



10 September 2014

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney, NSW 2000

Dear Sir

AWE presentation to Good Oil Conference

Please find attached a presentation by AWE's Managing Director, Mr Bruce Clement, which will be made at the Good Oil Conference later today.

Yours faithfully

**Neville Kelly
Company Secretary
AWE Limited**



Focused on Growth

Bruce Clement, Managing Director

Good Oil Conference, Fremantle, WA
10 September 2014

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 Resources. The reserve and resource information contained in this report is based on information compiled by Neil Tupper (General Manager, Exploration & 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 risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons and the probability of development.



Highlights

For the 12 months
to 30 June 2014

- **Strong operating performance and financial results achieved in FY2013-14**
- **Proactive management of portfolio of quality production, development and exploration assets**
- **Foundations established for significant planned growth over next 3-5 years**
- **Balance sheet, funding, people and assets in place to deliver growth**

Targeting production growth to 10 million BOE and EBITDAX of over \$500 million by the end of 2018*

*From base year of FY2012-13

Strong financial performance in FY13-14 AWE

Total Production	5.6 million BOE, up 13%
Sales Revenue	\$328.2 million, up 9%
Field EBITDAX	\$208.8 million, up 13%
Statutory NPAT *	\$62.5 million, up 213%
Net Cash	\$42 million
Undrawn facilities	\$300 million
Operating cash flow^	\$154.3 million, up 18%

* NPAT includes \$75.5 million net gain from sale of AAL offset by an \$8.3 million fair value adjustment for BassGas and \$11.7 million of restructuring, financing and restoration costs

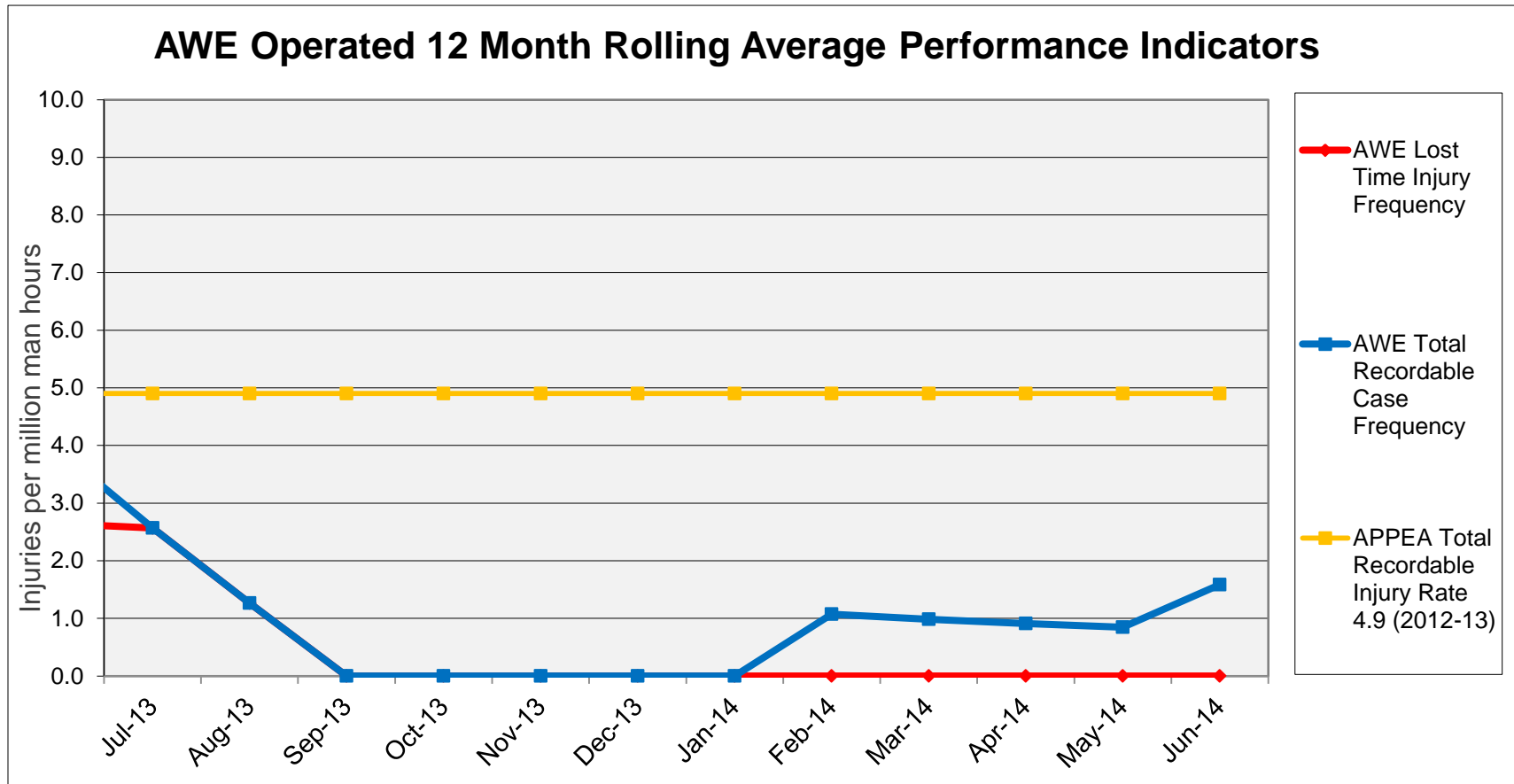
^ Before exploration expenditure

Strong financial, operating and HSE performance has AWE well positioned to deliver growth

Key Indicator	Guidance FY2013-14	Actual FY2013-14
Production (million BOE)	5.0 – 5.5	5.6
Sales Revenue (\$m)	290 – 320	328
Development Expenditure (\$m)	160 – 180	144
Exploration Expenditure (\$m)	50	44

- **Ande Ande Lumut oil project** – sale of 50% interest completed
- **BassGas project** – sale of 11.25% announced, FID for development drilling
- **Sugarloaf** – accelerated drilling, increased production, increased Reserves and Contingent Resources
- **Exceeded operational goals** for the year, e.g. production and HSE
- Substantially **increased Exploration and Appraisal** activity

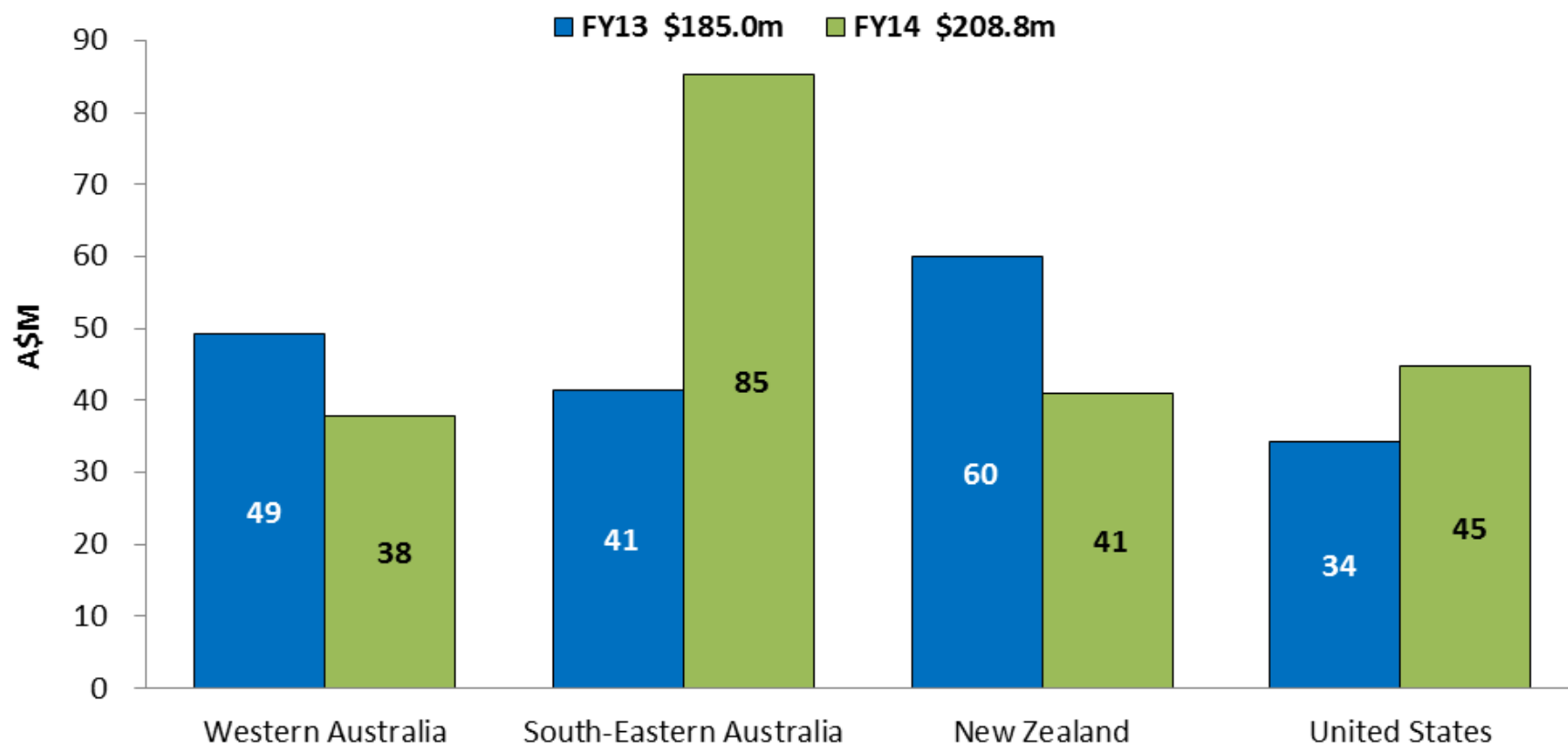
HSE focus achieving positive results



- No Lost Time Injuries (LTI's) since September 2012
- No reportable environmental incidents during FY 2013-14

Safety performance better than industry average, focused on further improvement

Field EBITDAX for the year ending 30 June 2014

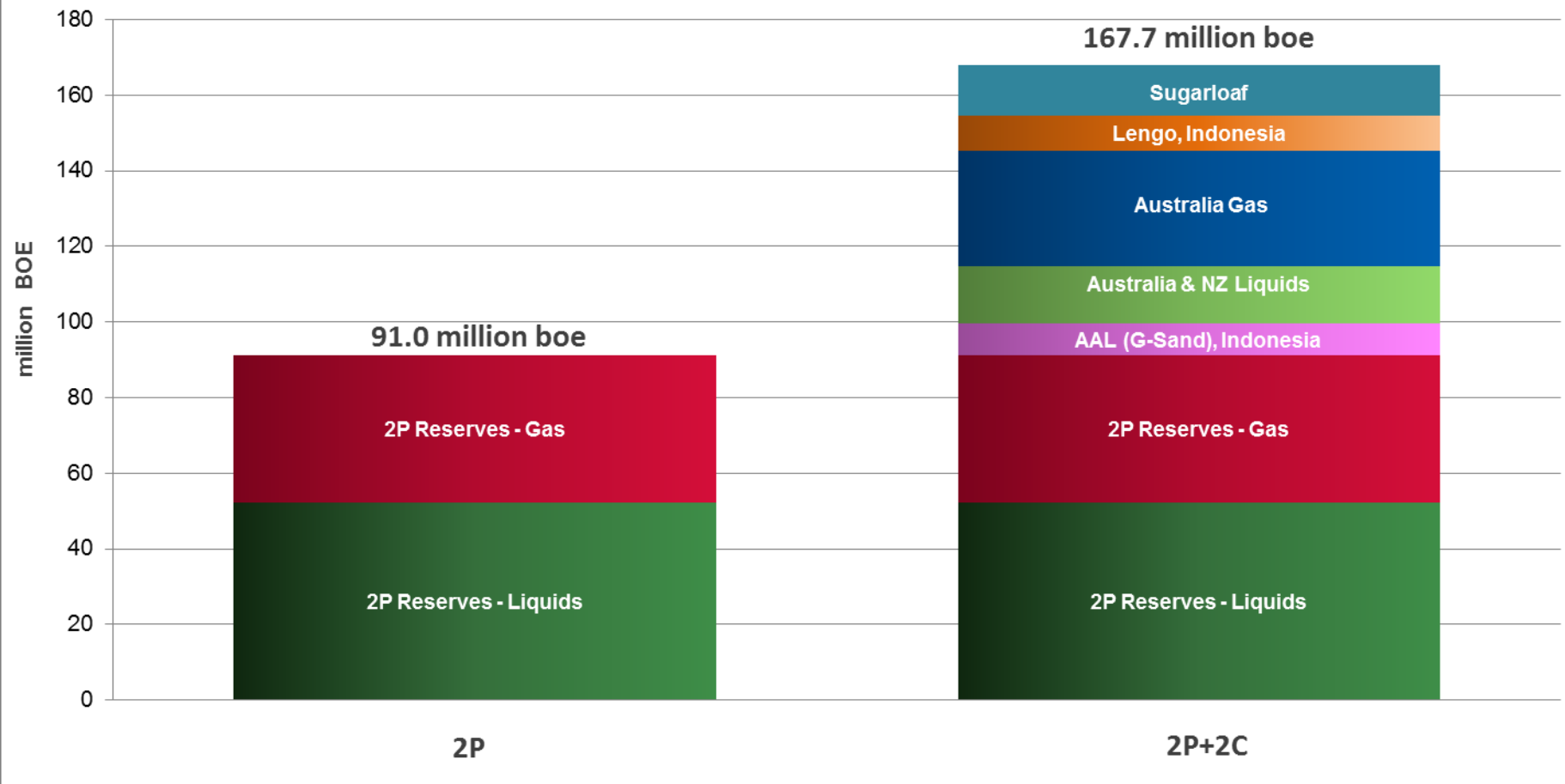


13% uplift reflects strong performances from long life assets, Sugarloaf and BassGas

More than 16 years of 2P production*



AWE 2P Reserves and 2C Resources (as at 30 June 2014)



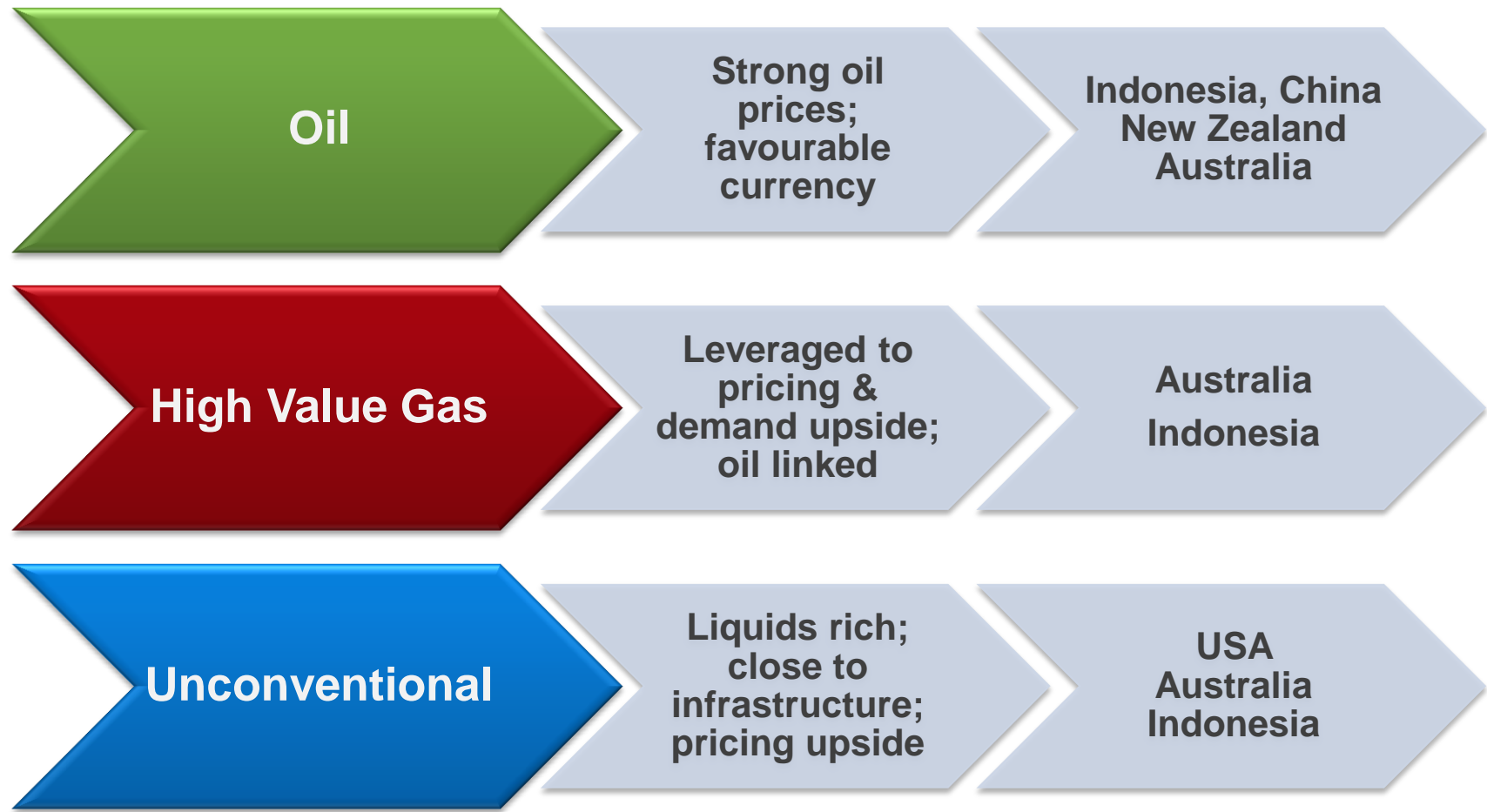
* Based on FY2013-4 total annual production of 5.6 million BOE

2P Reserves weighted towards liquids and high value gas markets

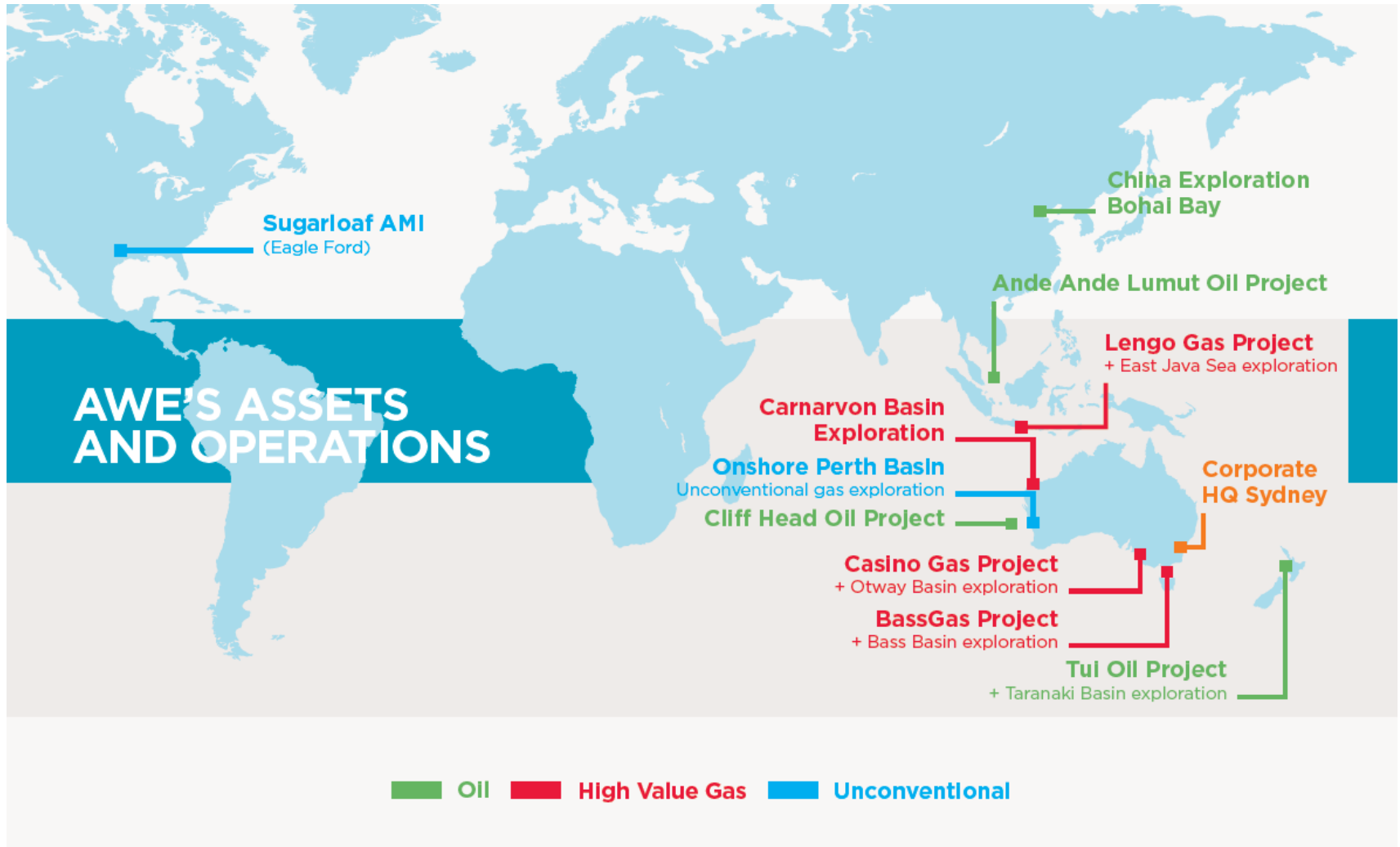


Growth Strategy

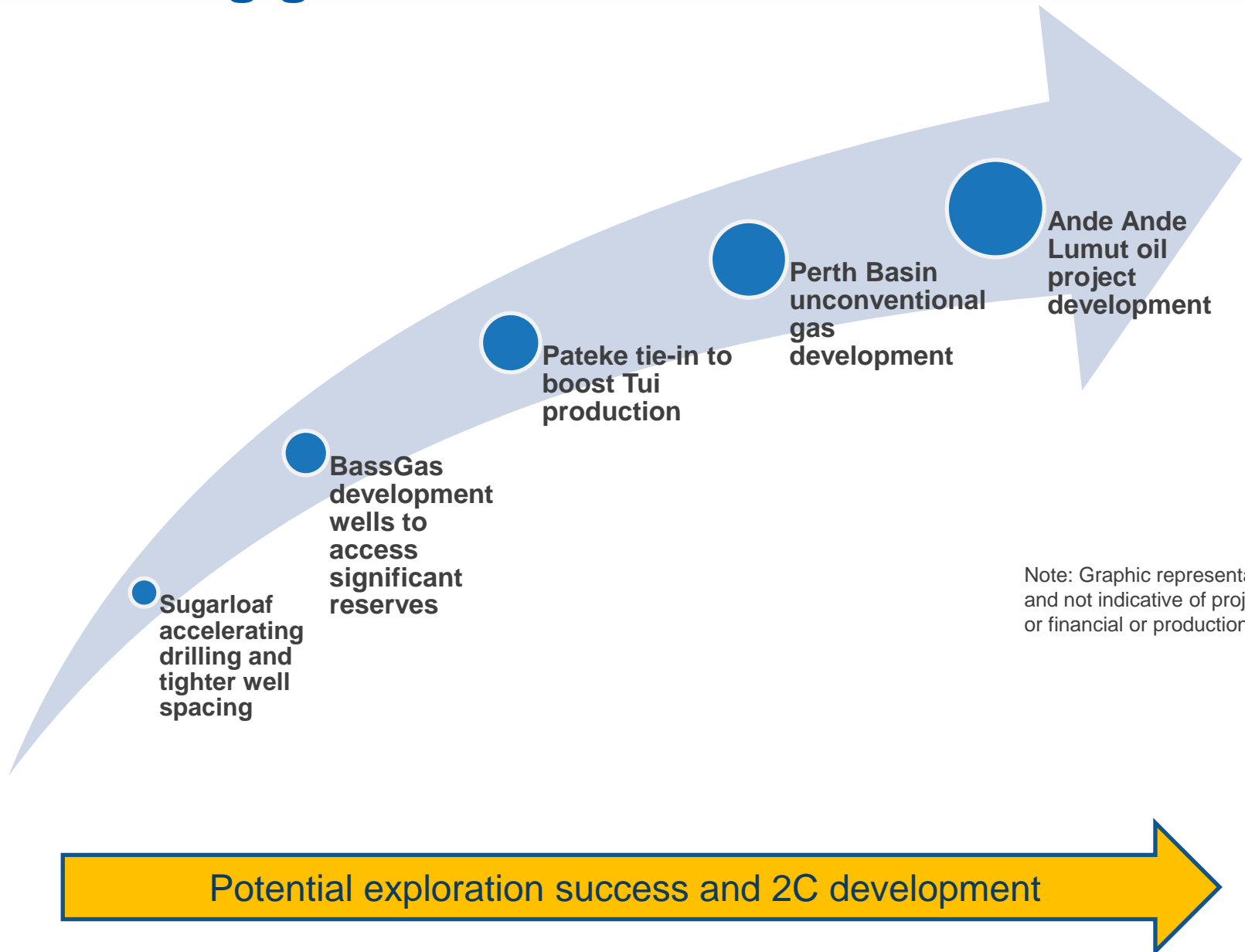
Strategy built on three core platforms



Growing presence in high value markets AWE

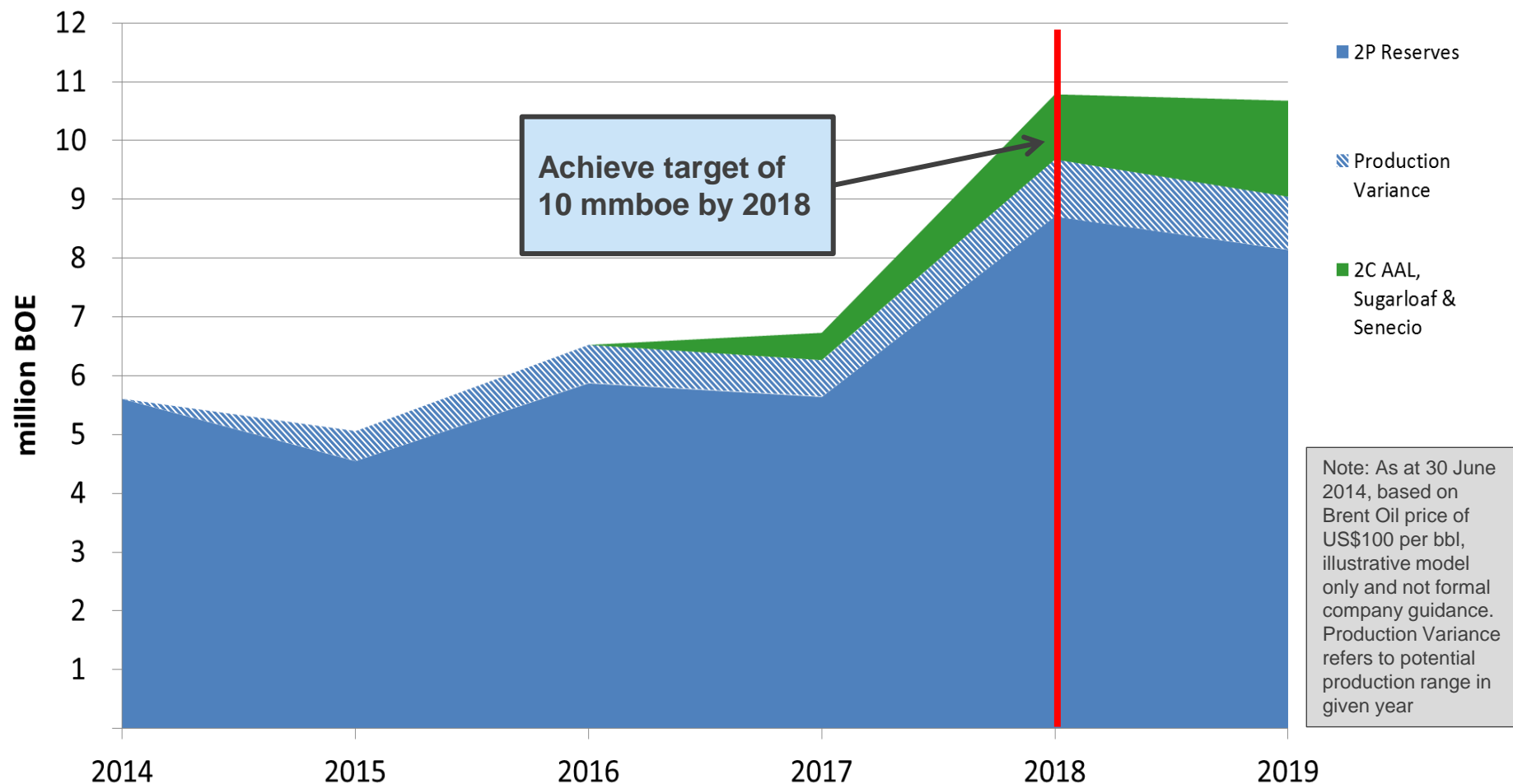


- **Clear business strategy and goal**
- **Balanced portfolio with play diversity**
- **Multiple growth opportunities with infrastructure options**
- **Market access and attractive pricing**
- **Technical and commercial excellence**
- **Early involvement in projects where AWE can add value**
- **Robust balance sheet and strong cash flows**
- **Accelerating production and development activity**



Forecast production outlook

2P Reserves plus 2C AAL, Sugarloaf & Senecio



Majority of production target delivered from existing 2P Reserves

Major Growth Projects



More growth potential at Sugarloaf

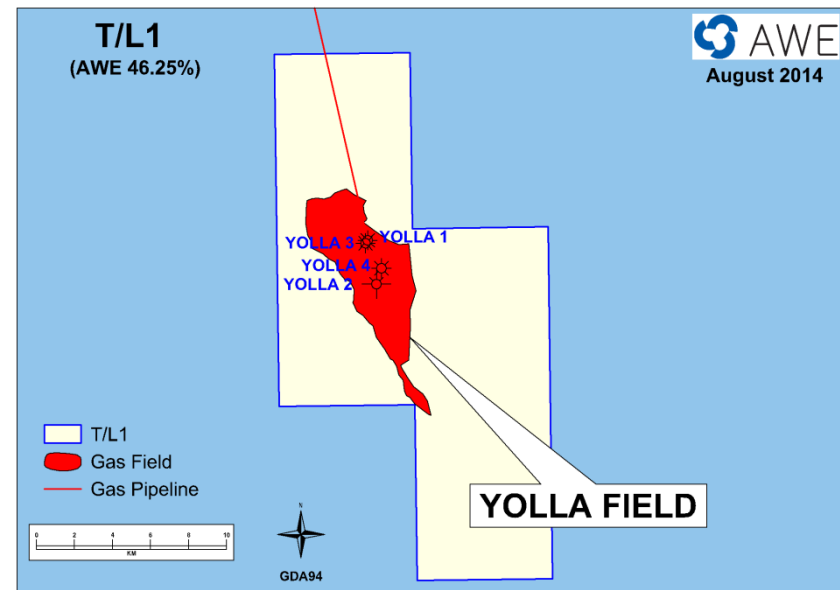


- Production from Sugarloaf up 31% over the previous financial year
- 2P + 2C increased by 82% following independent review
- 55 new wells spudded in FY2013-14 (37 in the 2H, 30 in the 4Q) with 38 added to production
- As at 30 June, total of 128 wells in production
- Operator may drill up to 45 new wells in the 6 months to 31 December
- Average spud to TD reduced to 13 days (target 11 days), costs reducing
- Operator advises enhanced completion designs yielding 25% improvement in initial performance
- Targeting 40-acre development and testing 30-acre infill density to increase reserves and production

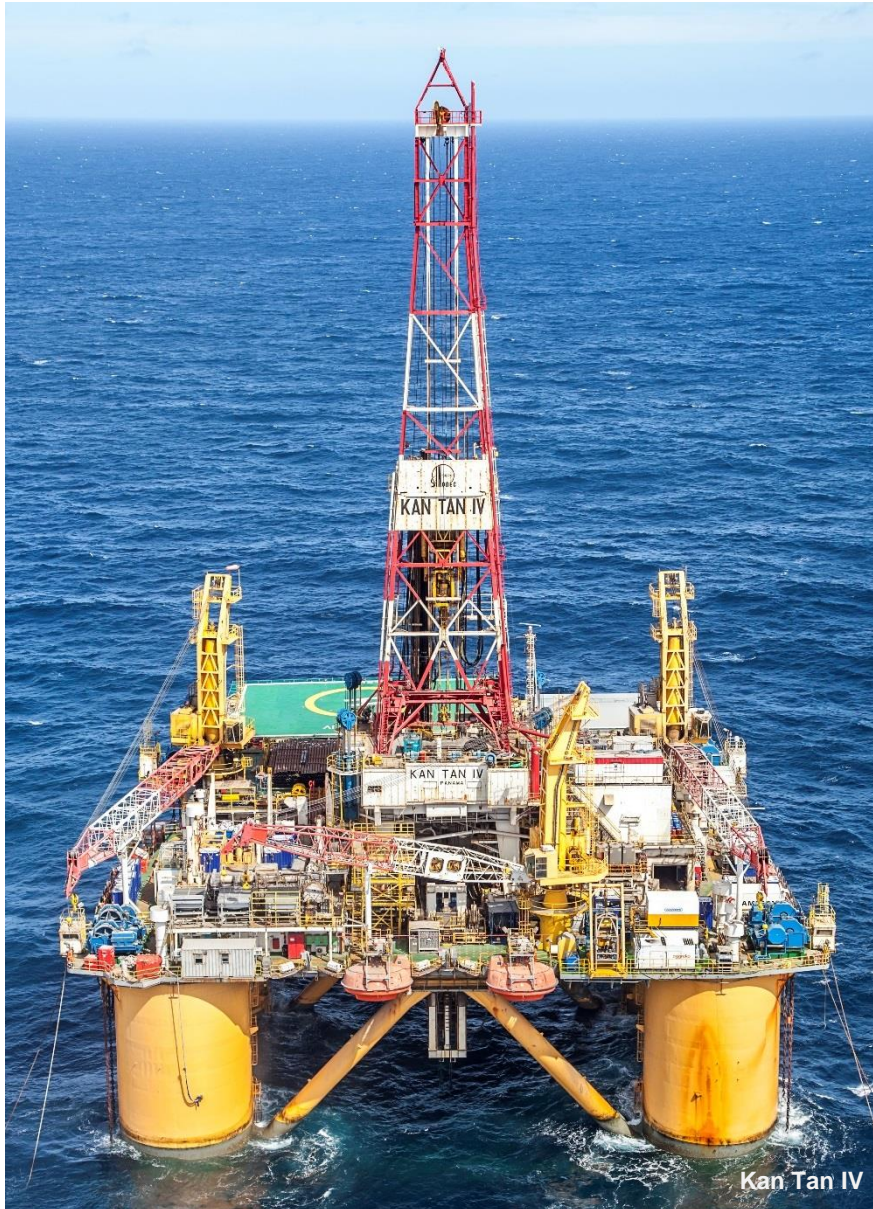
BassGas MLE development

- Achieved FID for 2 development wells in summer of 2014-15
- Jack up rig, “West Telesto”, contracted
- Capex estimate of \$213 million gross (net \$75 million to AWE at 35%*)
- Opportunity to accelerate remaining stages of MLE and undertake lift of gas compression and condensate pumping modules
- Targeting increased production to system capacity of 60 to 70 TJ/day with good condensate yield
- Leveraged to gas price momentum in Eastern States
- Looking to recontract gas over next 12-24 months
- Further development opportunity in T/18P (“Trefoil”)

*AWE's share of BassGas will reduce to 35% from 46.25% on completion of the sale of an 11.25% interest to Prize Petroleum



Increased Tui production in CY2015



- Pateke-4H development well completed and suspended
- Tie-back operations to Tui FPSO planned to commence in 1Q CY2015
- Production from Pateke-4H likely to commence in 2Q CY2015
- Estimated tie-back costs USD44 million gross (net USD25 million to AWE including USD6 million expended in FY2013-14)

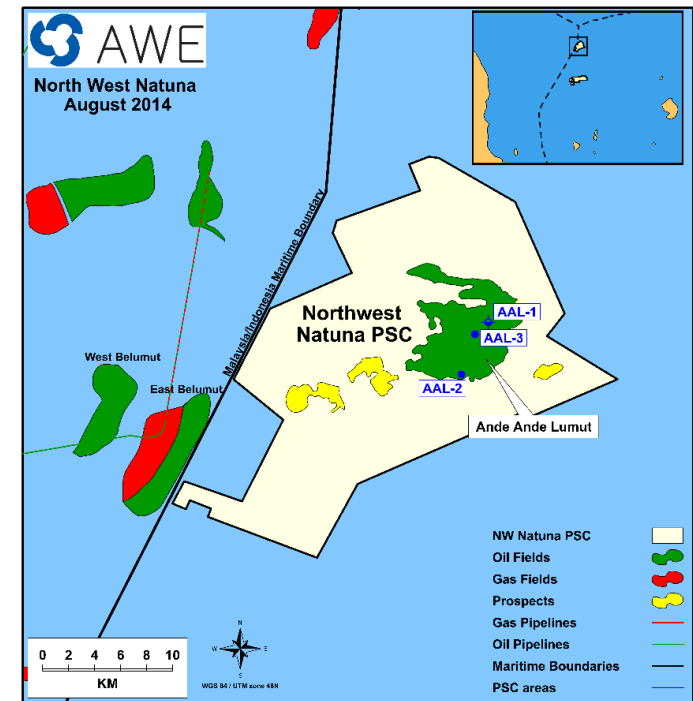
Good progress in Indonesia

Ande Ande Lumut Oil Project

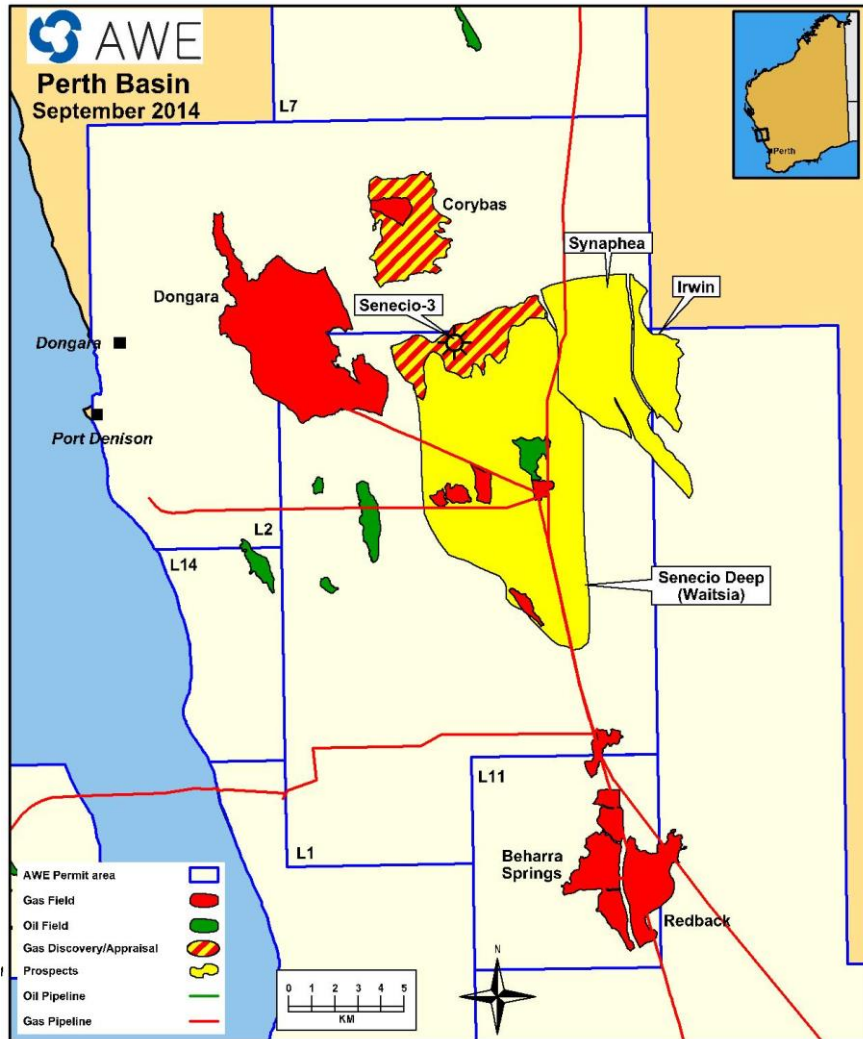
- Wellhead platform FEED nearing completion
- Revised FPSO tender process to commence in 2H CY2014
- FID planned for mid-2015
- Targeting first oil in late 2017
- JV considering G-Sand appraisal well in CY 2015 – will require separate POD
- Further reserves upside potential in G Sand (35 mmbbls gross recoverable oil, net 2C 8.4 mmbbls to AWE)
- Additional exploration prospects in PSC acreage

Lengo Gas Project

- Operator of Bulu PSC (Kris Energy) has completed a Plan of Development
- Draft POD submitted to regulator, SKK Migas
- Estimated 200 Bcf recoverable sales gas
- Good proximity to strengthening gas market on East Java

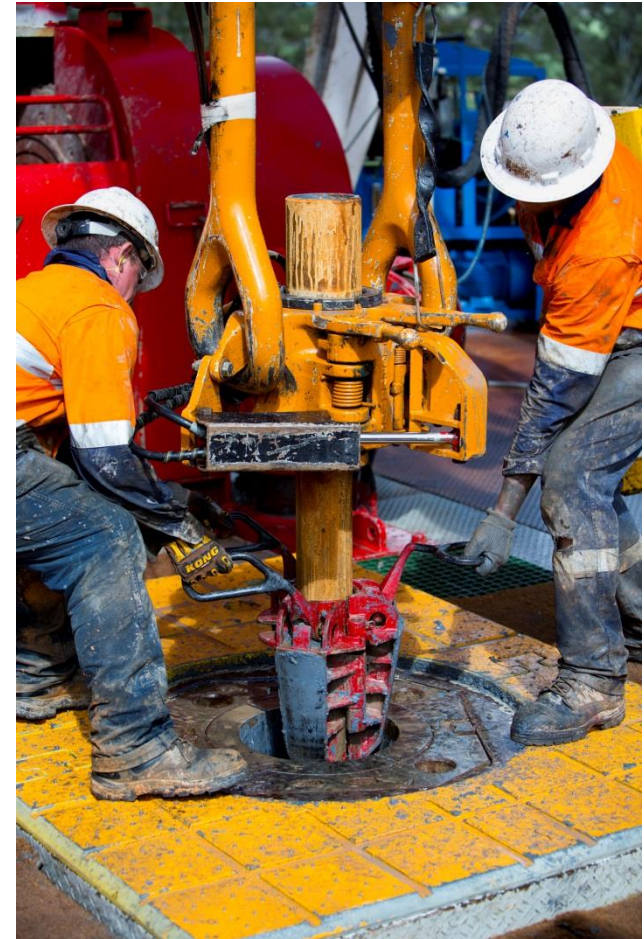
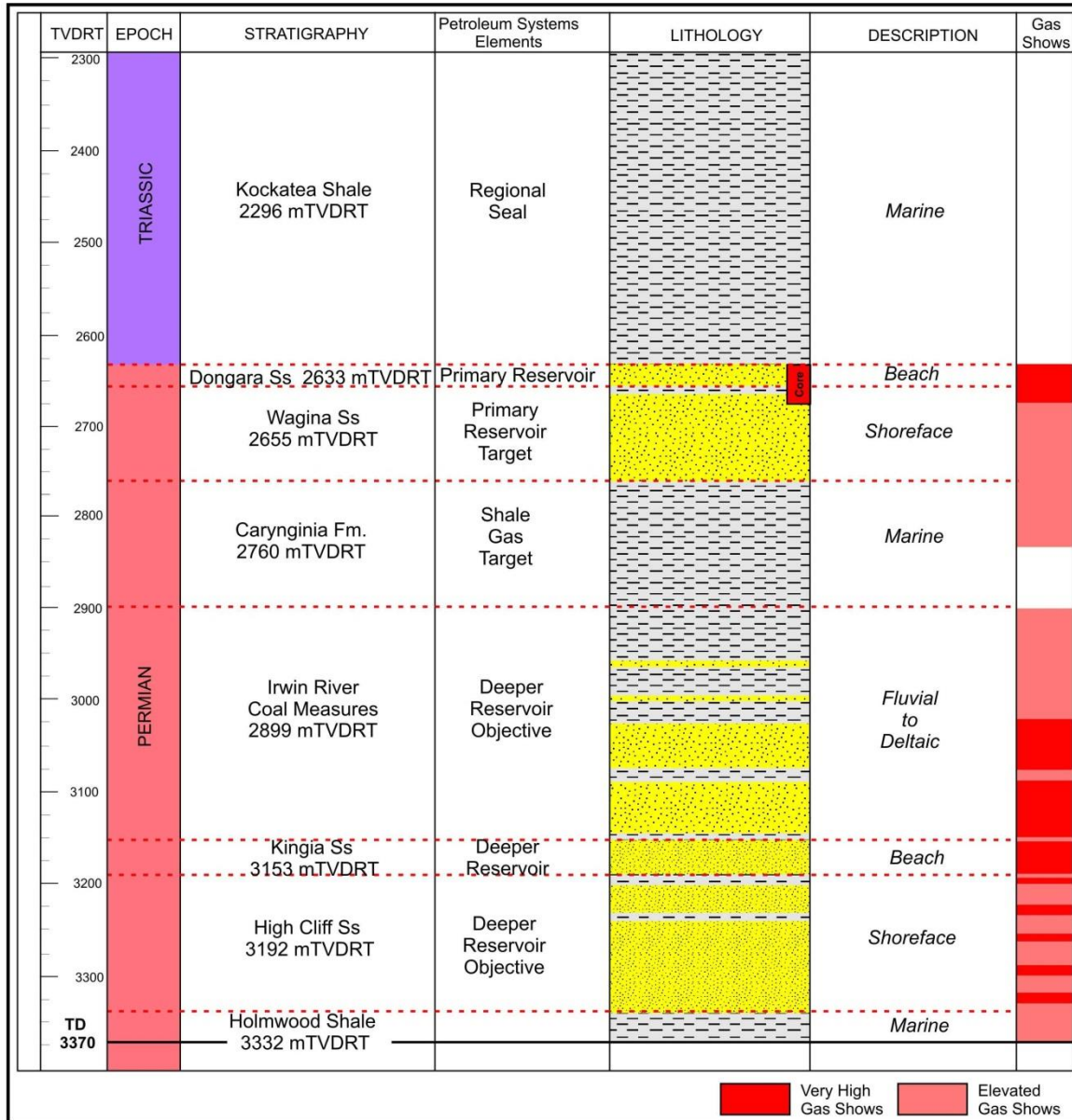


Exciting new discovery in Perth Basin

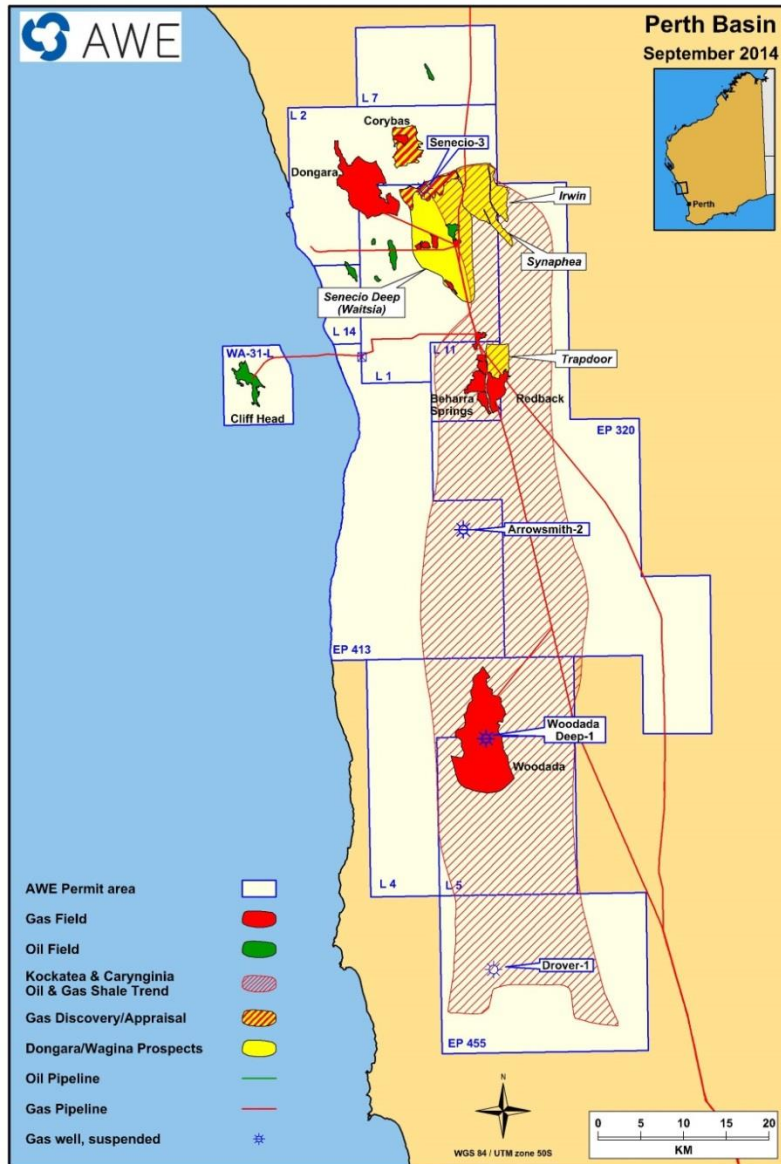


- Senecio-3 confirmed viability of Senecio field development of Dongara/Wagina reservoir
- Estimated gross 2C for Senecio revised upwards to 70 Bcf (P50) with range 40/70/130 Bcf (P90/P50/P10)
- Substantial new gas discovery in Kingia/High Cliff Sandstone - “Waitsia” (was Senecio Deep)
- Early development opportunity – close to existing gas plant and pipeline infrastructure
- Potential low cost development in strong WA domestic market
- Joint Venture considering production testing in 2014 of Senecio-3 (Senecio and Waitsia) and further appraisal early 2015
- Irwin-1 well planned for FY2014/15

Senecio-3 stratigraphy



Perth Basin gaining momentum



- Perth Basin has existing production, infrastructure and markets
- Multiple plays – conventional and tight gas sandstones, oil and gas shales
 - Northern tight gas play
 - New discovery, “Waitsia”, potentially a conventional gas play with significant unconventional upside
 - Southern shale oil and gas play
- Early development opportunity at Senecio (Dongara/Wagina)
- Material exploration/appraisal inventory – Waitsia, Irwin, Synaphea, Trapdoor
- Exciting shale oil and gas potential – Drover to Beharra Springs trend
- Encouraging wet gas shows in Kockatea Shale and dry gas shows in Carynginia Shale in Drover-1 (EP455)

Outlook



- **Exciting developments in the onshore Perth Basin**
 - *Conventional flow test of Senecio field and new “Waitsia” discovery in 2014; considering additional appraisal in 2015*
 - *Irwin-1 well planned for FY2014/15; will better define Senecio/Irwin/Synaphea tight gas play*
 - *Drover-1 evaluation under way to define southern extent of shale play*
- **Sugarloaf may drill up to 45 new wells in remainder of CY2014**
 - *More wells coming on line over the same period to deliver increased production*
 - *Co-development of Austin Chalk gaining momentum*
- **BassGas development drilling – two well program – summer 2014-15**
 - *Access undeveloped reserves and underpin production into next decade*
 - *Opportunity to accelerate remaining phase of MLE and undertake compression lift*
- **AAL oil project Final Investment Decision (FID)**
 - *WHP FEED nearing completion; FPSO tender plan submitted for approval*
- **Lengo oil project Plan of Development (POD)**
 - *POD and approval by regulator (currently in draft form)*

Key Indicator	Guidance FY2014-15
Production (million BOE)	4.6 – 5.1
Sales Revenue (\$m)	290 - 320
Development Expenditure (\$m)	220 - 250
Exploration Expenditure (\$m)	50

- Production guidance lower than previous FY due to sale of 11.25% of BassGas, a planned shutdown at BassGas for MLE Phase 1b and 2 (to access more reserves and significantly extend field life), scheduled maintenance and natural field decline
- Development expenditure up over previous FY with increased activity forecast at BassGas, Sugarloaf and Tui (anticipated peak capex pre AAL drilling)

A full-page background image of an industrial worker in an orange safety suit and red hard hat working on a platform with large green and red pipes at night. A bright work light is visible above the worker, and steam or smoke is rising in the background.

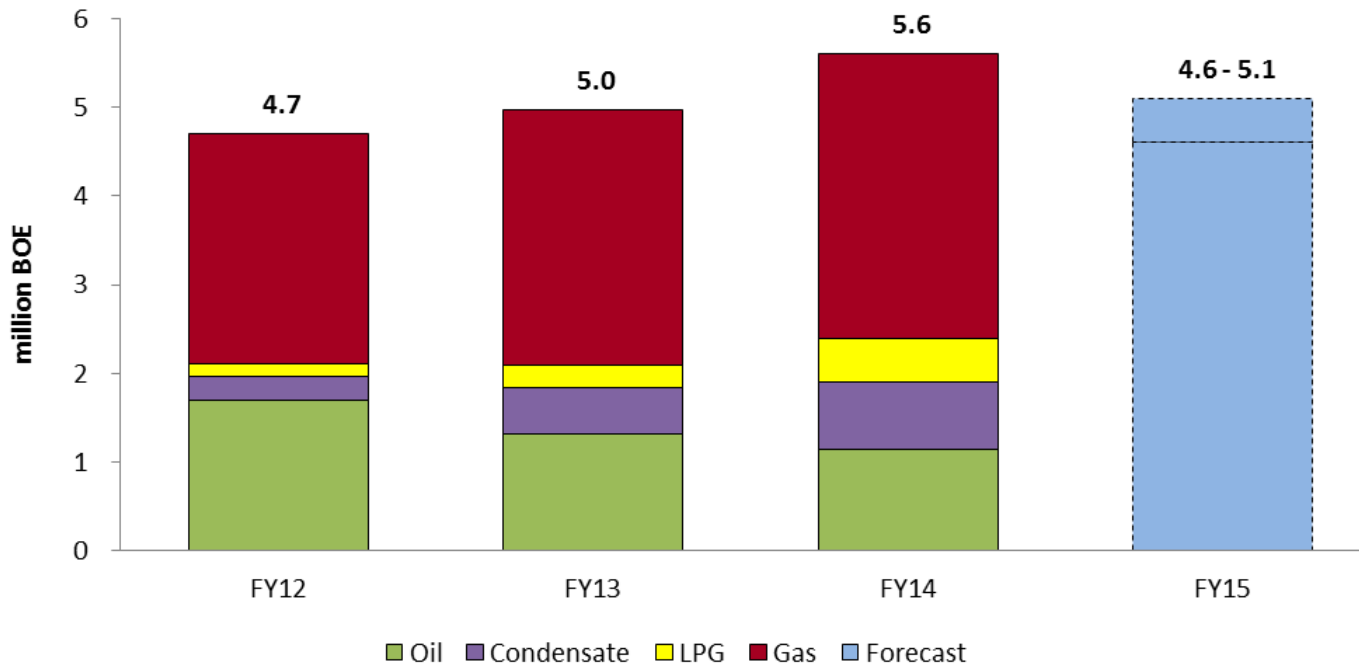
Thank You



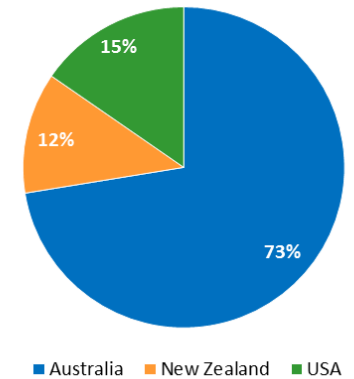
Appendix

Full year financials and
supplementary information

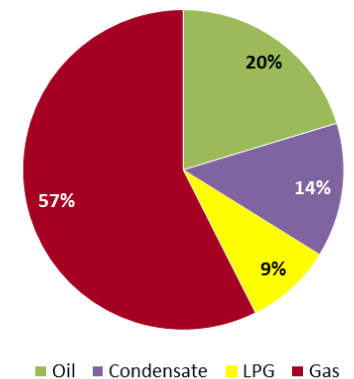
Production for period ending 30 June 2014



FY2013-14 actual production

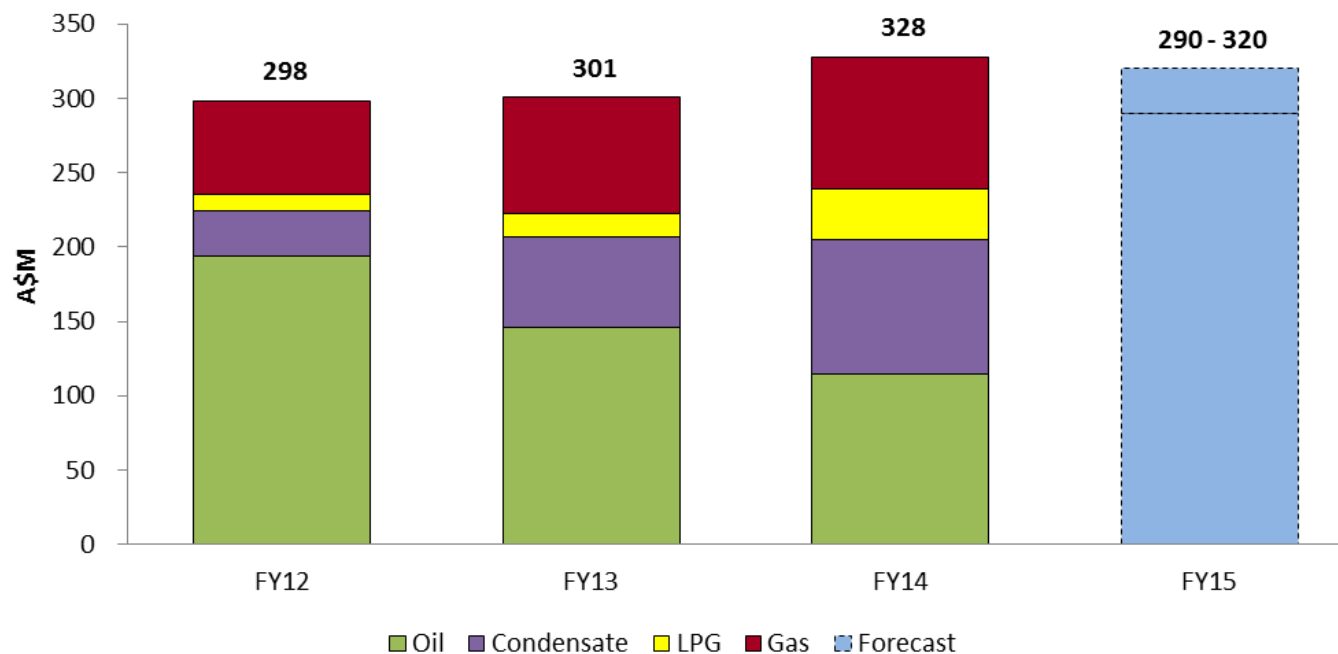


FY2013-14 product mix

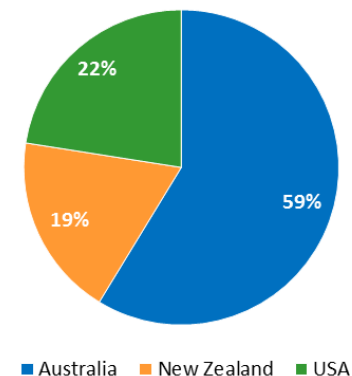


Strong production performance exceeded guidance in FY13-14

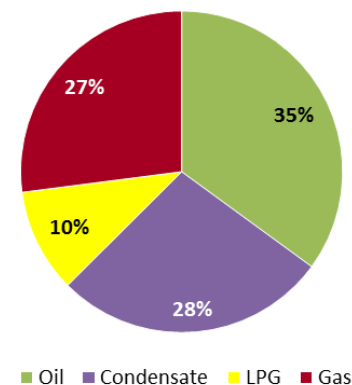
Sales Revenue for period ending 30 June 2014



FY2013-14 Sales Revenue by Geography

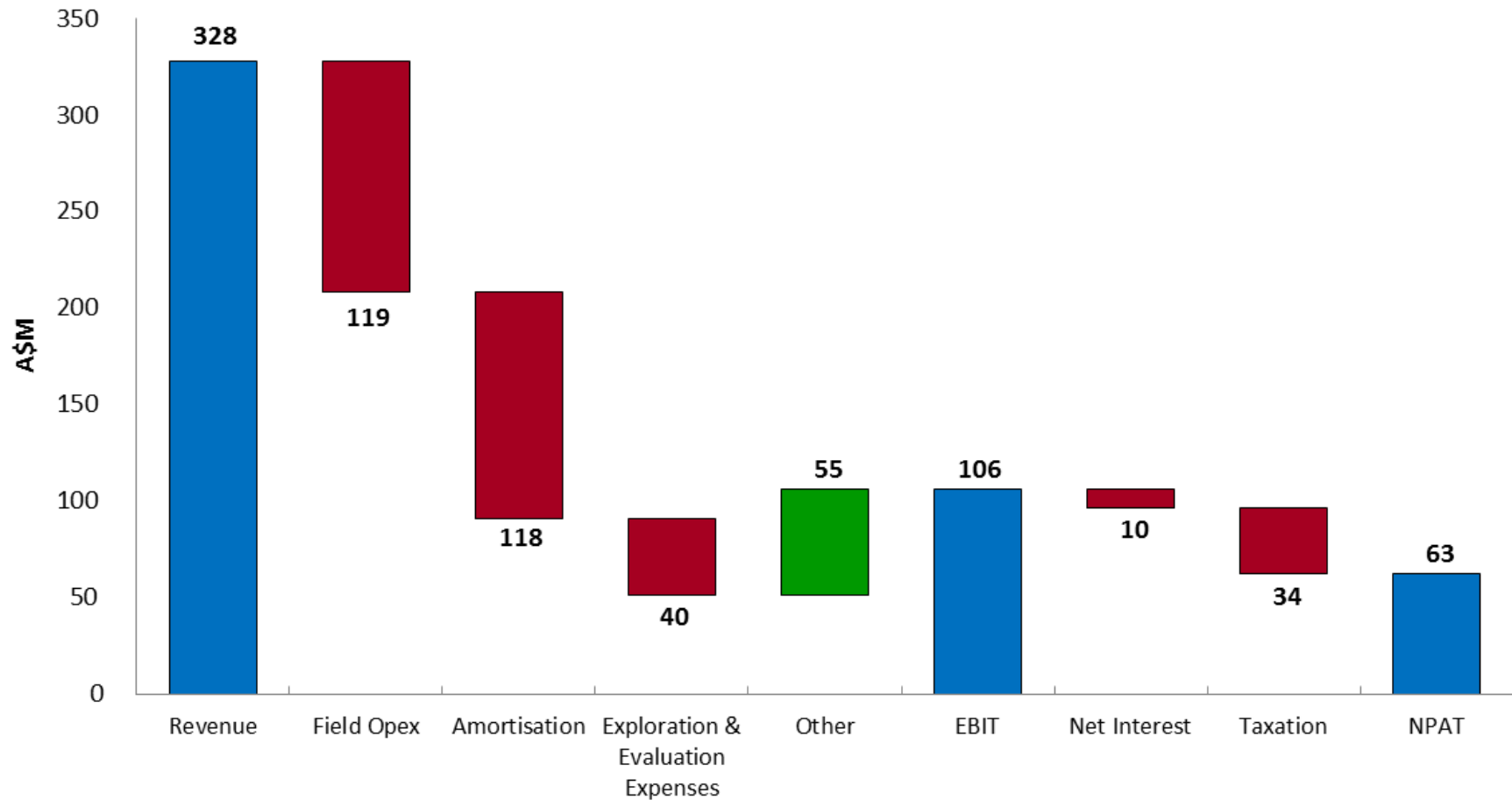


FY2013-14 Sales Revenue by Product



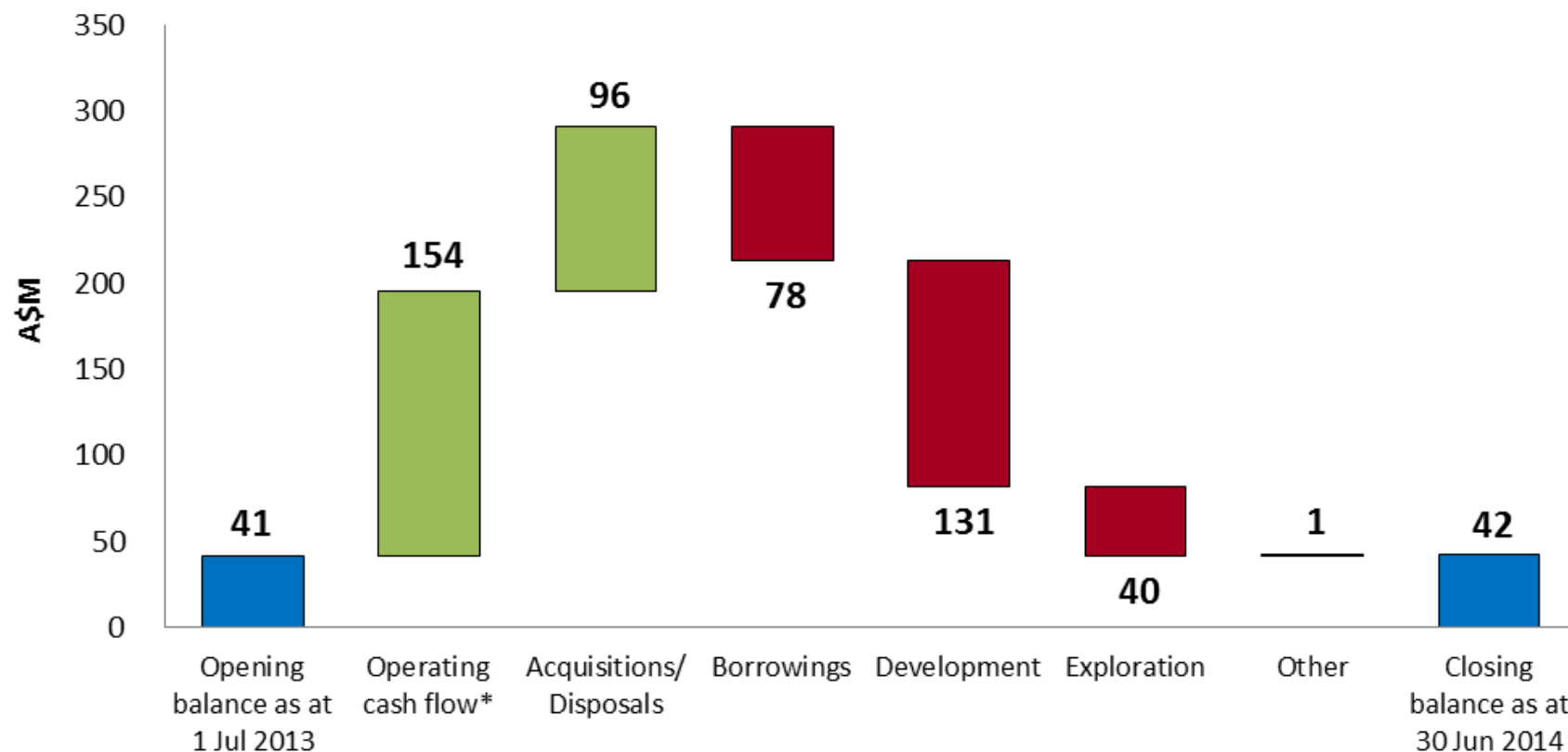
FY13-14 Sales Revenue reflects improved production and strong pricing from target markets

Net Profit after Tax for period ending 30 June 2014



Sale of 50% of AAL contributed to strong result, offsetting higher exploration expense

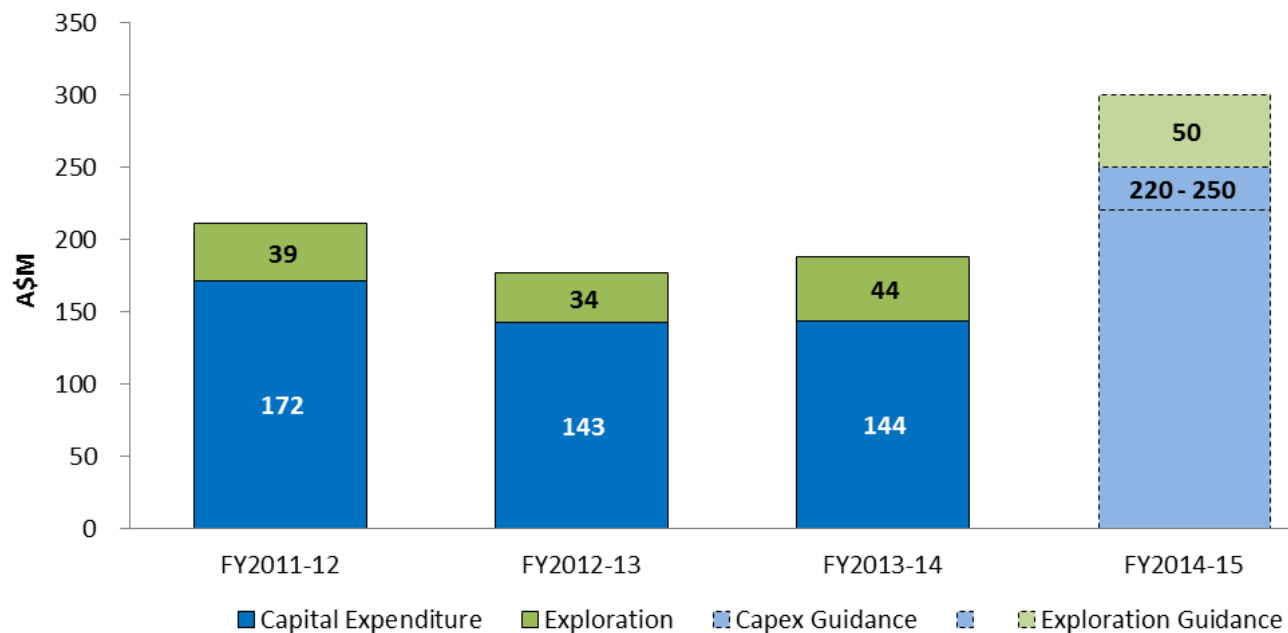
Cash Flow for period ending 30 June 2014



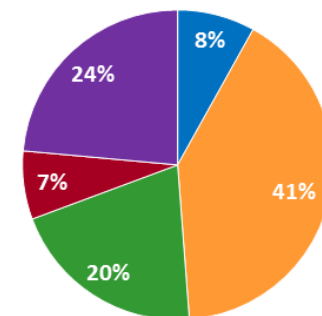
*Operating cash flow excluding exploration expense of \$31 million

Operating cash flow forecast to remain strong

Investment Expenditure

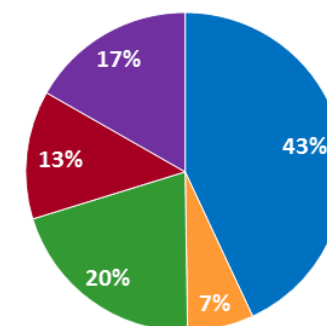


FY2013-14 Investment Expenditure



■ Australia
 ■ New Zealand
 ■ USA
 ■ Indonesia
 ■ Exploration

FY2014-15 Investment Expenditure



■ Australia
 ■ New Zealand
 ■ USA
 ■ Indonesia
 ■ Exploration

FY2014-15 planned capex funded from operating cash flow and existing debt facility

Balance Sheet and Funding

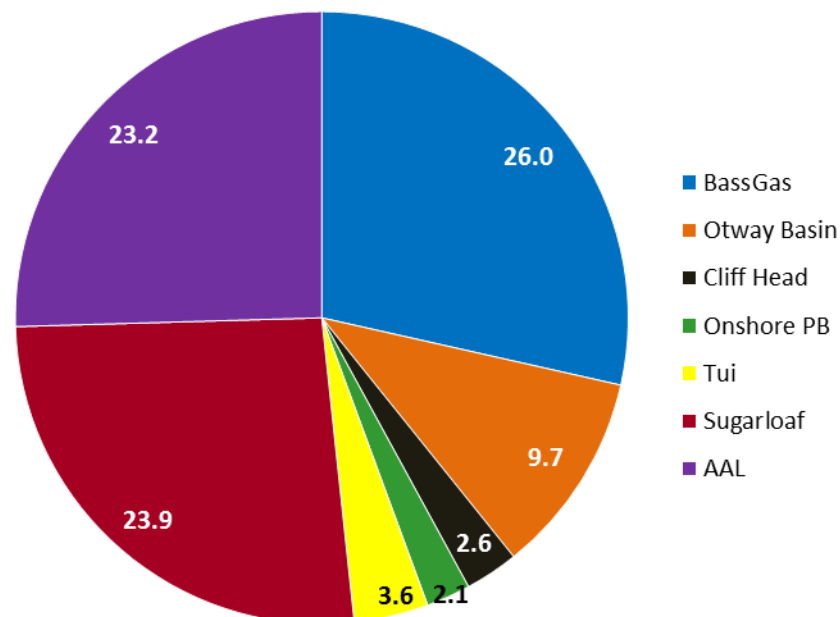
Balance sheet item	FY 2013-14 \$ million
Assets	
Cash and cash equivalents	42.1
Receivables and inventory	139.9
Exploration and evaluation assets	109.3
Oil and gas assets	802.1
Assets held for sale	84.3
Other assets	1.9
Net deferred tax assets	23.0
Liabilities	
Trade and other payables	90.9
Taxes payable/(refundable)	(0.2)
Loan facility drawdown	-
Provisions	156.0
Other liabilities	14.6
Net assets	941.2

Highly liquid balance sheet with significant capacity to fund growth activity

AWE 2P Reserves as at 30 June 2014

2P Reserves

Project/Area	Equity	(million boe)
BassGas	46.25%	26.0
Otway Basin	25.0%	9.7
Cliff Head	57.5%	2.6
Onshore PB	33-100%	2.1
Tui	57.5%^	3.6
Sugarloaf	~7.5%*	23.9
AAL	50%**	23.2
Total		91.0



^ Increased from 42.5% effective 1 October 2013

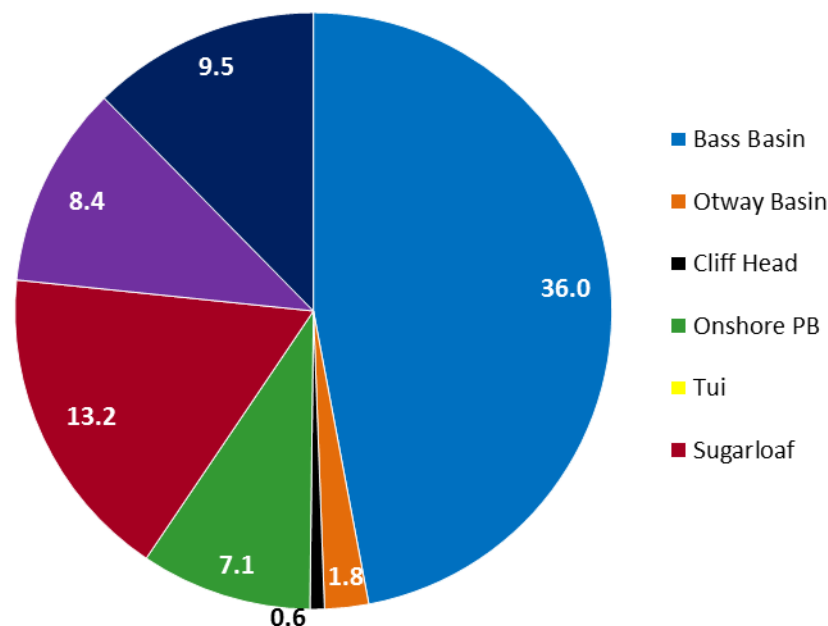
* Net Revenue Interest, post Royalty (Working Interest 10%)

** Equity reduced following sale of 50% interest in November 2013

Note: Numbers may not add due to rounding. To be read in conjunction with AWE's annual reserves statement previously published in its 2013 Annual Report. AWE will publish an updated annual reserves statement in its upcoming 2014 Annual Report.

AWE 2C Resources as at 30 June 2014

<u>Project/Area</u>	<u>Equity</u>	<u>2C Resources (million boe)</u>
Bass Basin	44.75-46.25%	36.0
Otway Basin	25.0%	1.8
Cliff Head	57.5%	0.6
Onshore PB	50%-100%	7.1
Tui	57.5%^	nil
Sugarloaf	~7.5%*	13.2
AAL	50.0%**	8.4
Other Indonesia	42.5-100%	9.5
Total		76.6



^ Increased from 42.5% effective 1 October 2013

* Net Revenue Interest, post Royalty (Working Interest 10%)

** Equity reduced following sale of 50% interest in November 2013

Note: Numbers may not add due to rounding. To be read in conjunction with AWE's annual reserves statement previously published in its 2013 Annual Report. AWE will publish an updated annual reserves statement in its upcoming 2014 Annual Report.