

Annual General Meeting, Sydney
16 November 2016

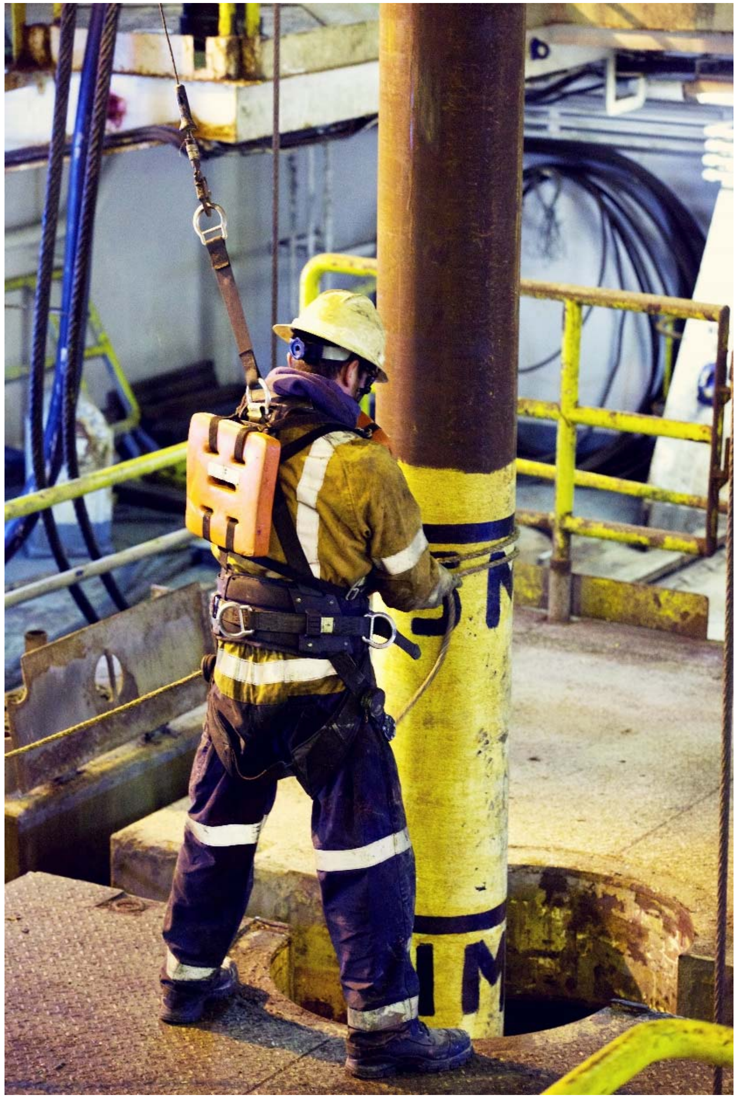
Challenging three year period



- Top 15% share price performance among upstream oil and gas companies in the ASX 300 energy index for 3 years to 30 June 2016
- Share price has declined 32% in FY16
- Share price has declined 35% in FY17 year to date

AWE share price impacted by sustained low oil price environment

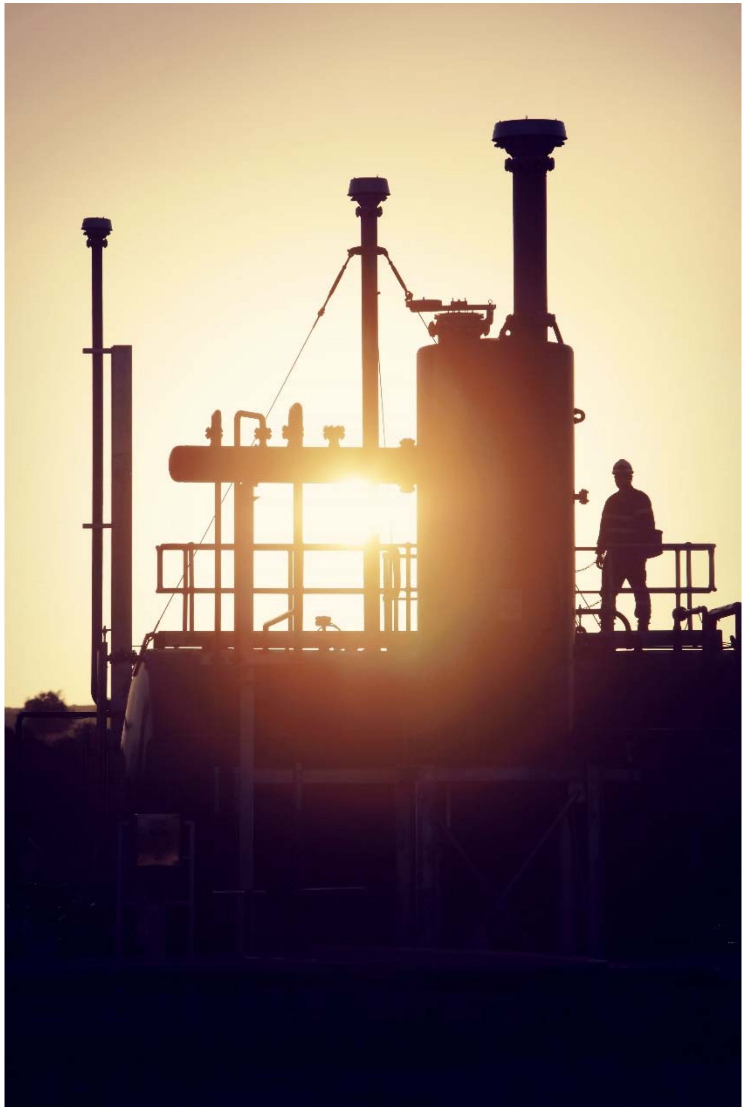
FY16 performance



- Statutory net loss of $363m includes $243m of non-cash impairments (after tax)
- Underlying loss after tax of $67m
- Production of 5 mmboe in line with guidance
- Sales revenue of $202m
- No LTIs and no reportable environmental incidents
- Excellent results from appraisal drilling at Waitsia and AAL
- 2P Reserves up 9% after adjusting for Sugarloaf and Cliff Head sales
- Waitsia 2P Reserves up 93%

Ended the year in strong position; adapted to lower for longer environment

Reshaped and refocused



- Reduced corporate overheads by 41%
- Reduced total investment expenditure by 55% and deferred non-essential activities
- Reduced geographic footprint, exited USA and China
- Reduced recurring capex through sale of Sugarloaf
- Repaid debt with proceeds from asset sales
- Locked in cash flow certainty by hedging oil production

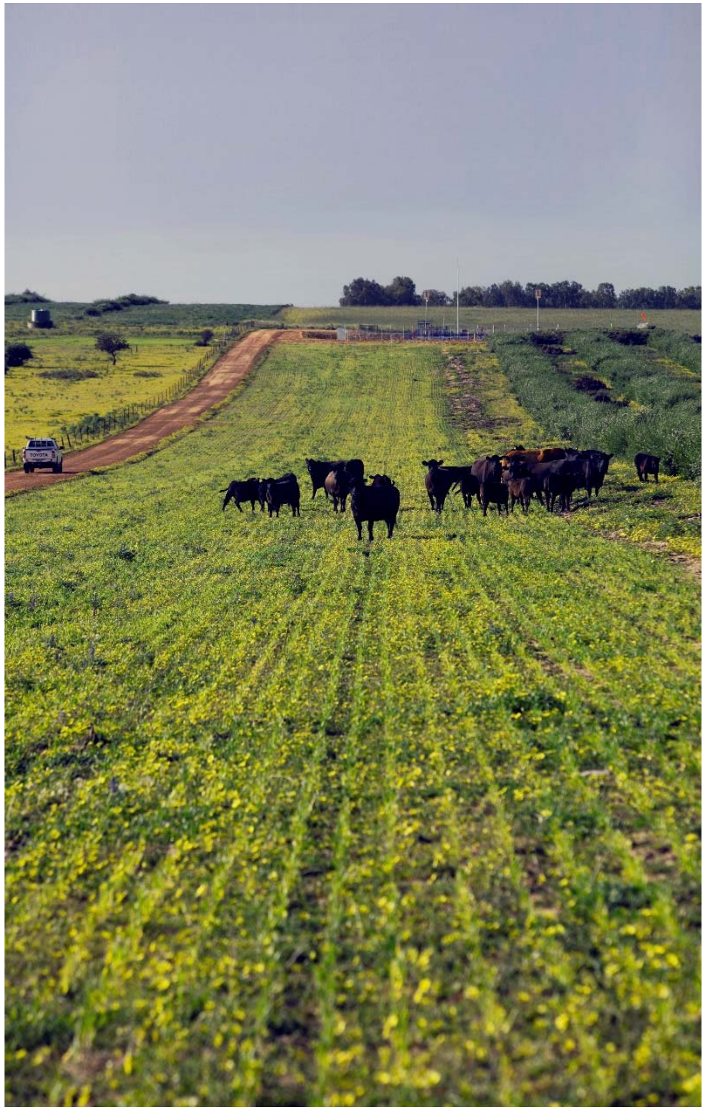
AWE can continue to deploy capital on Waitsia and AAL growth projects

Strategy adapted to current conditions

- Balance sheet strengthened, non-core assets divested and debt repaid
- Hedged oil production to underpin cash flow
- Reduced exploration spend and overheads
- Production weighted to domestic gas assets in the near term
- Retain exposure to potential upside in oil prices through AAL project
- De-risk major development projects – Waitsia and AAL
- Balance sheet has capacity to allow AWE to look for new opportunities to add production

Planned transition from legacy assets to new growth assets is well under way

Sustainability and ESG



- No investment in coal assets
- No operations on intensive agricultural land
- No operations on farm properties unless we gain owners' approval
- Increased emphasis on cleaner natural gas
- Divested Sugarloaf and Cliff Head oil fields
- No fraccing of Waitsia Stage 1A or Stage 2
- Greenhouse Gas emissions reduced by 49% since 2008 base year
- Commitment to community and stakeholder engagement

Natural gas critical to clean, reliable domestic energy supply

People and remuneration

- Employee numbers reduced by 30%
- Size of Board decreased
- No short term incentives awarded in FY16
- Discontinued retention plans for senior executives
- No increase in Directors' fees or senior executive salaries in FY16 and FY17
- Reduced fixed remuneration for CEO and CFO positions in FY17
- No salary increases for other positions in FY17

Remuneration aligned with company performance and shareholder expectations

Election of Directors

David McEvoy
Independent Non-executive Director
Appointed in June 2006

Karen Penrose
Independent Non-executive Director
Appointed in August 2013

Re-election of Directors strongly recommended

Share price performance

Negatives

- Oil prices have retreated again
- Yolla (BassGas) reserves decreased

Positives

- Yolla wells performing better
- Commenced feasibility work for Trefoil development
- Independent certification of Waitsia reserves 34% higher than AWE's current position
- Strong interest in Waitsia gas production at significantly higher prices than current WA market prices
- AAL appraisal well indicates improved project economics

AWE oversold and undervalued

Transition to long term rewards

Major development projects – Waitsia and AAL – continue to progress to FID

Conclusion

The outlook for AWE remains positive

Thank you

AWE LIMITED

DAVID BIGGS
CEO and Managing Director

Annual General Meeting, Sydney
16 November 2016

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 may also contain 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.

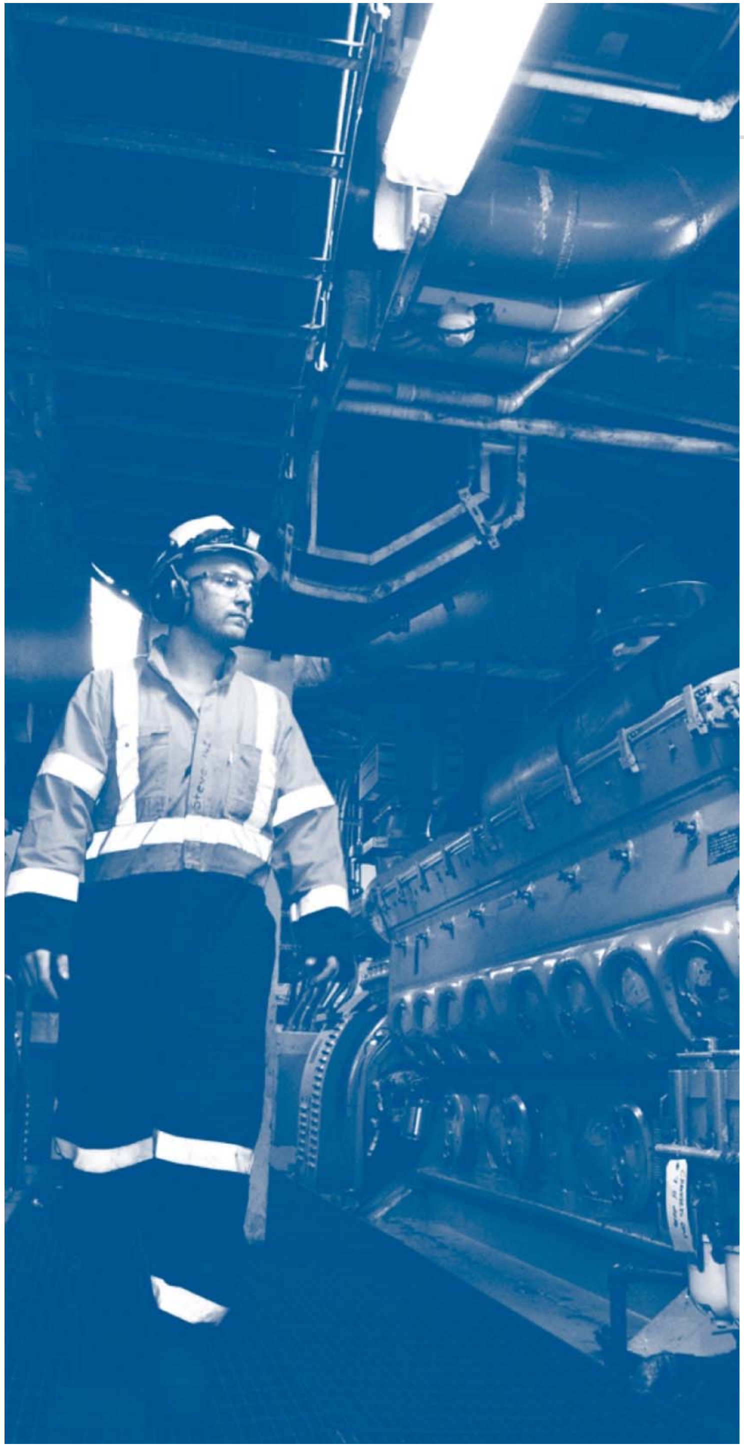
Reserves and Contingent Resources

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 19 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 25 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.



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FY16 Review

Resetting the bar

- Stronger balance sheet, low debt
- Solid base of 2P Reserves and 2C Contingent Resources
- Strategy refocused to adapt to market conditions
- Poised for growth – transitioning to new long life production assets
- Refreshed management team

AWE remains focused on delivering growth

Operational highlights – FY16

- Excellent HSE performance
- Production of 5.0 mmboe in line with guidance
- Extremely positive Waitsia flow tests
- A 93% increase in Waitsia 2P Reserves (announced 3 June 2016)
- Successful AAL G-Sand appraisal well:
  - Delivers significantly better crude quality; and
  - Potential to improve project economics
- Significant cost reductions achieved

AWE delivered a solid operating performance in a tough environment

Waitsia 1A first gas on time and budget

- First gas from Waitsia Stage 1A in August 2016, on time and under budget
- Discovery to production in less than 2 years
- FID to production in 9 months
- Gas volumes of 10 TJ/day transported south via the Parmelia pipeline
- As Operator, AWE places a great emphasis on stakeholder and community relations
- AWE contributed more than $16m to local Mid West economy in FY16

Stage 1A provides valuable production data for Stage 2 gas sales and development planning

Financial highlights – FY16

- Stable revenues:
  - Sales revenue of $202m underpinned by long-term gas contracts and oil hedging
- Reduced expenditures:
  - Development and exploration expenditure reduced by 55%
  - Corporate overheads reduced by 41%
- Strengthened balance sheet:
  - Sugarloaf sold for US$190m
  - Cliff Head sold for $3.2m
  - Lengo sale pending for up to $27.5m
- Debt repaid:
  - Net cash $18m at 30 June

A year of financial consolidation and balance sheet strengthening

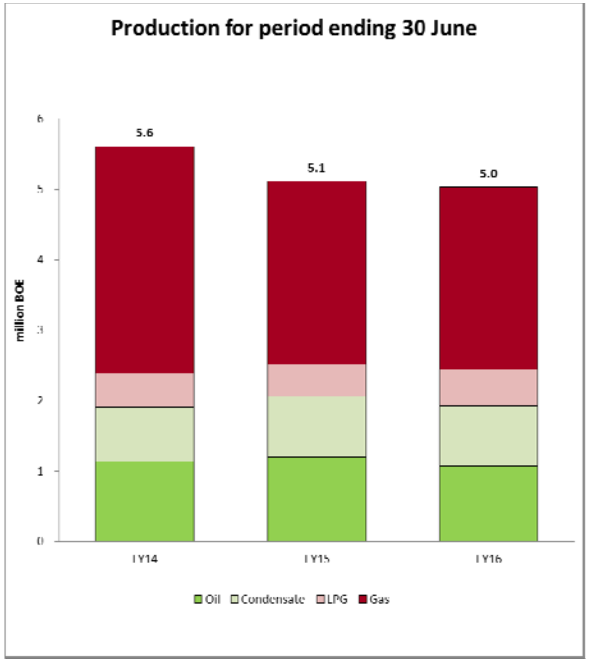
Financial performance – FY16

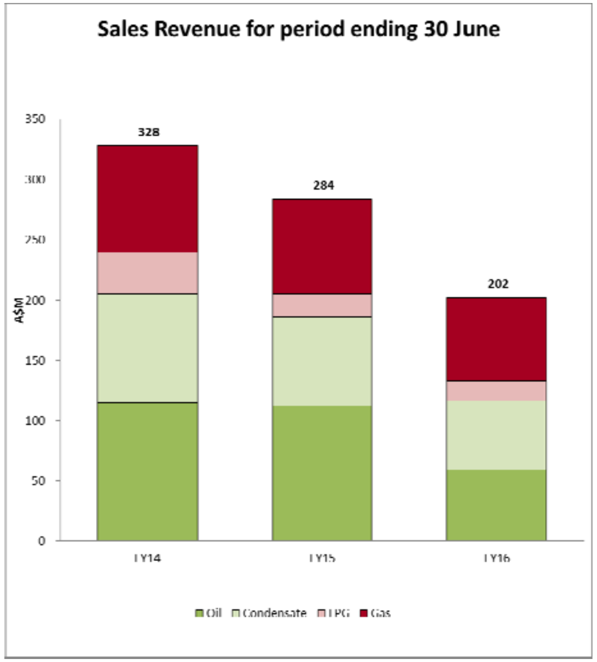
	Unit	FY16	FY15	Change
Total Production for FY16	mmboe	**5.0**	5.1	- 1%
Sales Revenue[1]	$m	**202.4**	283.7	-29%
Operating costs	$m	**110.4**	140.5	-21%
Field EBITDAX	$m	**92.0**	143.2	-36%
Asset impairments before tax	$m	**291.8**	246.3	-18%
Statutory net loss after tax	$m	**363.0**	230.2	-58%
Underlying net loss after tax	$m	**67.4**	52.3	-29%
Operating cash flow	$m	**70.3**	62.2	13%
Average realised oil & condensate price[1]	A$/bbl	**57.30**	78.77	-27%

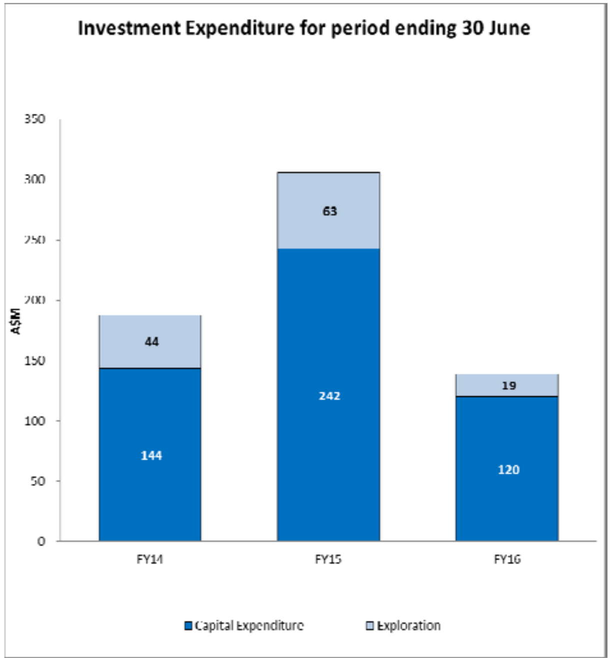
1. Including realised hedge gains

Low oil prices continued to impact financial performance

Financial performance – FY16



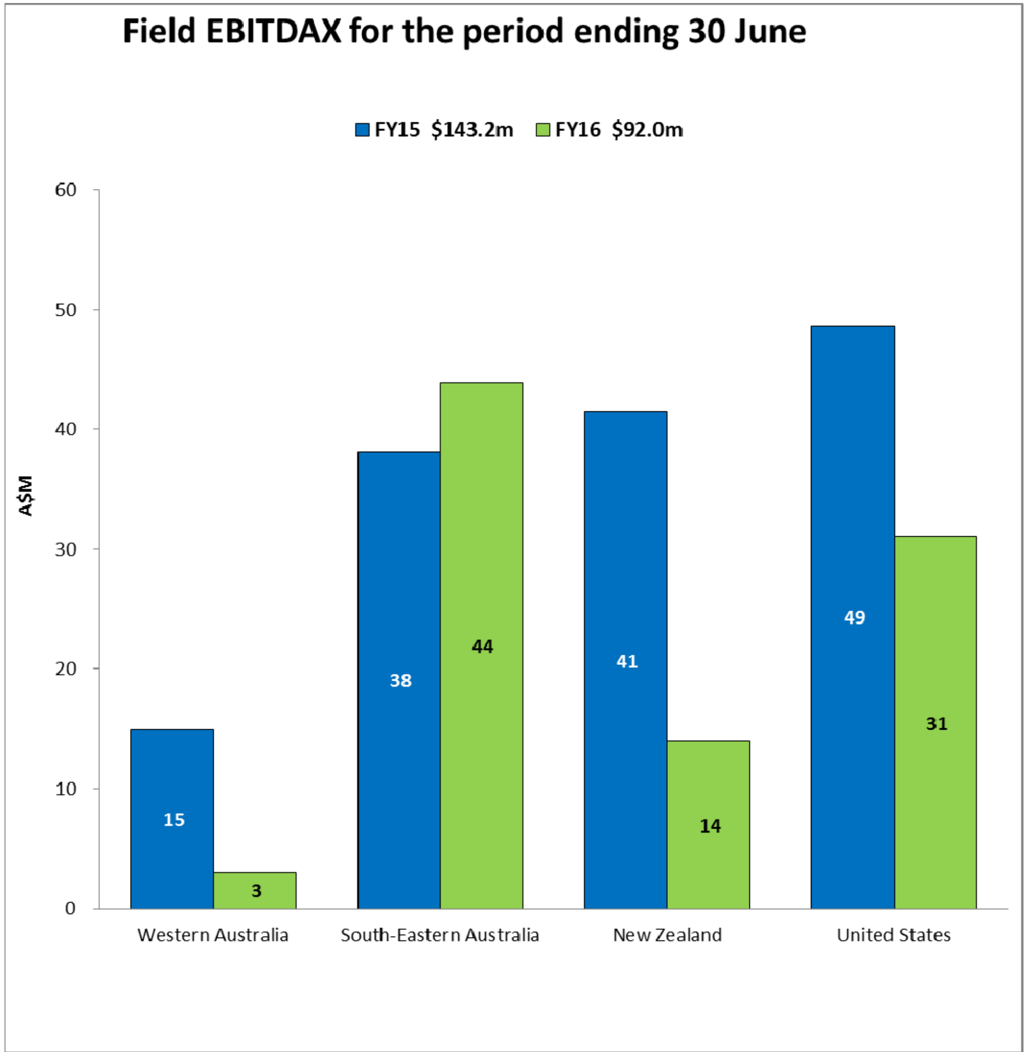


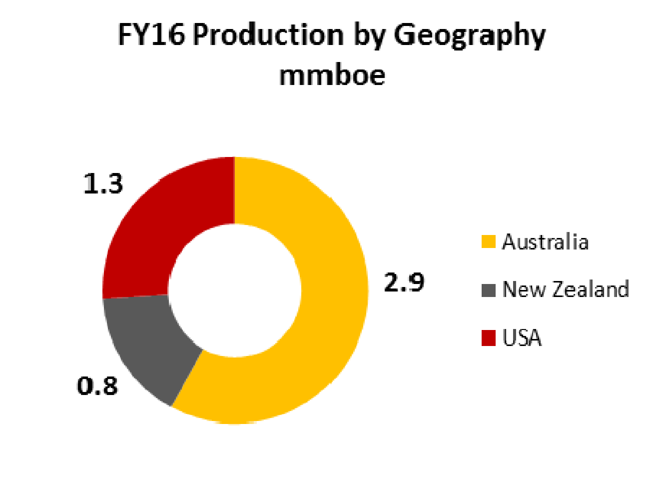


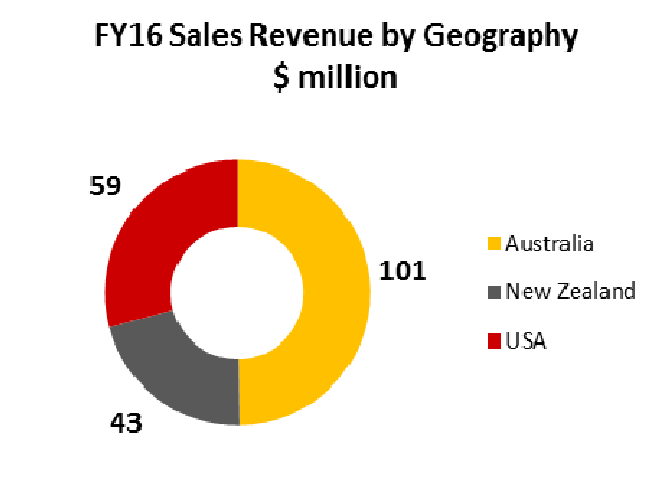
Key Indicator	Unit	FY16 Actual	FY16 Guidance
Production	mmboe	**5.0**	4.9 – 5.1
Sales Revenue	$m	**202**	210 – 220
Development Expenditure	$m	**120**	125 – 135
Exploration Expenditure	$m	**19**	25

Lower production and revenue reflect current market constraints

Asset performance – FY16

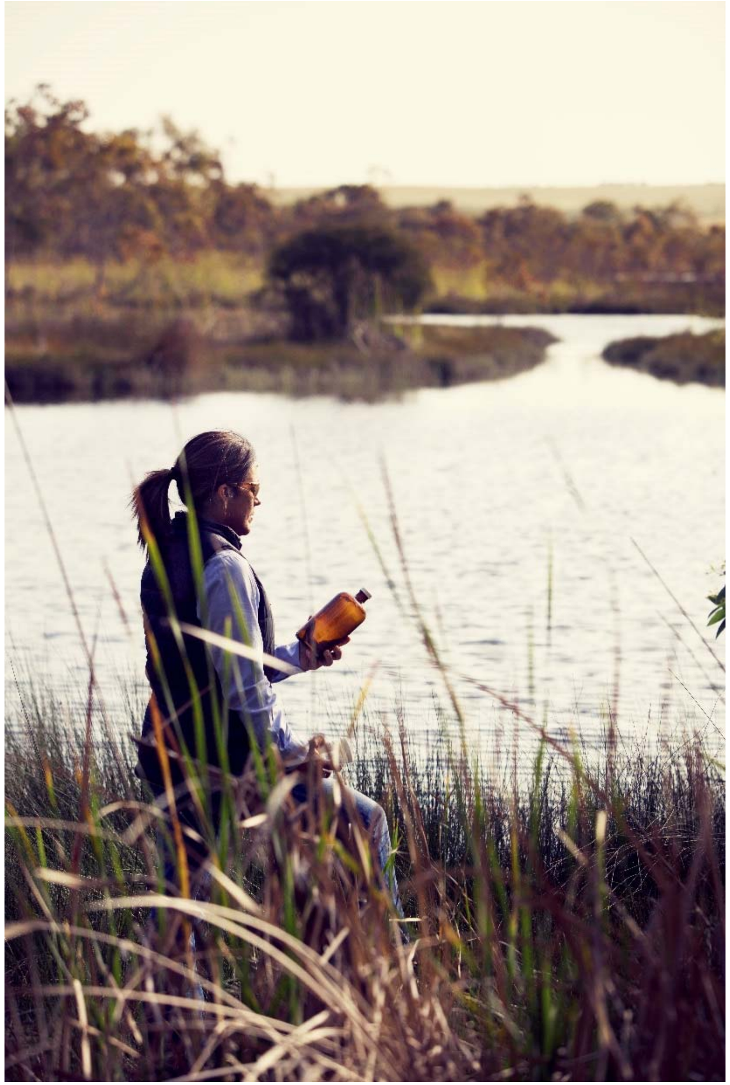






WA and NZ impacted by lower oil prices; USA operation sold in March

Sustainability highlights – FY16



- No Lost Time Injuries recorded
  - 524 days injury free to 14 November 2016
- No reportable environmental incidents
  - 4th consecutive year of no reportable environmental incidents
- Continued focus on community and stakeholder engagement activities in WA
  - AWE funding CSIRO research in Mid-West region to assess baseline data for air, water, soil and seismic activity
  - Committed to use local service providers, labour and suppliers, wherever possible
  - Over $16m invested in the local Mid-West community in FY16
- Continued community investment in Taranaki region of New Zealand

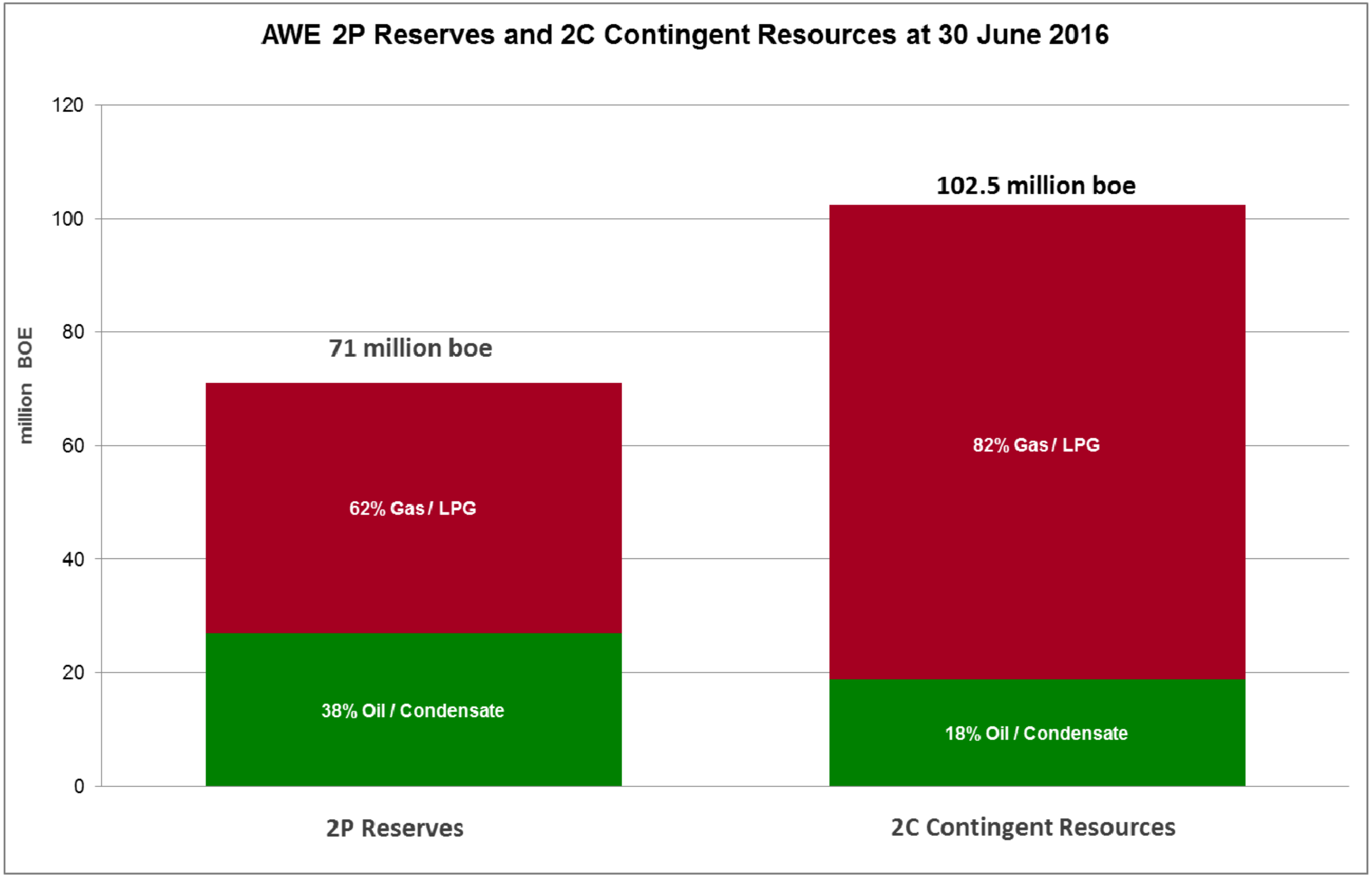
AWE is committed to managing its operations in a socially responsible manner

Sustainability performance – FY16

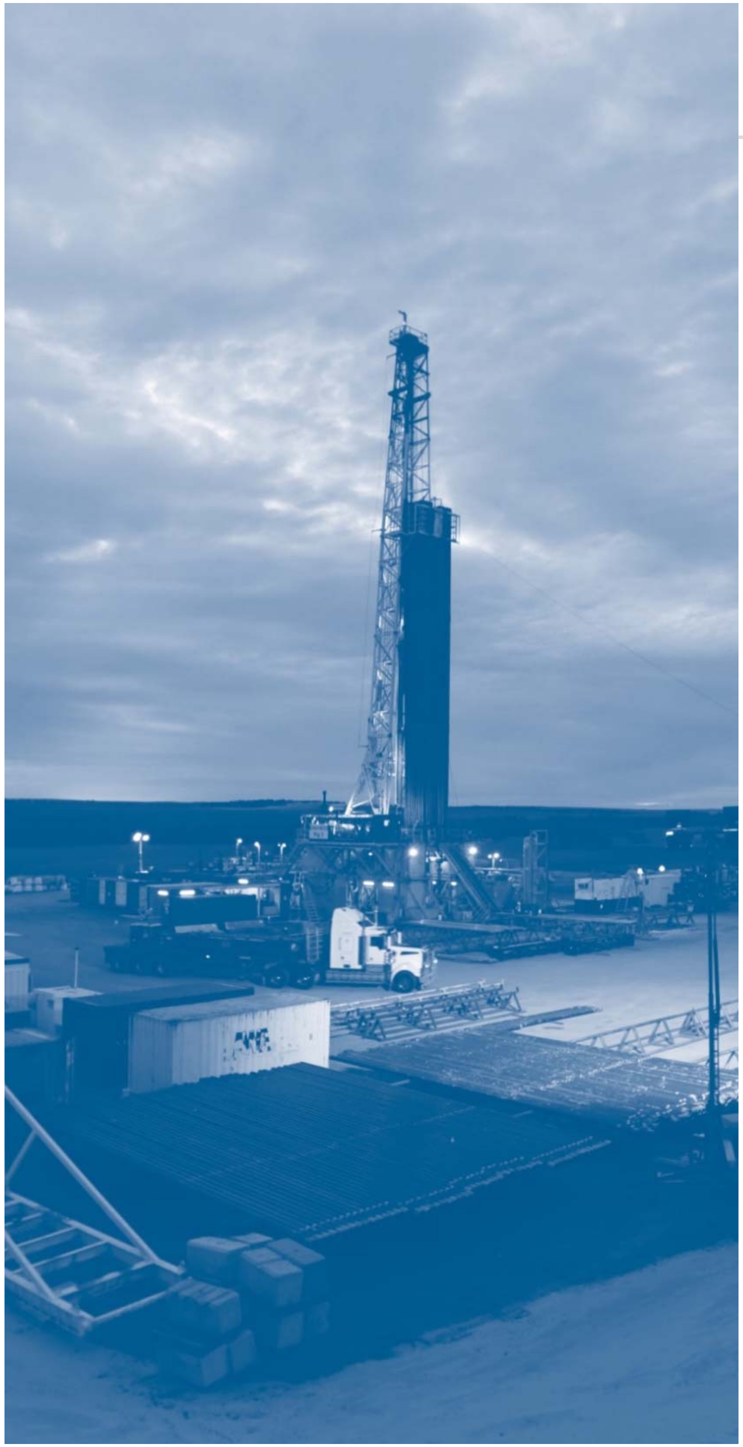
- GHG emissions 49% below 2008 baseline
- AWE now more orientated to natural gas and LPG:
  - 62% of production
  - 42% of sales revenue
  - 62% of 2P Reserves
  - 82% of 2C Contingent Resources
- Gender diversity remains a priority:
  - Women comprise 32% of senior managers and technical and professional roles
- Issued first Taxes Paid Report:
  - $109m tax paid globally over FY14 and FY15

Natural gas will continue to play a vital role in transitioning to a lower carbon future

Reserves and resources



Portfolio reflects healthy pipeline of development projects



Strategy update

Strategy adapted to current conditions

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Strengthened balance sheet

Divestment of non-core assets largely completed

- Reduced future capex commitments
- Reduced future decommissioning liabilities

Hedged oil production to underpin cash flow

Reduced exploration spend and overheads

Near term focus on gas

Production focused on domestic gas assets in the near term

- Leverage rising prices in east and west coast gas markets
- Stable, long term contracts with revenue or price step ups in 2017, 2018, 2019 and 2020

Retain exposure to potential upside in oil prices through AAL project

Transition to growth assets

De-risk major development projects – Waitsia and AAL

Balance sheet has capacity to allow AWE to look for new opportunities to add production

Transitioning from legacy assets to new long life growth assets

Focused on core assets

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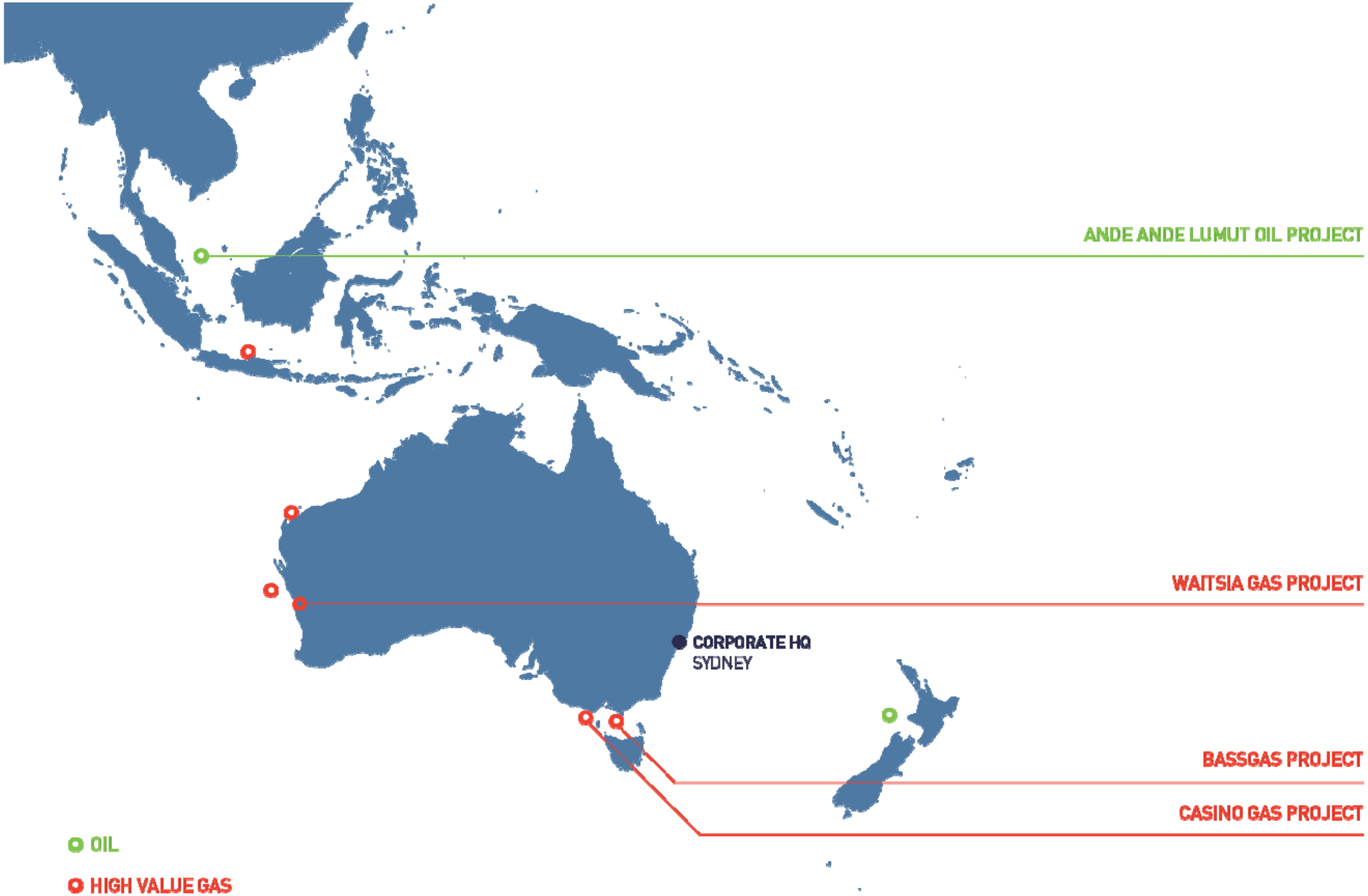

Focused on Australia, New Zealand and Indonesia, weighted towards gas

Leveraging domestic gas markets

East coast gas market

- **Market overview**
  - Energy supply issues across southern Australia contribute to significant spot price increases
  - Industry demand for reliable domestic supply
  - Widespread view that some LNG producers are short gas
- **Opportunity**
  - Casino and BassGas off contract in 2018 and 2019 respectively
  - Anticipate significantly higher prices when recontracting

West coast gas market

- **Market overview**
  - NW Shelf confirmed reduced supply to WA market
  - Temporary spot market oversupply to wane
  - Domestic demand resilient
  - Customers looking for diversity of gas producers
- **Opportunity**
  - Optimal customer recontracting window over next 3-5 years
  - Anticipate return to strong pricing for term contracts

Gas marketing team in place; excellent pricing potential in both major markets

East coast gas - revenue uplift

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BassGas

- Compression to deliver uplift in production from mid CY 2017
- Agree new gas sales contract in CY 2018, substantially higher pricing anticipated
- Revenue step up from new gas contract pricing in early CY 2019
- Opportunity to accelerate Trefoil development

Casino

- Agree new gas sales contract in CY 2017, substantially higher pricing anticipated
- Revenue step up from new gas contract pricing in early CY 2018

East coast gas prices forecast to increase due to LNG export demand

West coast gas - Waitsia

☑ **Reserves confirmed**:

- Waitsia 2P Reserves increased by 93% to 172 Bcf (30.4 mmboe) net to AWE (3 June 2016)
- Independent review certifies Waitsia Stage 2 can deliver at least 100 TJ/d for 10 years (gross)
- 2 new appraisal wells in CY 2017 targeting further increase in reserves
- Conventional wells for Stage 2 – no fraccing required

☑ **Market and price established:**

- Gas tender complete and assessing bids
- Bids received for full volumes well above current WA market prices
- Targeting term sheet and contract in CY 2017

☐ **Capital cost to be finalised pre FID:**

- JV agreed to progress to Stage 2 (100 TJ/d)
- Pre-FEED and FEED in CY 2017
- Relatively simple onshore plant
- Close to pipeline infrastructure

Waitsia de-risking should reduce AWE valuation discount in 2017

Exposure to oil price upside - AAL

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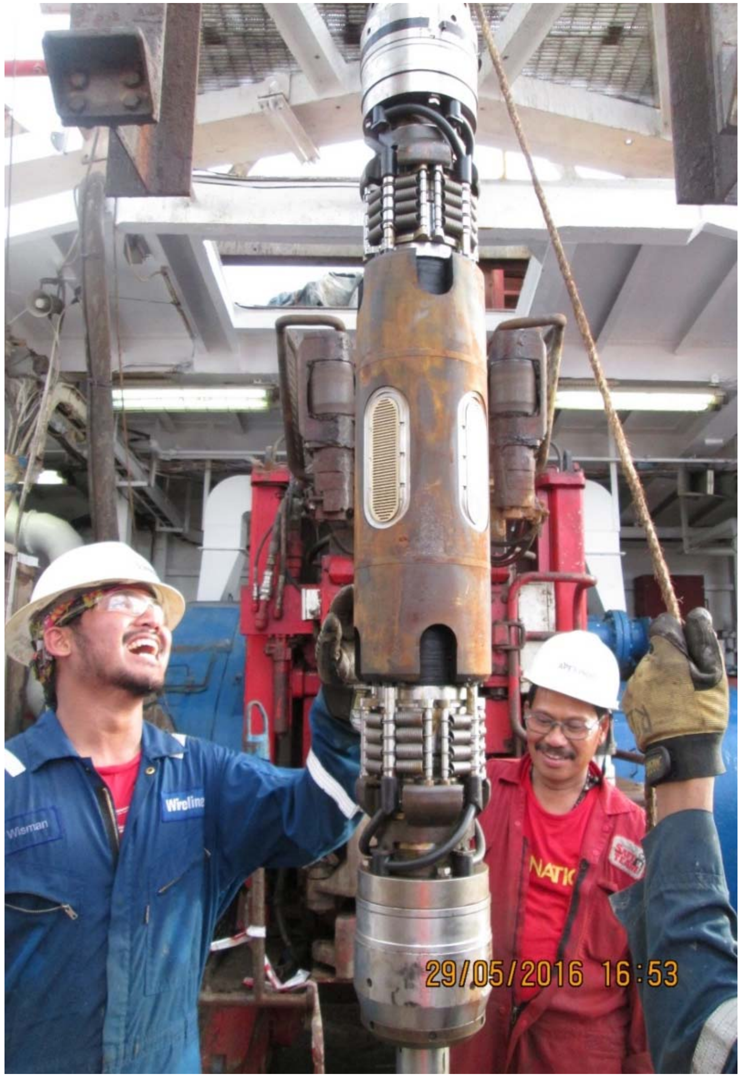


AAL-4XST1 appraisal well

- Better quality crude indicates:
  - Lower capex and opex
  - Improved crude pricing
  - Enhanced overall project economics
- Potential faster drilling times

Working towards FID

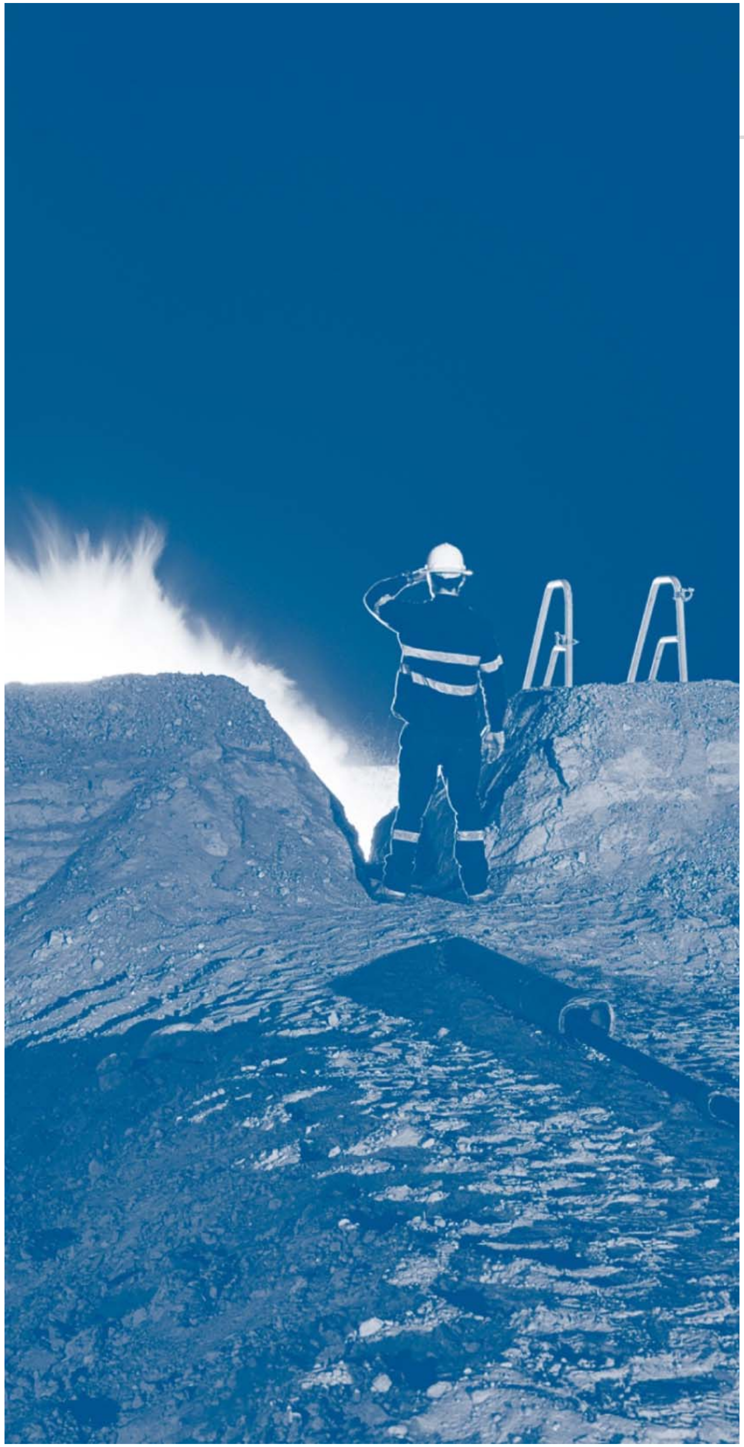
- WHP and FPSO tendering processes to continue into early CY 2017
- Look to achieve savings on major cost items including WHP, FPSO and drilling
- Operator targeting FID in 2H CY 2017 with first oil in CY 2020

AAL profitability and FID ultimately dependent on oil price

Identify new opportunities

- Open to new opportunities to add production in the near to medium term
- Potential asset acquisitions must be:
  - Producing assets;
  - Aligned with AWE's strategy; and
  - Value accretive.
- AWE balance sheet in good shape with sufficient capacity for material acquisition

Opportunity to add incremental production through asset acquisition



Outlook

Refreshed management team

David Biggs, Managing Director and CEO
Commenced in May 2016

Ian Bucknell, Chief Financial Officer
Commenced in July 2016

Neville Kelly, Company Secretary and GM Corporate Services
Commenced in July 1997

Andy Furniss, GM Exploration and Geoscience
Appointed in January 2016

Suzanne Hunt, GM WA Assets and Engineering
Appointed in August 2016

Refreshed management focused on delivering growth

Clear management priorities

1. Lock in new, long term gas contracts for Stage 2 of the Waitsia project
2. Recontract east coast gas production at substantially higher prices
3. De-risk and deliver Waitsia gas project
4. De-risk and deliver AAL oil project
5. Maintain flexible balance sheet
6. Identify new opportunities that add value and production

AWE is transitioning to the next generation of production assets

The road ahead

CY 2017
- BassGas compression to increase production
- Drill Waitsia appraisal wells & review reserves
- Waitsia Stage 2 term sheet & gas contract
- Recontract Casino gas production
- FID for AAL

CY 2018 - 2019
- Casino revenue step up in early 2018
- Recontract BassGas production
- BassGas revenue step up in early 2019
- Concept select for Trefoil (Bass Basin)
- FID for Waitsia
- Waitsia in development
- AAL in development

CY 2020 - 2021
- First gas from Waitsia (no fraccing required)
- First oil from AAL

Delivering Waitsia and AAL will add significant value to AWE

FY17 guidance

Key Indicator	Unit	FY17 Guidance
Production	mmboe	2.7 – 3.0
Sales Revenue	$m	100 - 120
Development Expenditure	$m	50 - 60
Exploration Expenditure	$m	5

Note: Guidance prepared using Brent Oil price of US$52 per barrel and AU$/US$ exchange rate of 74 cents and includes hedged oil revenues from Tui.

Lower forecast production following sale of Sugarloaf and Cliff Head

Q1 FY17 on track

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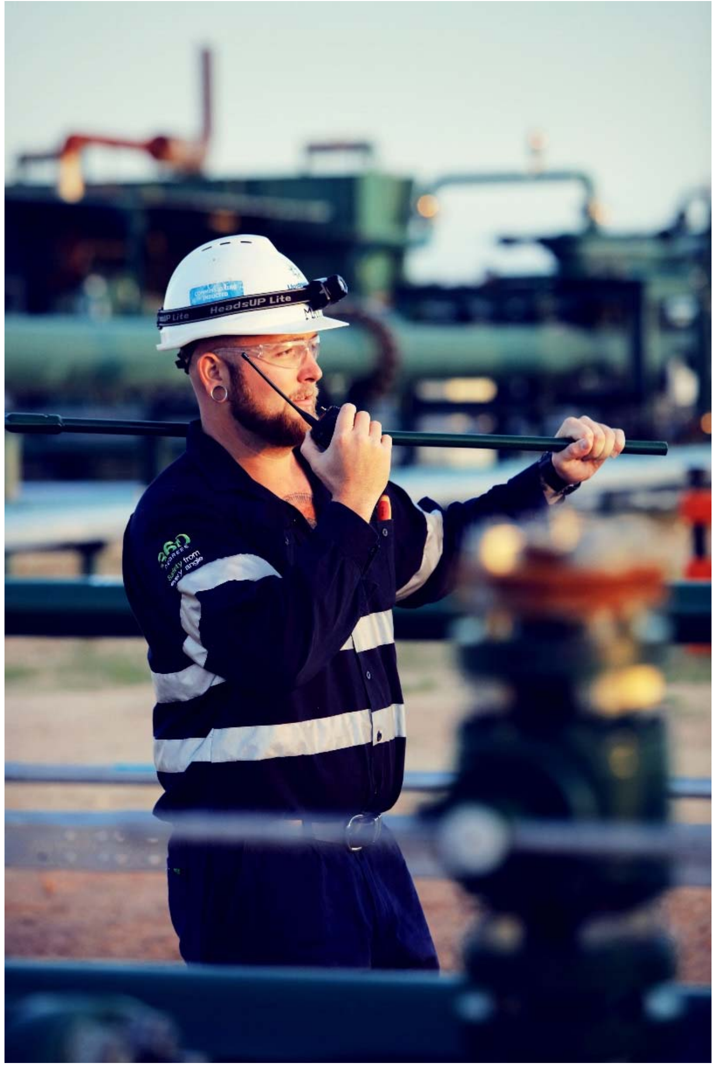
REGION AND ASSETS	Q1 FY17 Actual	Q4 FY16 Adjusted	Q on Q Change
Australia	**‘000 BOE**	**‘000 BOE**	**%**
Bass Basin (BassGas)	367	378	-3%
Otway Basin (Casino)	207	187	11%
Perth Basin (Waitsia, onshore*)^	96	68	41%
New Zealand			
Taranaki Basin (Tui*)	152	170	-11%
TOTAL (‘000 BOE)	**822**	**804**	**2%**

Numbers may not add due to rounding
* Denotes Operatorship (not all Perth Basin assets operated)
^ Cliff Head sold on 30 June 2016 and excluded from adjusted numbers

Production assets performing in line with expectations

AWE developing long life growth assets



- Stronger balance sheet, low debt
- Solid base of 2P Reserves and 2C Contingent Resources
- Strategy refocused to adapt to market conditions
- Transition from legacy assets to new long life growth assets gaining momentum
- New east and west coast gas contracts from 2017 with stronger pricing anticipated
- Refreshed management team with clear priorities
- Potential to acquire incremental production in near to medium term

Reshaped AWE is transitioning to the next generation of production assets

Thank you

Accounts and reports

Questions

Remuneration report

Resolution 1, adopt remuneration report

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Remuneration report

Resolution 1, adopt remuneration report

This resolution is an advisory resolution

Proxies for	**303,006,269**	**(97.6%)**
Proxies against	**6,154,512**	**(2.0%)**
Proxies undirected	**1,327,128**	**(0.4%)**
Proxies abstained	**900,149**	**N/A**

Re-election and election of directors

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Election of directors

Resolution 2(a)

That Mr David McEvoy be re-elected as a director of the Company

Election of directors

Resolution 2 (a), that Mr David McEvoy be re-elected as a director of the Company

This resolution is an ordinary resolution

Proxies for	305,069,150	(98.0%)
Proxies against	4,616,564	(1.5%)
Proxies undirected	1,499,354	(0.5%)
Proxies abstained	255,990	N/A

Election of directors

Resolution 2(b)

That Ms Karen Penrose be re-elected as a director of the Company

Election of directors

Resolution 2 (b), that Ms Karen Penrose be re-elected as a director of the Company

This resolution is an ordinary resolution

Proxies for	308,464,663	(99.1%)
Proxies against	1,150,047	(0.4%)
Proxies undirected	1,518,950	(0.5%)
Proxies abstained	307,398	N/A

Issue of Cash Share Rights

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Issue of Cash Share Rights

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Resolution 3, regarding the issue of 920,282 cash share rights to the CEO & Managing Director, Mr David Biggs.

- **To be tested against performance related vesting conditions at 30 June 2019.**
- **This resolution involves the issue of 460,141 Absolute TSR cash share rights and 460,141 Relative TSR cash share rights.**

Issue of Cash Share Rights

Resolution 3, regarding the issue of 920,282 cash share rights to the CEO & Managing Director, Mr David Biggs.

This resolution is an ordinary resolution

Proxies for	305,527,091	(98.4%)
Proxies against	3,725,056	(1.2%)
Proxies undirected	1,394,574	(0.4%)
Proxies abstained	794,337	N/A

Poll

Closure

Download and view AGM presentation at www.awexplore.com

AWE thanks you for your attendance today

Glossary

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
Capex	Capital expenditure
CY	Calendar Year
EBITDAX	Earnings before interest, tax, depreciation, amortisation and exploration expenses
ESG	Environment Social Governance
FID	Final Investment Decision
FPSO	Floating Production Storage and Offloading
FY	Financial Year
GM	General Manager
LPG	Liquefied Petroleum Gas
LTI	Lost Time Injuries
MLE	Mid Life Enhancement
mmboe	Million Barrels of Oil Equivalent
mmscf/d	Million Standard Cubic Feet of gas per Day
Opex	Operating expenditure
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

Conversion Tables

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 = 10^3
mega = million = 10^6
giga = 1,000 million = 10^9
tera = million million = 10^{12}
peta = 1,000 million million = 10^{15}