

Leveraging strengthening domestic gas markets

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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). Mr Tupper is a Geologist with a Masters Degree in Sedimentology and has over 31 years' experience in petroleum exploration. Mr Tupper has 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.

Agenda

About AWE Limited

East Coast Gas Markets

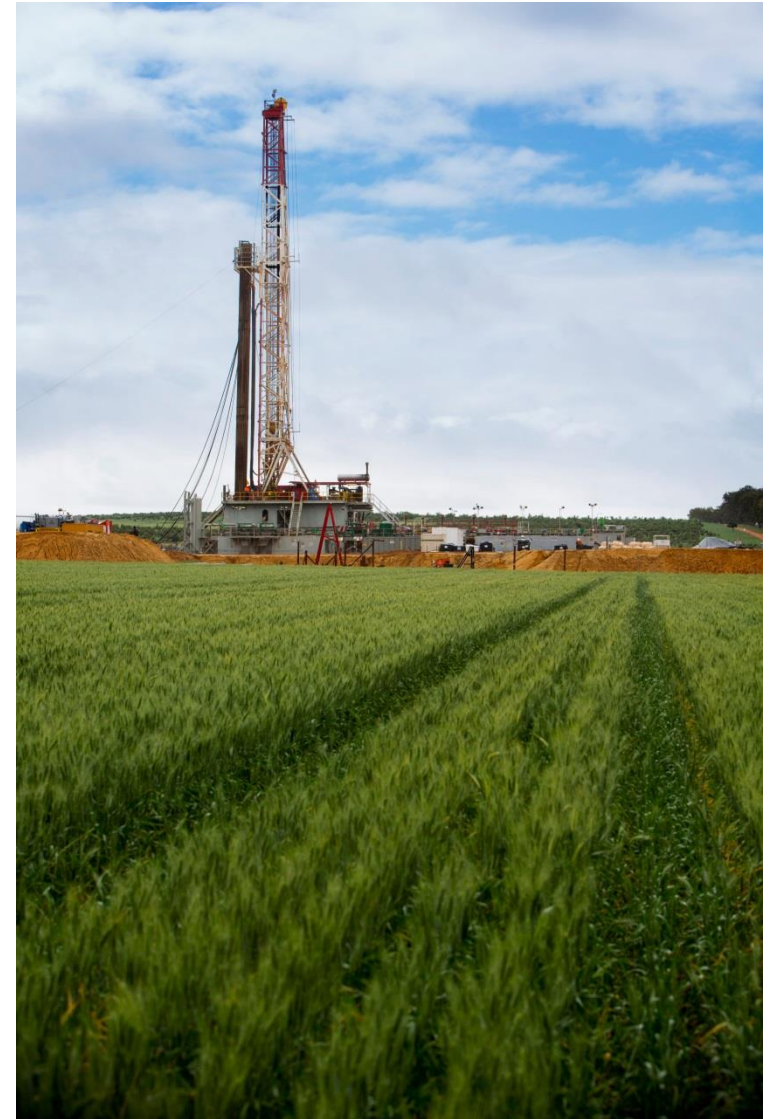
West Coast Gas Markets

**Leveraging strengthening
domestic gas markets**



Australian energy company focused on upstream oil and gas and related energy opportunities

- Strategy focused on Oil, High Value Gas, and Unconventionals
- Portfolio of production, exploration and development assets across Australia, New Zealand, USA, Indonesia and China
- Listed on ASX (ASX: AWE), market capitalisation ~\$900 million
- Experienced Board and Management
- ~110 employees with offices in Sydney, Perth, New Plymouth (NZ) and Jakarta
- 525.9 million ordinary shares on issue
- Sales revenue of \$328 million in 2013-14



- Strong operating performance and financial results achieved in FY2013-14
- Proactive management of portfolio of quality production, development and exploration assets
- Technical and commercial strength; early involvement in projects where AWE can add value
- Foundations established for significant planned growth over next 3-5 years
- Multiple growth opportunities with infrastructure options
- Balance sheet, funding, people and assets in place to deliver growth

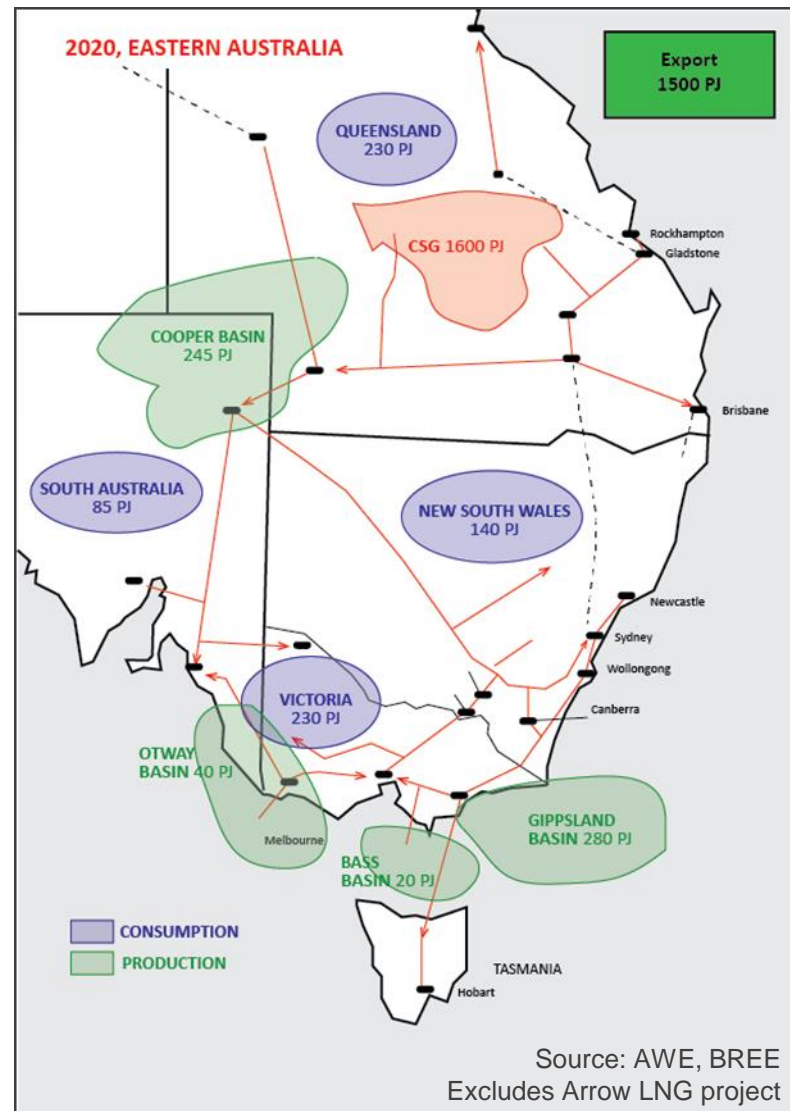
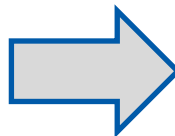
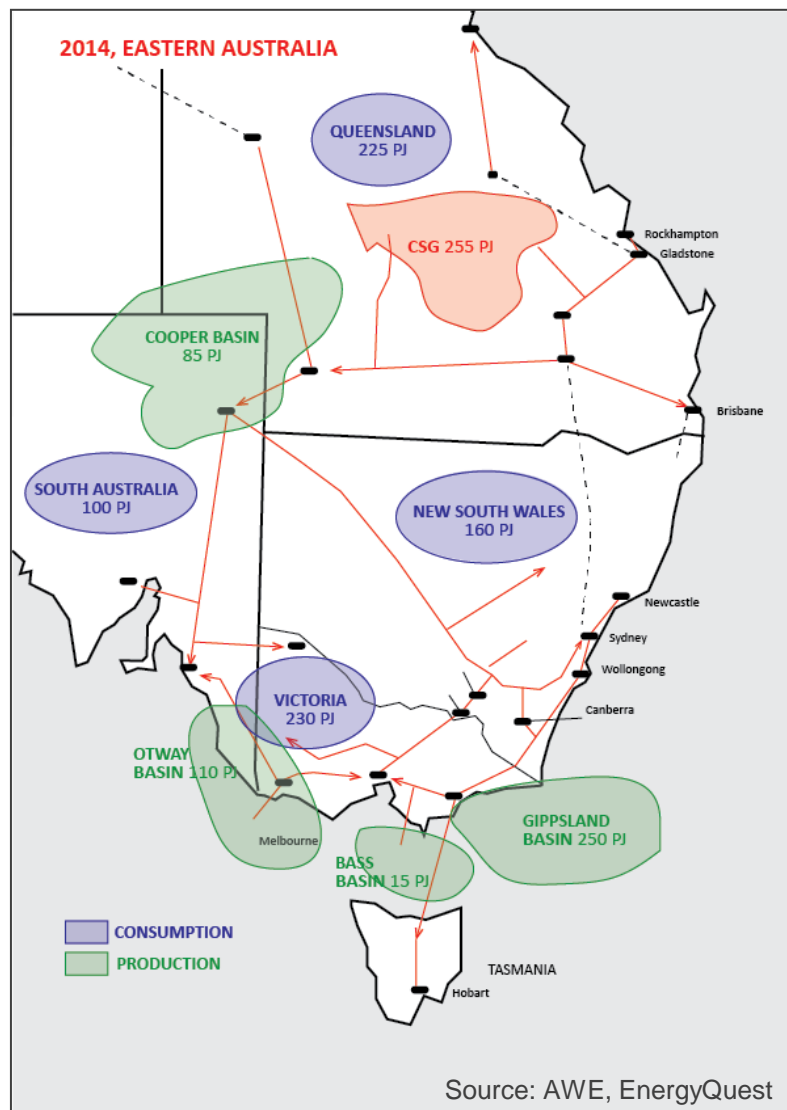
Targeting production growth to 10 million BOE and Field EBITDAX of over \$500 million by the end of 2018*

*From base year of FY2012-13



East Coast Gas Markets

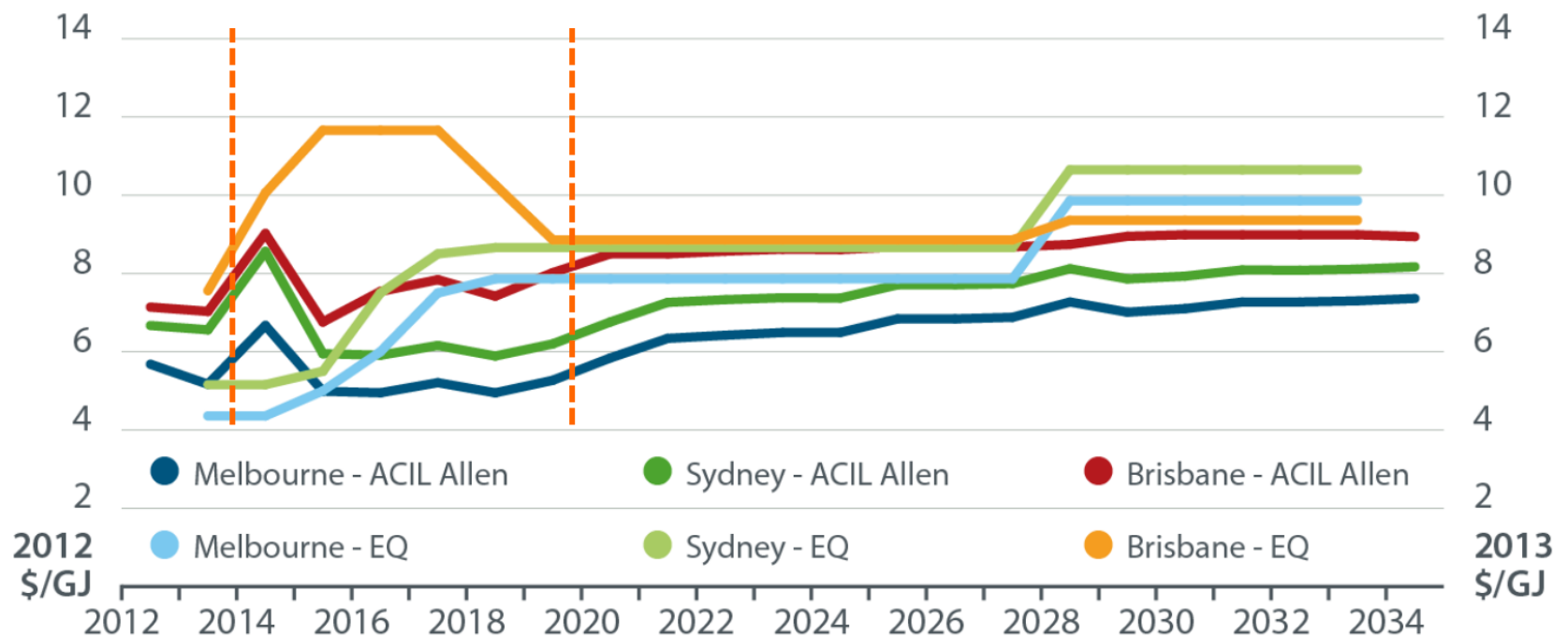
Demand v supply: 2014 - 2020



Cooper Basin and Qld CSG critical to meeting increased demand

East coast gas price projections

Eastern Australia wholesale gas price projections



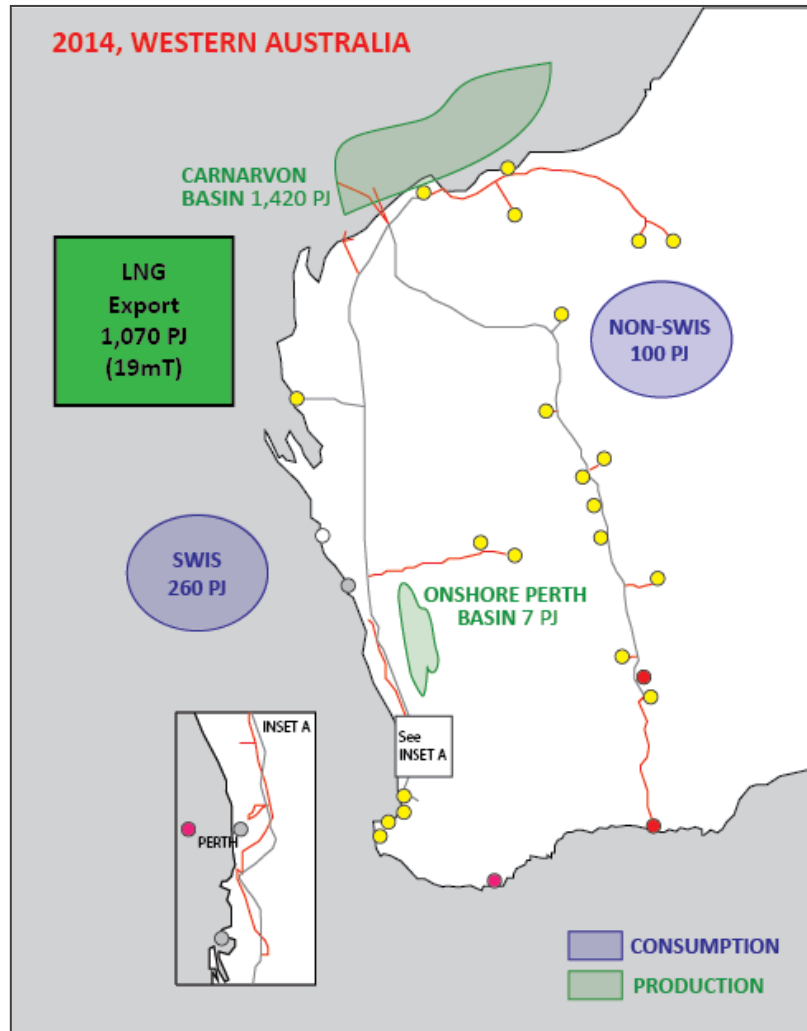
Source: BREE, Eastern Australian Domestic Gas Market Study, 2014

Potential supply/demand gap reflected in pricing volatility between 2014 and 2020

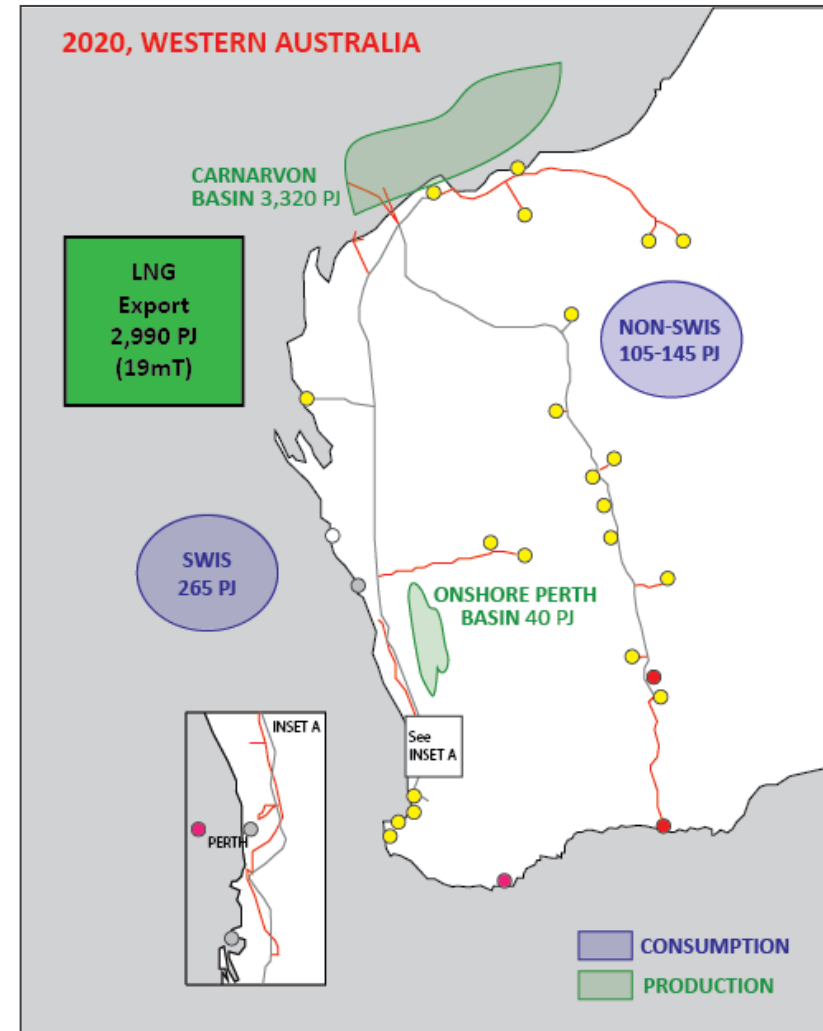
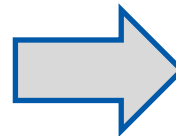
West Coast Gas Markets



Demand v supply: 2014 - 2020



Source: AWE, EnergyQuest, IMO

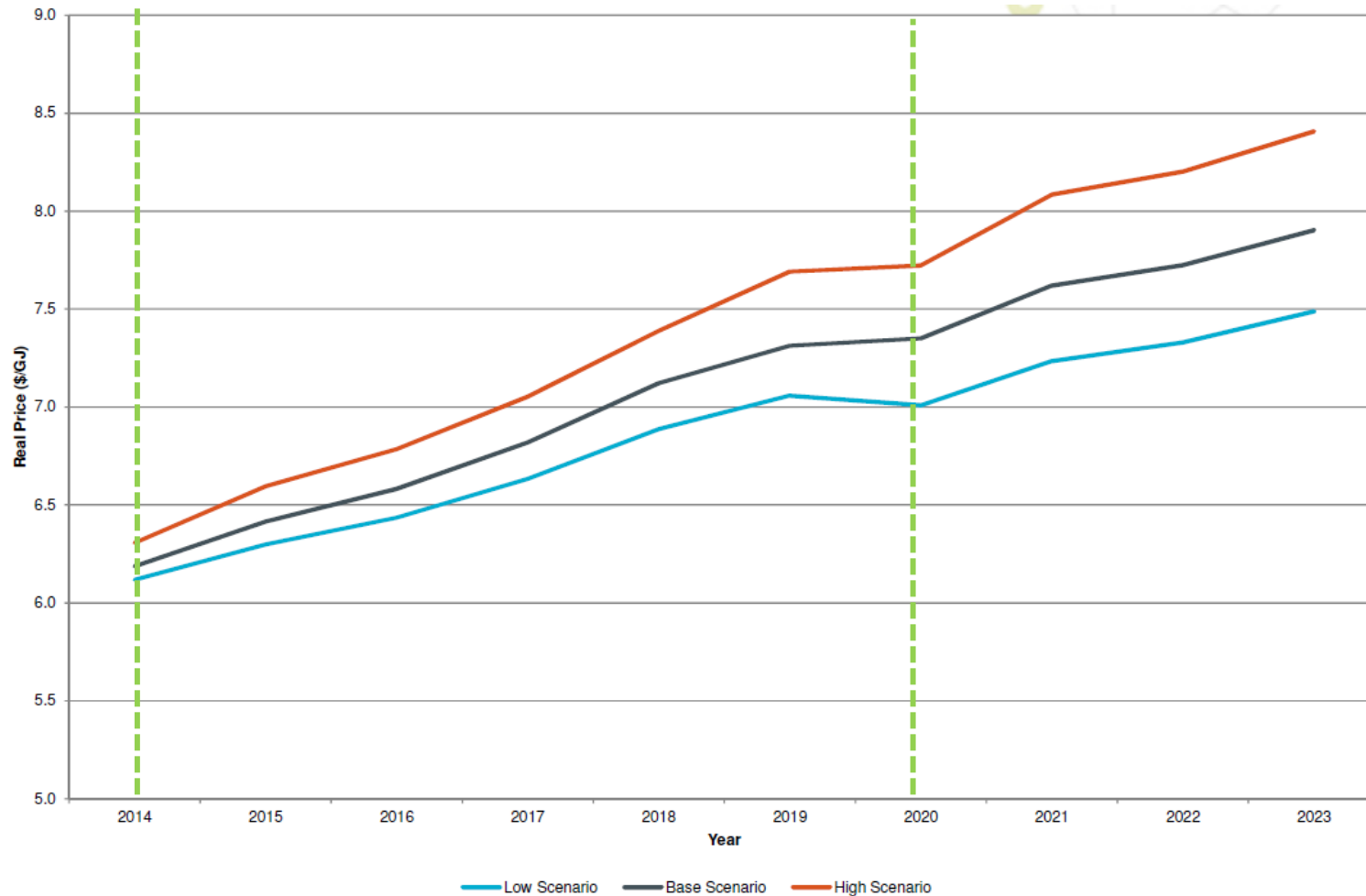


Source: AWE, IMO

Export market to triple between 2014 and 2020

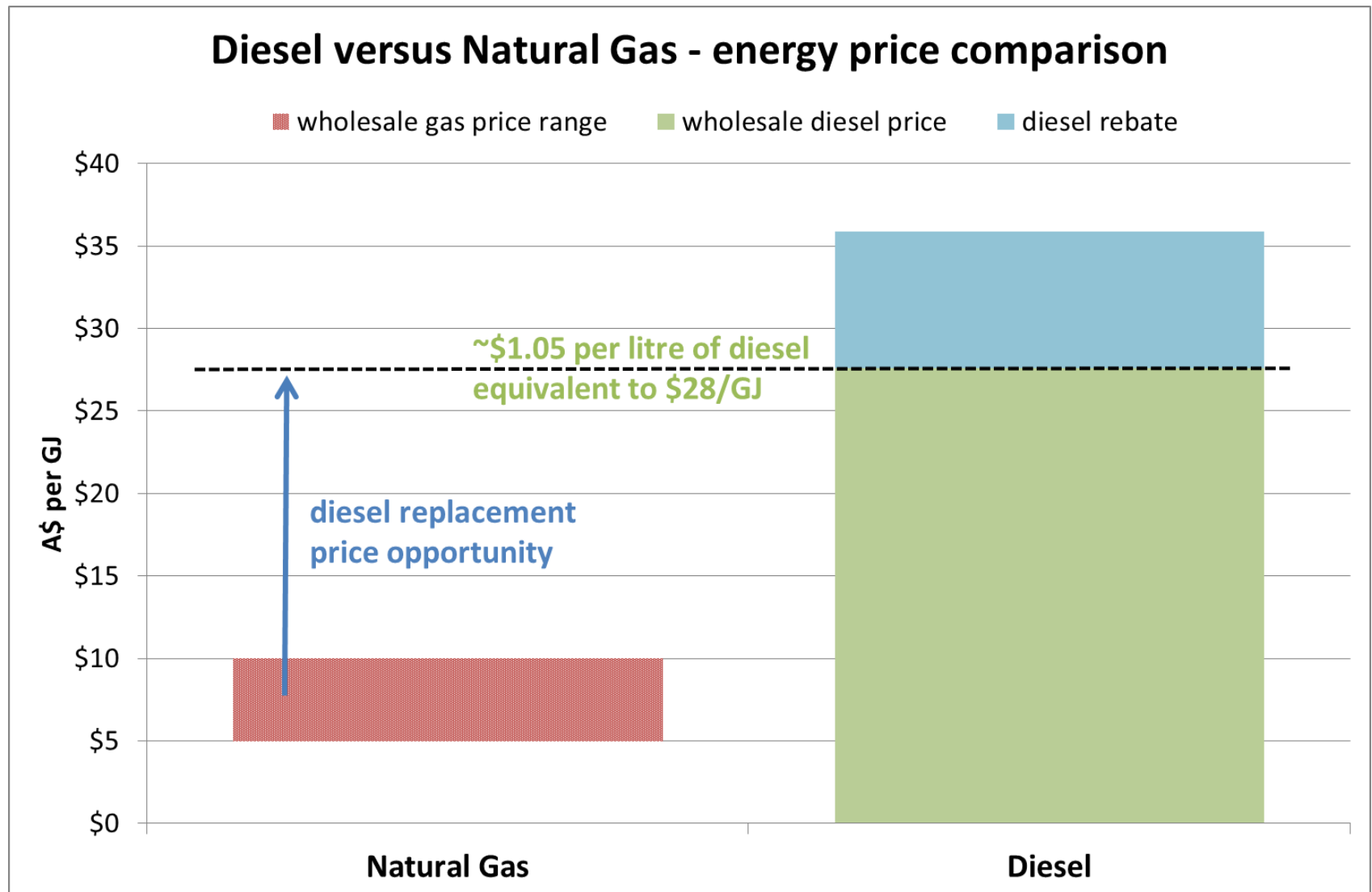
West coast gas price projections

Forecast Average New Contract Gas Prices (real) for WA Domestic Market



Source: IMO, Gas Statement of Opportunities, 2014

Forecast WA market price increase trending towards LNG export parity

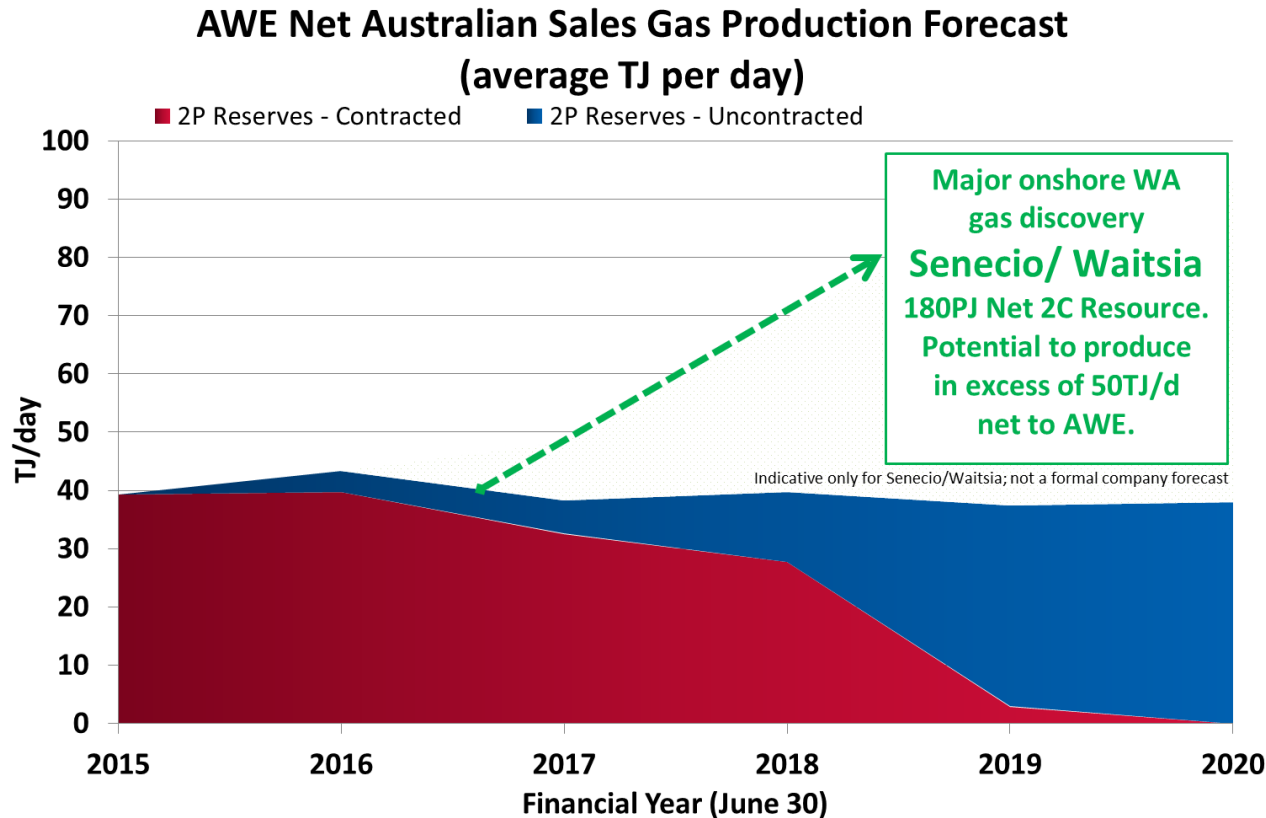


Opportunity for mining companies to reduce energy costs

Leveraging strengthening gas markets



AWE leveraged to rising gas prices



Substantial uncontracted domestic gas position

- Industry experts forecast the domestic gas price to rise sharply over the next 5-10 years
- Two-thirds of AWE's Australian 2P gas reserves are uncontracted
- 100% of AWE's Australian 2C gas resources exposed to higher gas price environment

Recontract both Otway and Bass basin production within the next 2 years

Senecio and Waitsia – initial volumes

Table 1. Initial gross 2C Contingent Resources estimates for the Senecio and Waitsia Fields

Field	Reservoir Interval	Original Gas in Place (Bcf)			Recoverable (Bcf)		
		P90	P50	P10	P90	P50	P10
Senecio	Dongara/Wagina	86	148	246	40	70	130
Waitsia	Kingia/High Cliff Sandstone	115	489	1961	65	290	1170

Table 2. Initial gross Prospective Resources estimates for the Waitsia Field

Prospects	Reservoir Interval	Original Gas in Place (Bcf)			Recoverable (Bcf)		
		P90	P50	P10	P90	P50	P10
Waitsia	Irwin River Coal Measures	228	810	2813	114	420	1497
	Carynginia Shale	Not yet determined					

Senecio and Waitsia represent a combined net 180 Bcf 2C Resource to AWE

Thank you

