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AWE LIMITED

+ ANNUAL GENERAL MEETING
20 NOVEMBER 2014

Opening

Welcome, AWE Limited's 2014 AGM



Bruce Phillips, Chairman

Introduction to directors

Bruce Clement, Managing Director



David McEvoy



Kenneth Williams



Introduction of directors

Vijoleta Braach-Maksvytis



Raymond Betros



Karen Penrose



Neville Kelly, Company Secretary



Indonesian Advisory Board Members

Evita Herawati Legowo



- **Evita** is the former Director General of Oil & Gas of the Ministry of Energy and Mineral Resources (2008-2012).
- She was a Commissioner of PT Pertamina (Persero) from May 2010 to April 2013.
- Evita received a Dr. Ing. in Oil Chemicals from Technische Universität Clausthal Germany in 1991.
- She also currently serves as a lecturer at the Swiss German University in Jakarta and is a Commissioner and adviser for a number of Indonesian and international companies.

Suwito Anggoro



- **Suwito** is CEO of PT Austindo Nusantara Jaya (Food, Agro & Renewable Energy).
- Previous roles include Commissioner and then Deputy President Director of PT ANJ, President Director of Chevron Pacific Indonesia (CPI) and before that as Senior Vice President Exploration, Production & Technology (EPT), Business Development & Non-Operated Joint Ventures (CPI).
- Suwito holds a degree in electrical engineering from the Bandung Institute of Technology, Bandung (1979), a Master of Science in Power System Engineering from Union College, Schenectady, New York (1986) and achieved a certification in International Business Management from University of Michigan, Ann Arbor in 2000.

- ☐ Notice of meeting
- ☐ Accounts and reports
 - ☐ Chairman's address
 - ☐ Managing Director's report
 - ☐ Questions
- ☐ Resolution 1 - Remuneration report
- ☐ Resolution 2(A) - re-election of Bruce Phillips as a director
- ☐ Resolution 2(B) – re-election of David McEvoy as a director
- ☐ Resolution 3 – Issue of Cash Share Rights
- ☐ Resolution 4 – Increase Non-Executive Director Pool
- ☐ Closure

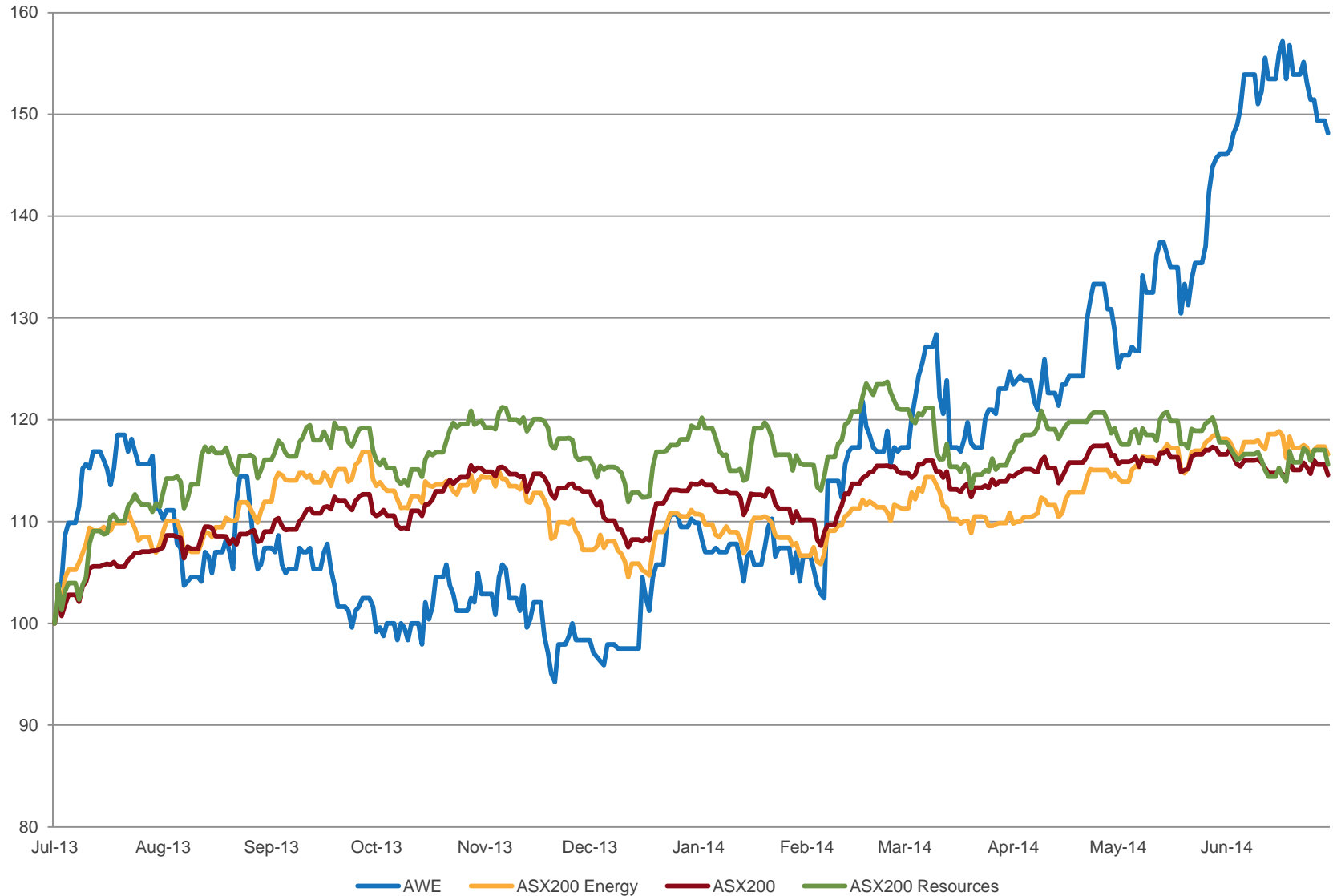
A wide-angle photograph of a lush green field, likely a crop field, stretching towards the horizon. In the distance, a tall drilling rig is visible, surrounded by some industrial equipment and structures. The sky is filled with large, dramatic clouds, with patches of blue visible. The overall scene suggests a juxtaposition of agriculture and industrial activity.

Bruce Phillips

Chairman

AWE share price performance

Price Performance (indexed as of 01/07/13)



AWE asset locations



1

SUGARLOAF AMI
Texas, USA

2

BLOCK 09/05
Bohai Bay Basin,
China

3

**ANDE ANDE
LUMUT
OIL PROJECT**
Natuna Sea,
Indonesia

4

**INDONESIAN
EXPLORATION
PROJECTS**
East Java Sea,
Indonesia

5

**CLIFF HEAD
OIL PROJECT**
Perth Basin,
Western Australia

6

**ONSHORE
PERTH BASIN**
Western Australia

7

**CASINO GAS
PROJECT**
Otway Basin,
Victoria

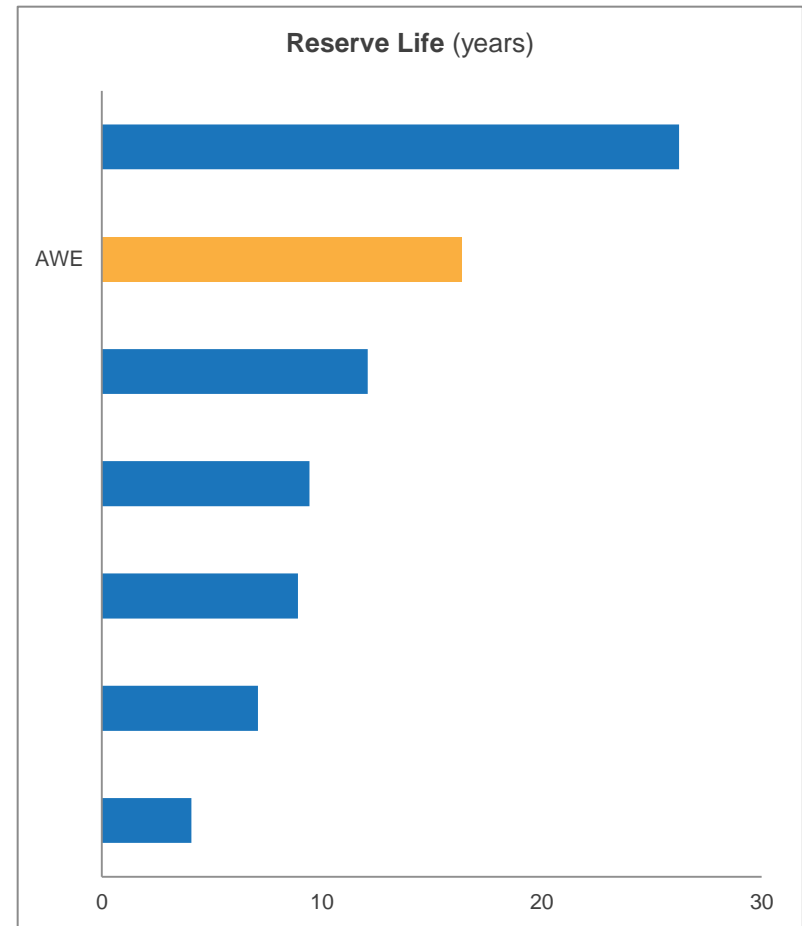
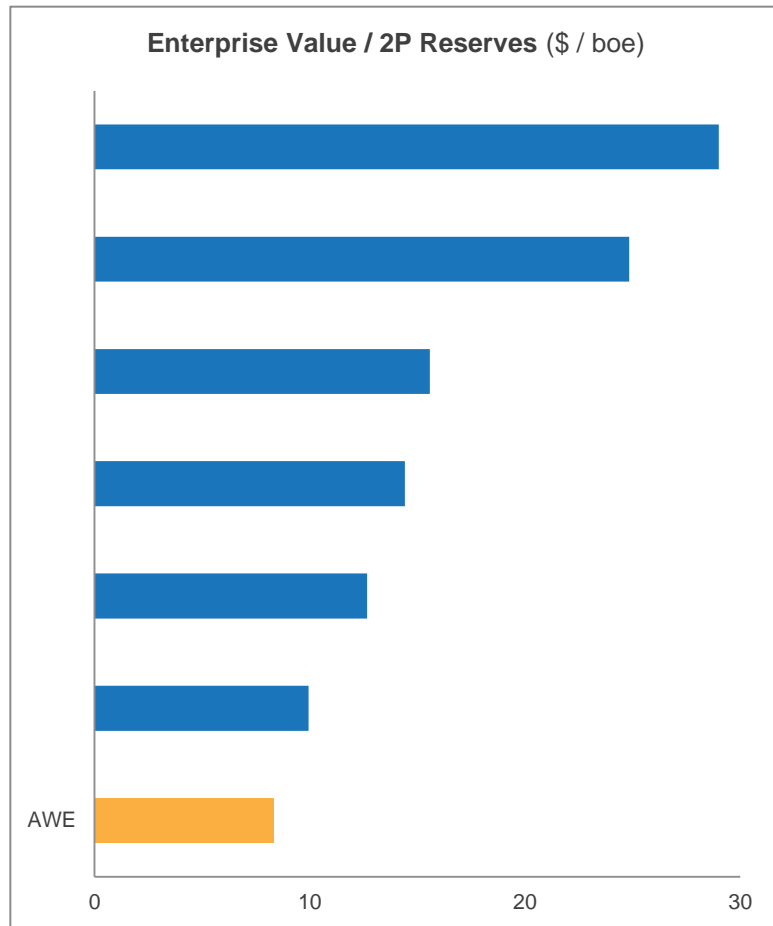
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**BASSGAS
PROJECT**
Bass Basin,
Tasmania

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TUI OIL PROJECT
Taranki Basin,
New Zealand

AWE relative to peers



Source: Company filings, Bloomberg

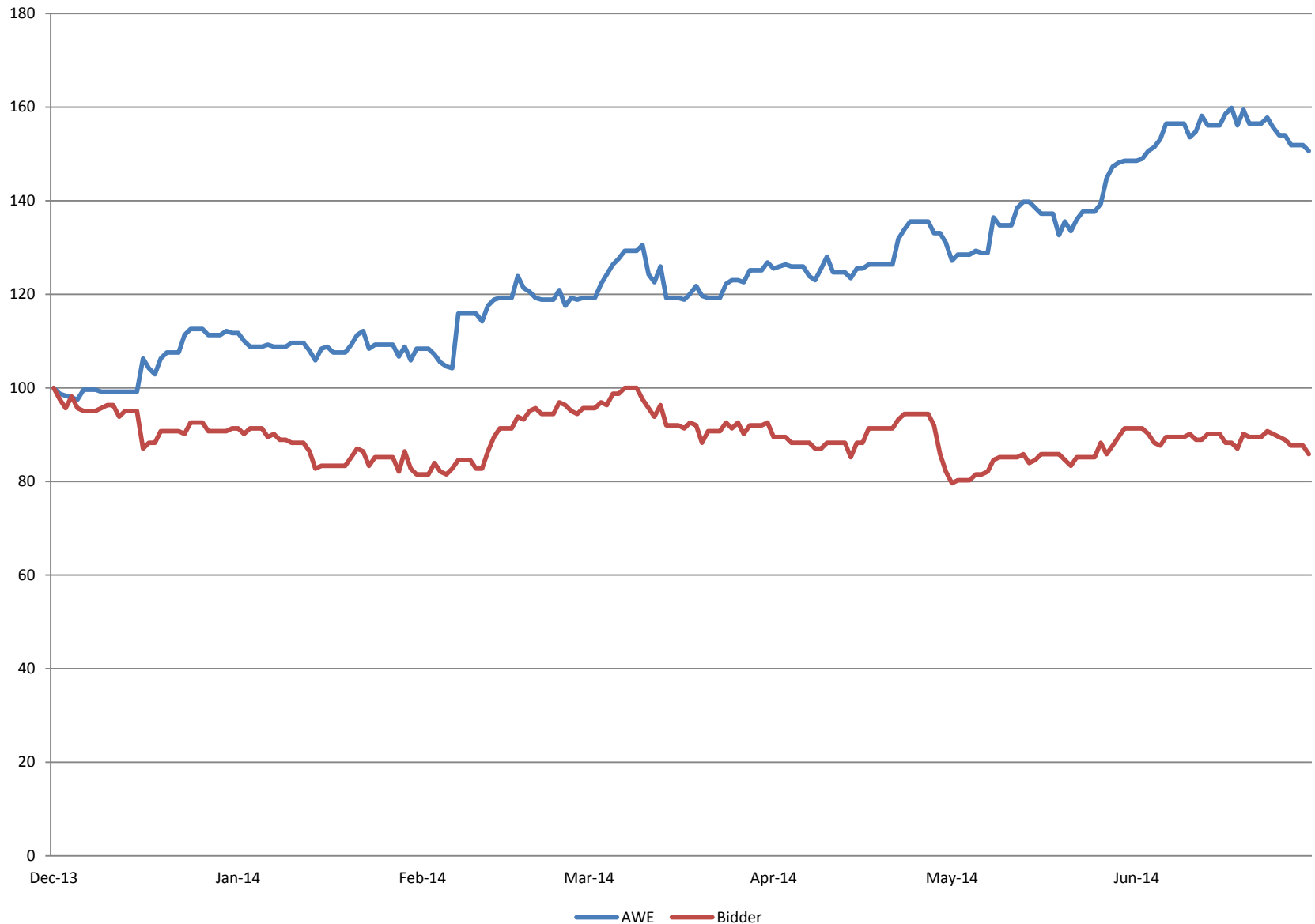
Notes:

1. Peer group includes Beach Energy, Drillsearch, Horizon Oil, NZOG, Senex Energy, and Tap Oil (not in that order)

2. EV as of 14th Nov 2014

3. Reserve Life = 2P Reserves / Annualised Production

AWE share price since offer



A wide-angle photograph of a lush green field, likely a crop field, stretching towards the horizon. In the distance, a tall drilling rig is visible, surrounded by some construction equipment and materials. The sky is filled with large, dramatic clouds, with patches of blue visible.

Bruce Phillips

Chairman

Bruce Clement

Managing Director



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.

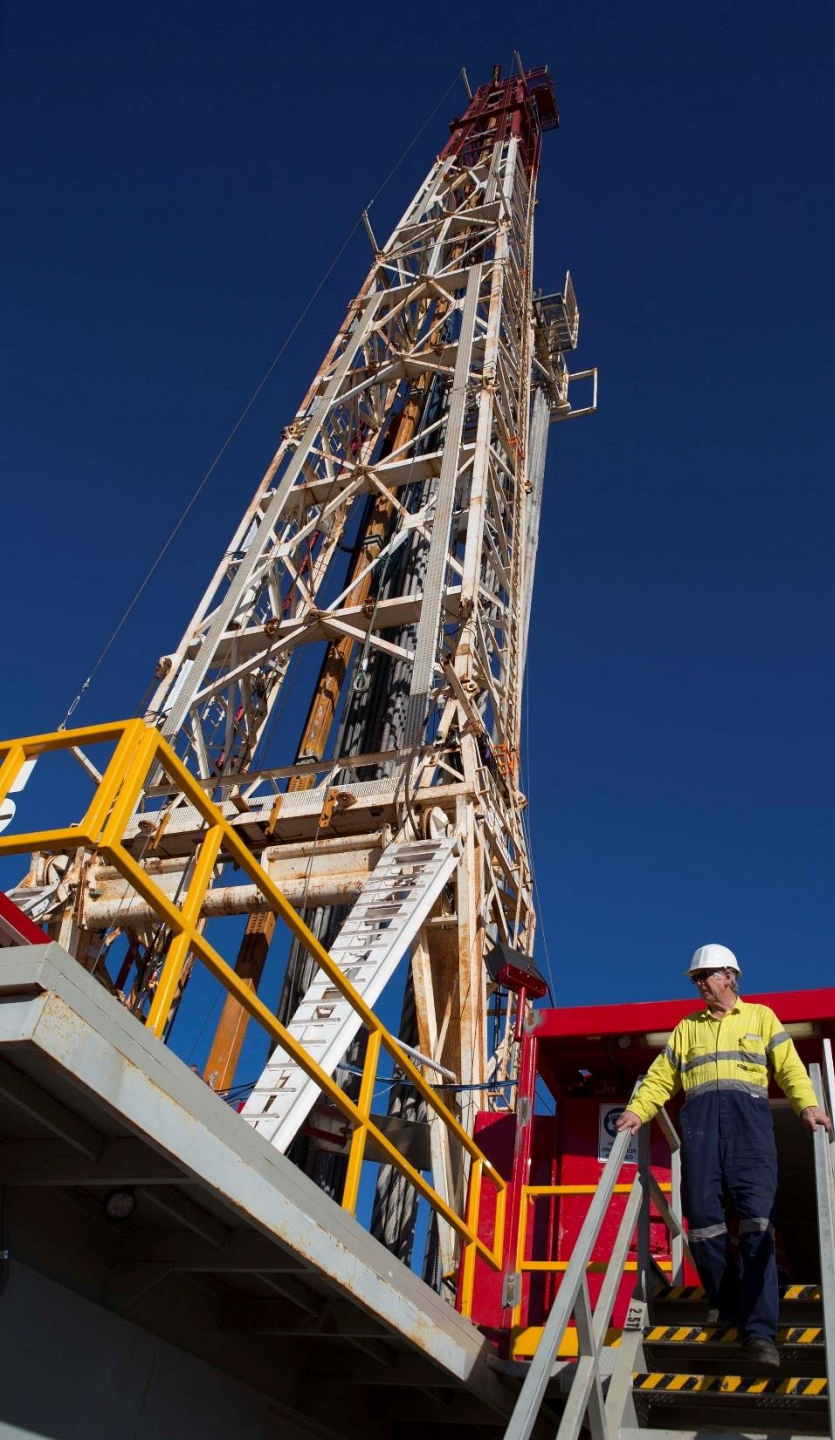
Reserves and Resources. The reserve and resource information contained in this report is based on information compiled by Neil Tupper (General Manager, Exploration & Geoscience). Mr Tupper is a Geologist with a Masters Degree in Sedimentology and has over 31 years' experience in petroleum exploration. 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

The Year in Review
Positioned for Growth
Cornerstone Projects
Perth Basin Update
Other Opportunities
Looking Ahead



Year in Review

For the 12 months
to 30 June 2014

Financial and Operational Highlights

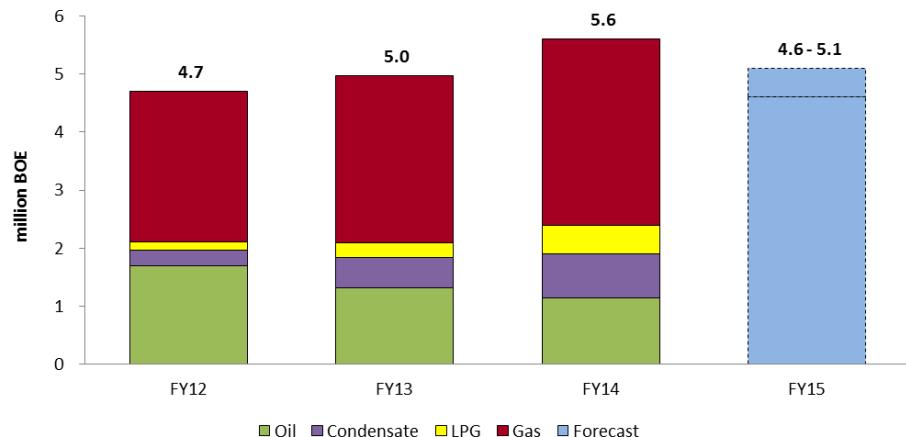
- Exceeded operational goals for the year, e.g. production, revenue, portfolio management and HSE
- Accelerated drilling, increased production and increased Reserves and Contingent Resources at Sugarloaf
- Sold 50% of AAL oil project for US\$188m, exceeded market expectations
- Sold 11.25% of BassGas and 9.75% of Trefoil for \$85m
- Major discovery in Perth Basin subsequent to year end
- Excellent safety and environmental performance

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

Major milestones achieved in FY2013-14 and well positioned for growth

Production and Revenue

Production for period ending 30 June 2014



Total Production

5.6 million BOE, up 13%

Sales Revenue

\$328.2 million, up 9%

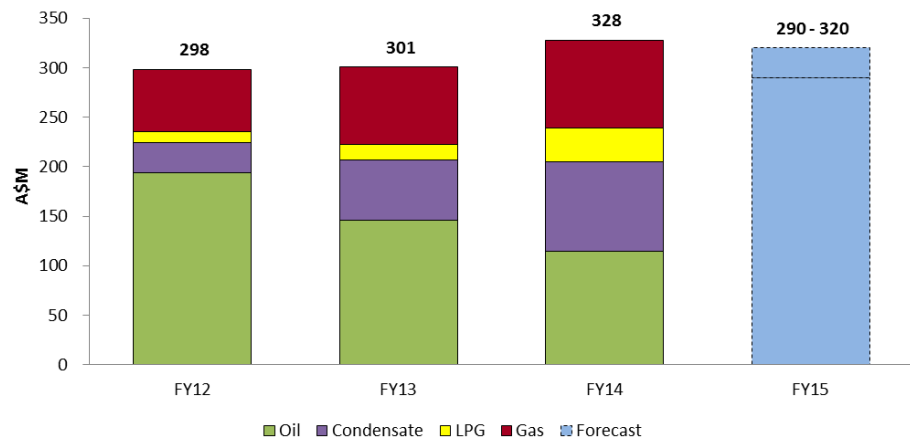
Operating cash flow[^]

\$154.3 million, up 18%

Statutory NPAT *

\$62.5 million, up 213%

Sales Revenue for period ending 30 June 2014



Average Realised Oil and Condensate Price

\$109 per bbl, up 6%

Operating costs per BOE (sold)

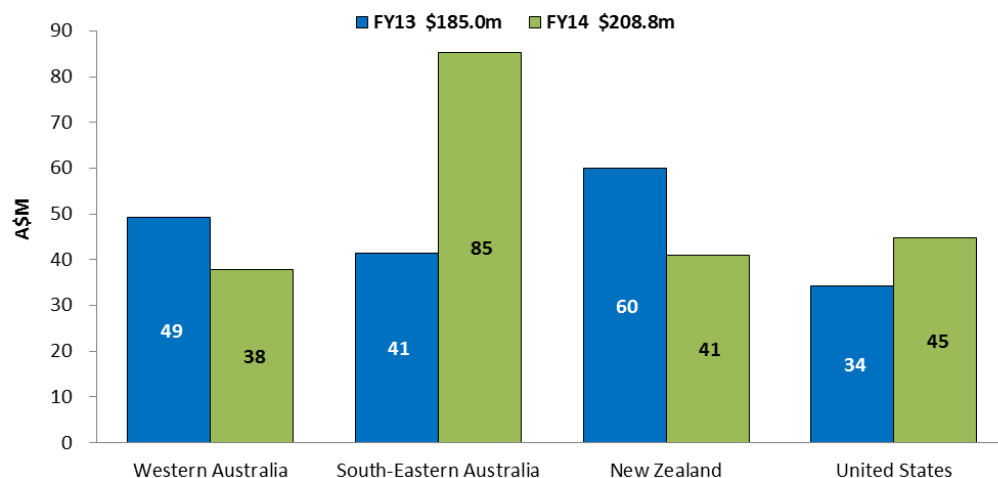
Down 4% to \$22.08

*NPAT includes \$75.5 million net gain from the sale of 50% 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 production and revenue exceeded guidance in FY2013-14

Field EBITDAX for the year ending 30 June 2014



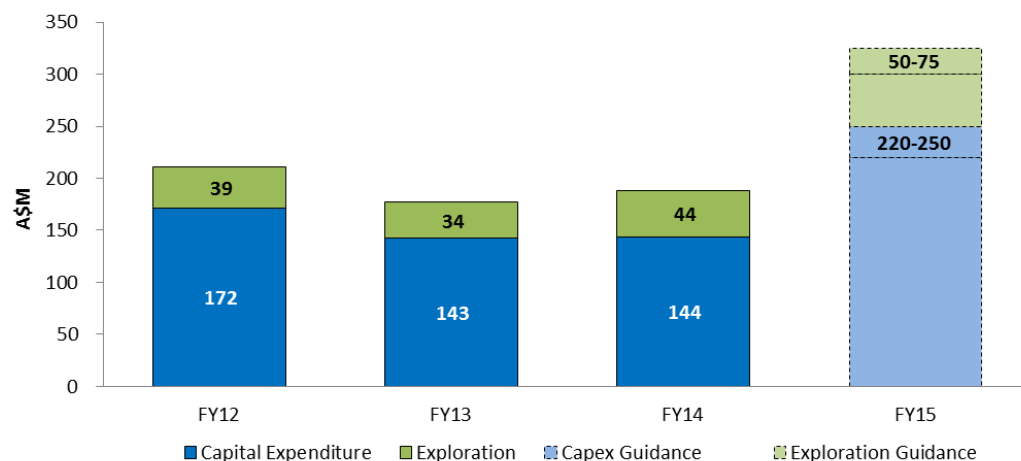
Field EBITDAX

\$208.8 million, up 13%

Development and Exploration investment

Forecast to increase due to high activity levels at BassGas, Sugarloaf, Tui and the onshore Perth Basin

Investment Expenditure



Net Debt (at 30/9/14)*

\$9 million

Cash (at 30/9/14)*

\$56 million

Undrawn facilities (at 30/9/14)*

\$234 million

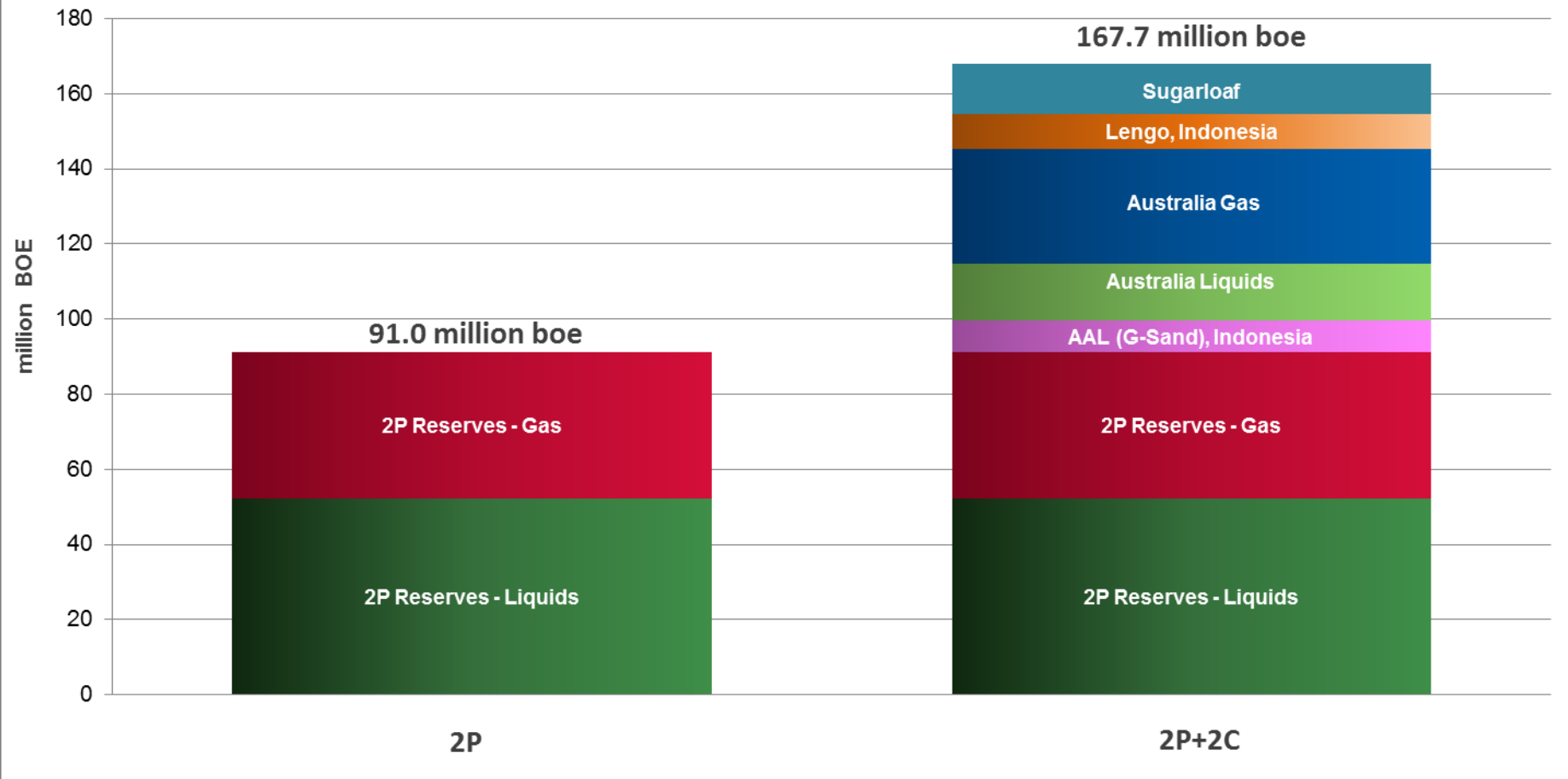
* Prior to receipt of proceeds from sale of 11.25% interest in BassGas

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

Strong Reserves and Resources base



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



NOTE: No adjustment for sale of 11.25% of BassGas completed in November 2014. Does not include Waitsia 2C Resources of 24 mmboe

More than 16 years of 2P production based on FY2013-14 production of 5.6 mmboe



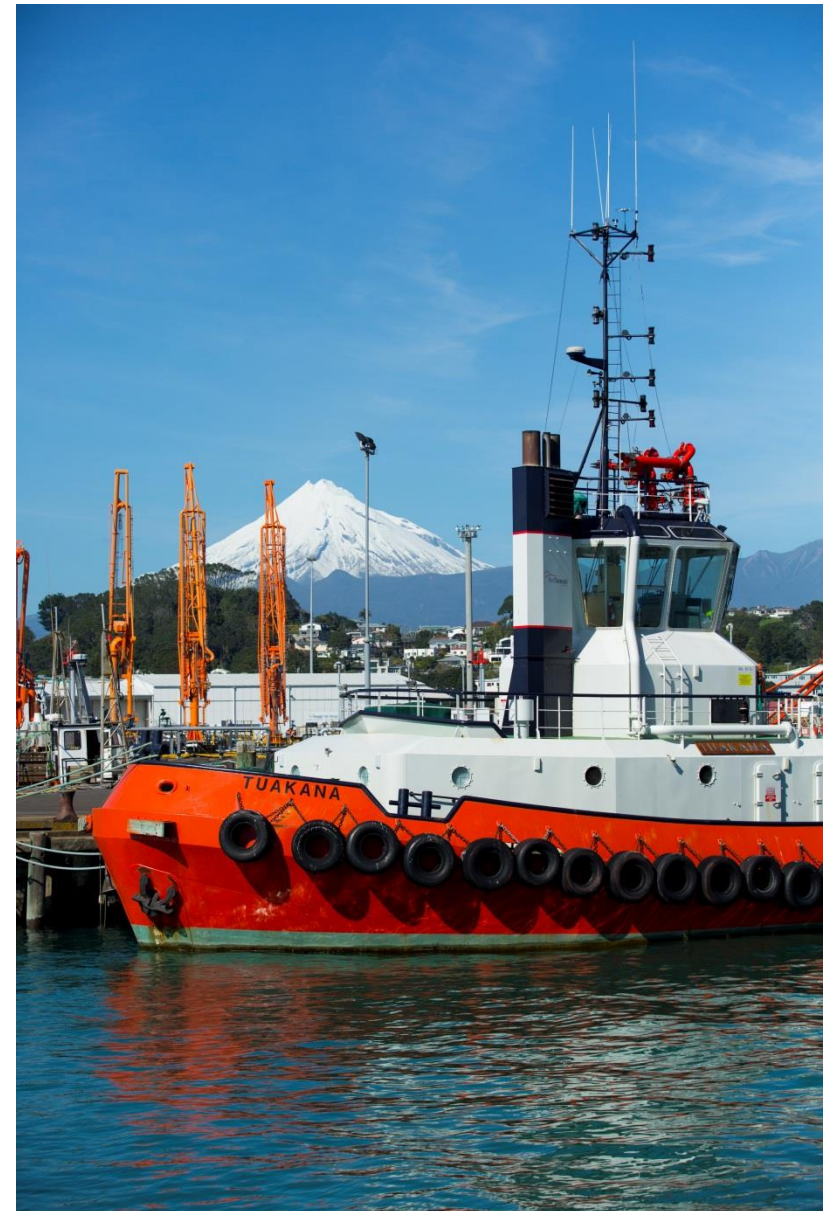
- **Best ever safety performance in FY2013-14**
 - *No Lost Time Injuries (LTI)*
 - *Over 2 years LTI-free*
- **Strong focus on environmental management**
 - *No reportable environmental incidents*
- **People**
 - *Launched Women's Leadership Program*
 - *Continued focus on Employee Engagement*
 - *Formal and informal development training*
- **Community**
 - *\$266,500 in sponsorships and donations, predominantly in New Zealand and the Perth Basin*
- **Acknowledgement**
 - *AWE received ACSI highest level of achievement with respect to reporting on sustainability*



Positioned for Growth

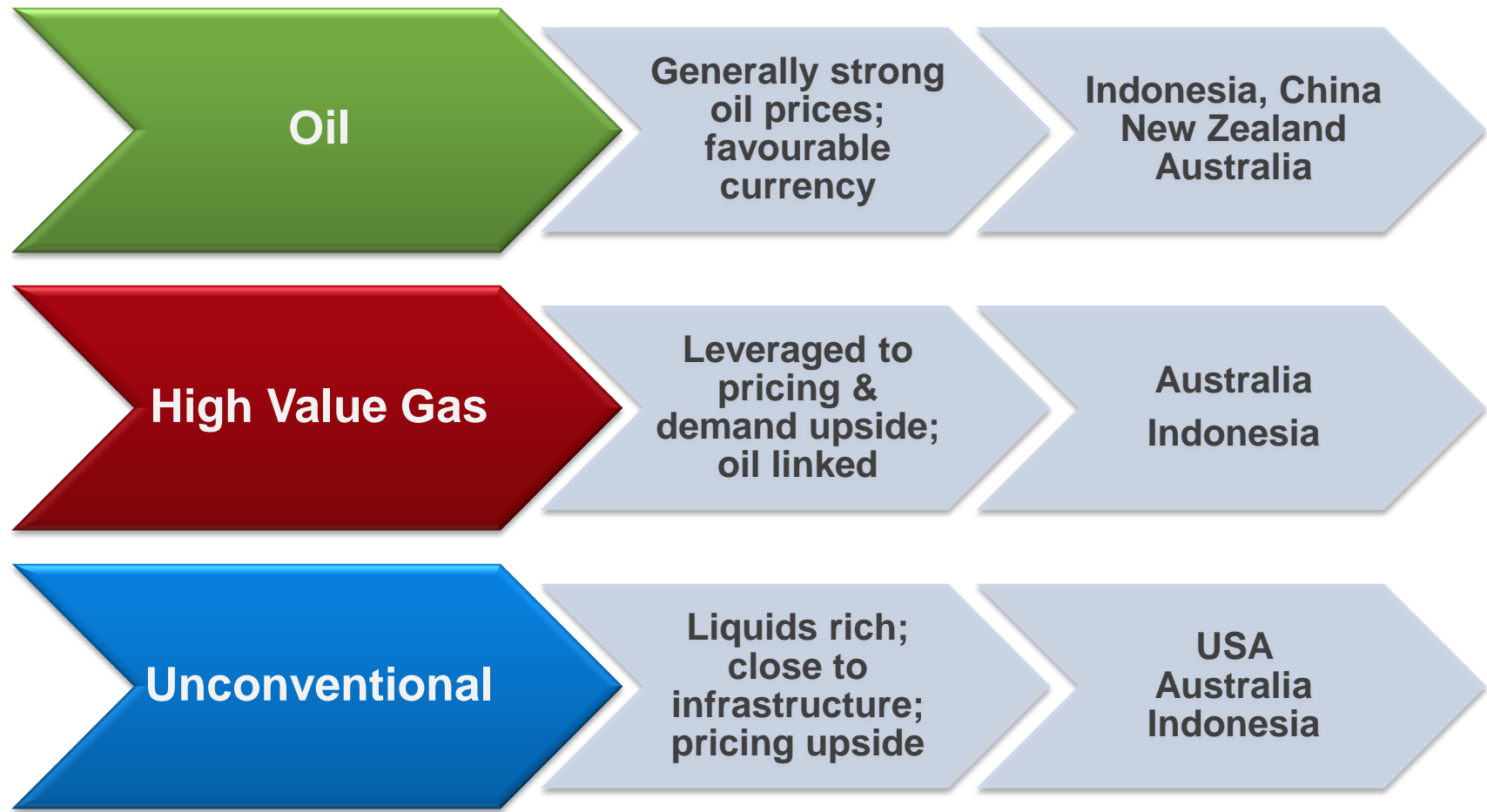
Clear vision and strategy

- The Board and Management of AWE set ambitious, but achievable, five year growth targets at the end of 2013* :
 - *Double production to 10 mmboe*
 - *Triple Field EBITDAX to more than \$500 million*
- AWE aims to achieve these goals by the end of 2018.
- AWE's strategy is built around a number of key elements:
 - *Three core platforms – oil, high value gas, unconventional*
 - *Geographic & Asset Diversity*
 - *Lifecycle Exposure*
 - *Financial Strength*

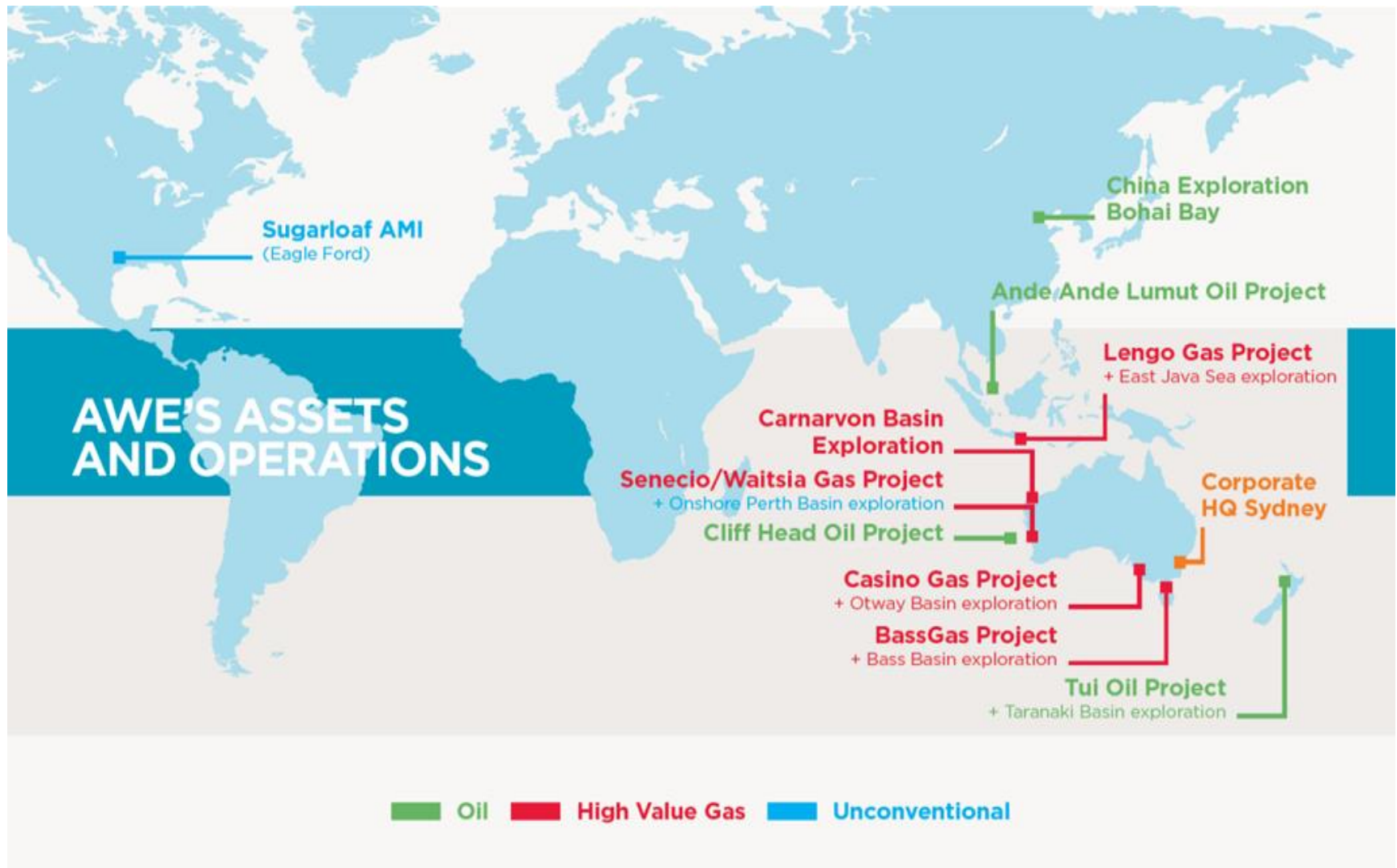


*From base year of FY2012-13

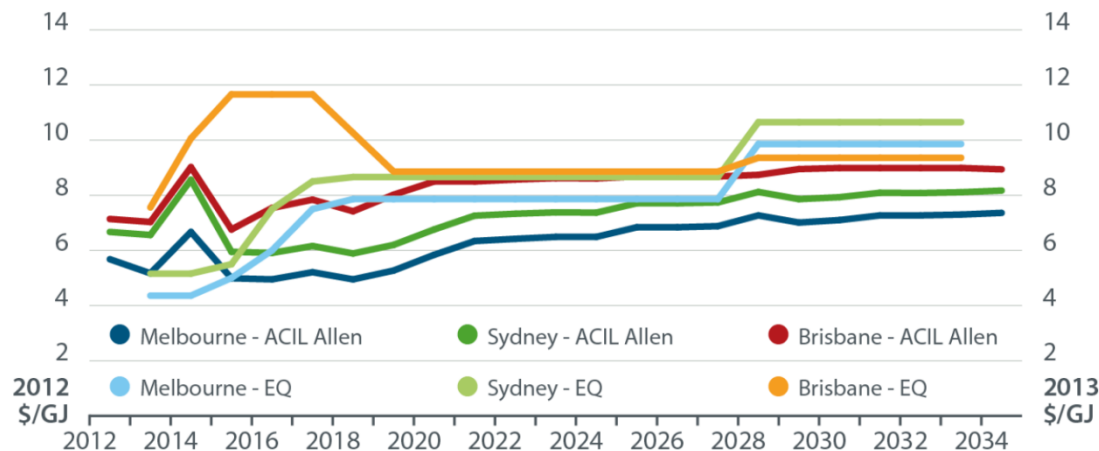
Strategy built on three core platforms



Growing presence in high value markets AWE



Domestic gas price projections

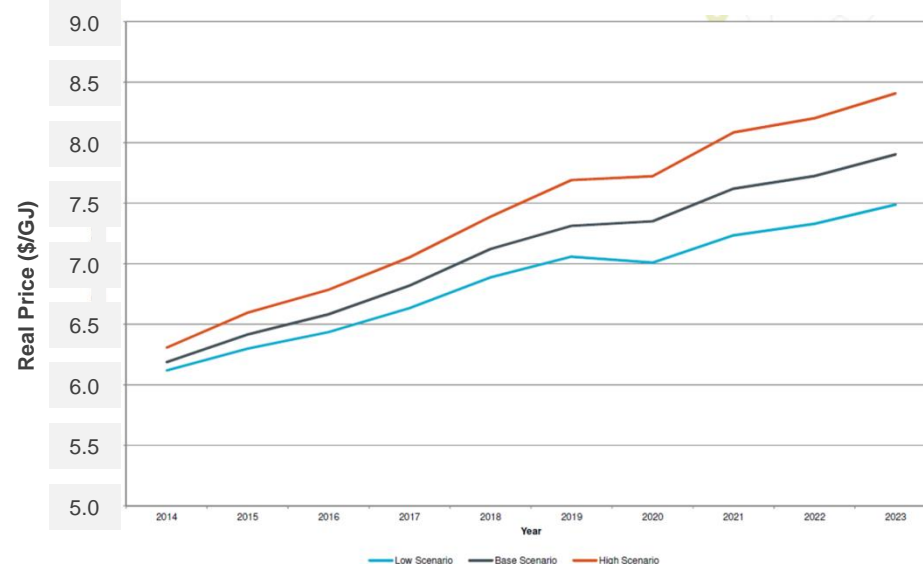


Eastern Australia wholesale gas price projections

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

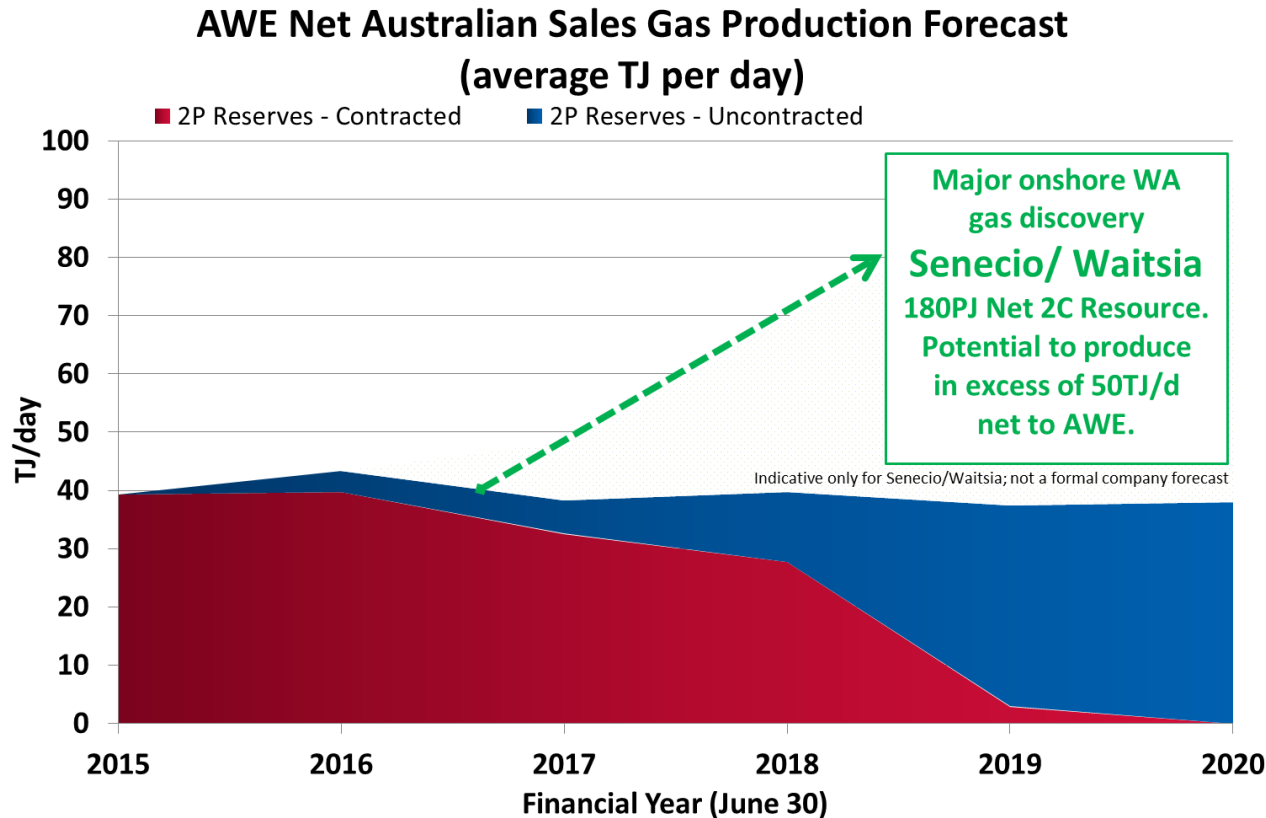
Forecast Average New Contract Gas Prices (real) for WA Domestic Market

Source: IMO, Gas Statement of Opportunities, 2014



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

AWE leveraged to rising gas prices

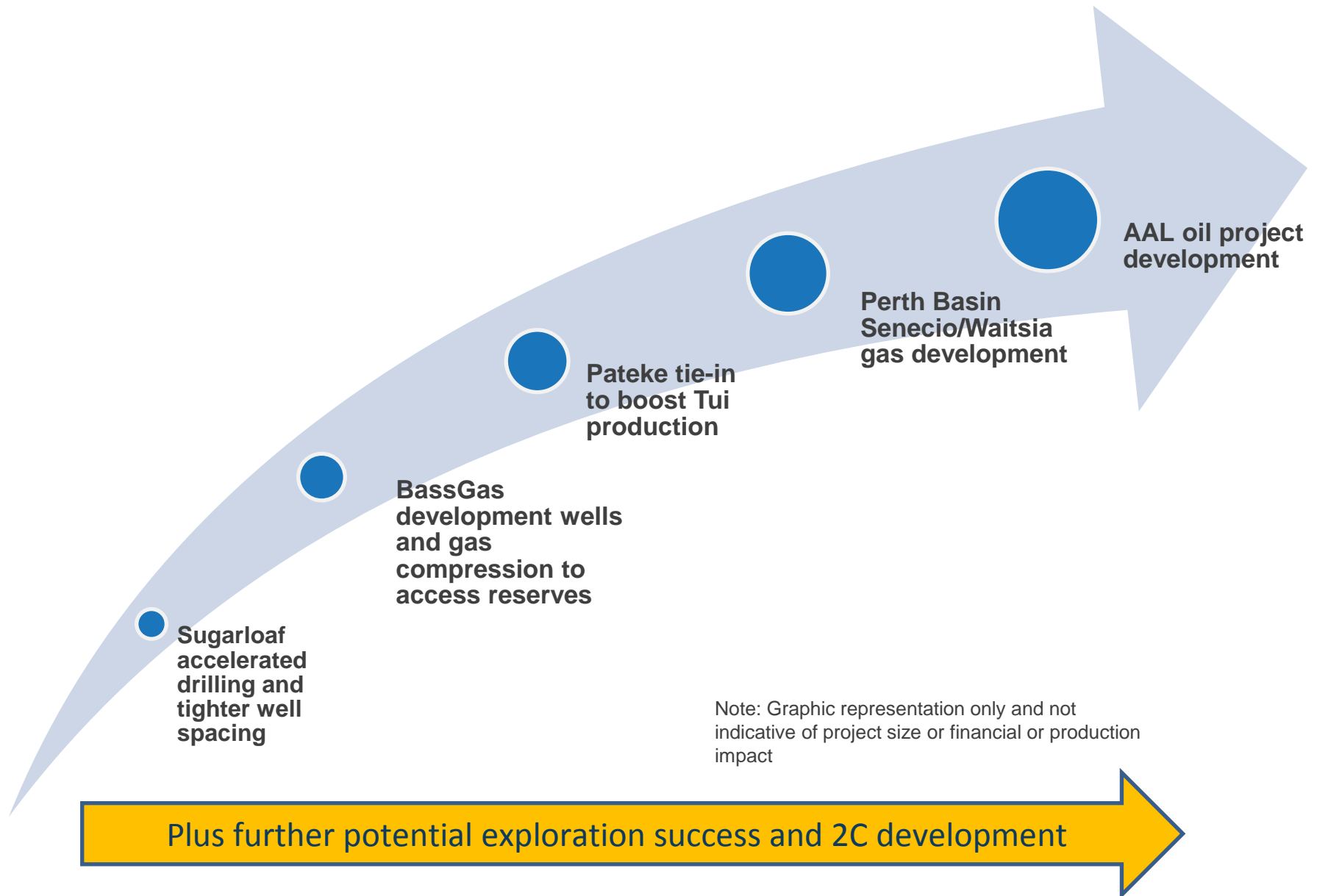


Substantial uncontracted domestic gas position

- 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

Delivering growth over next 3-5 years

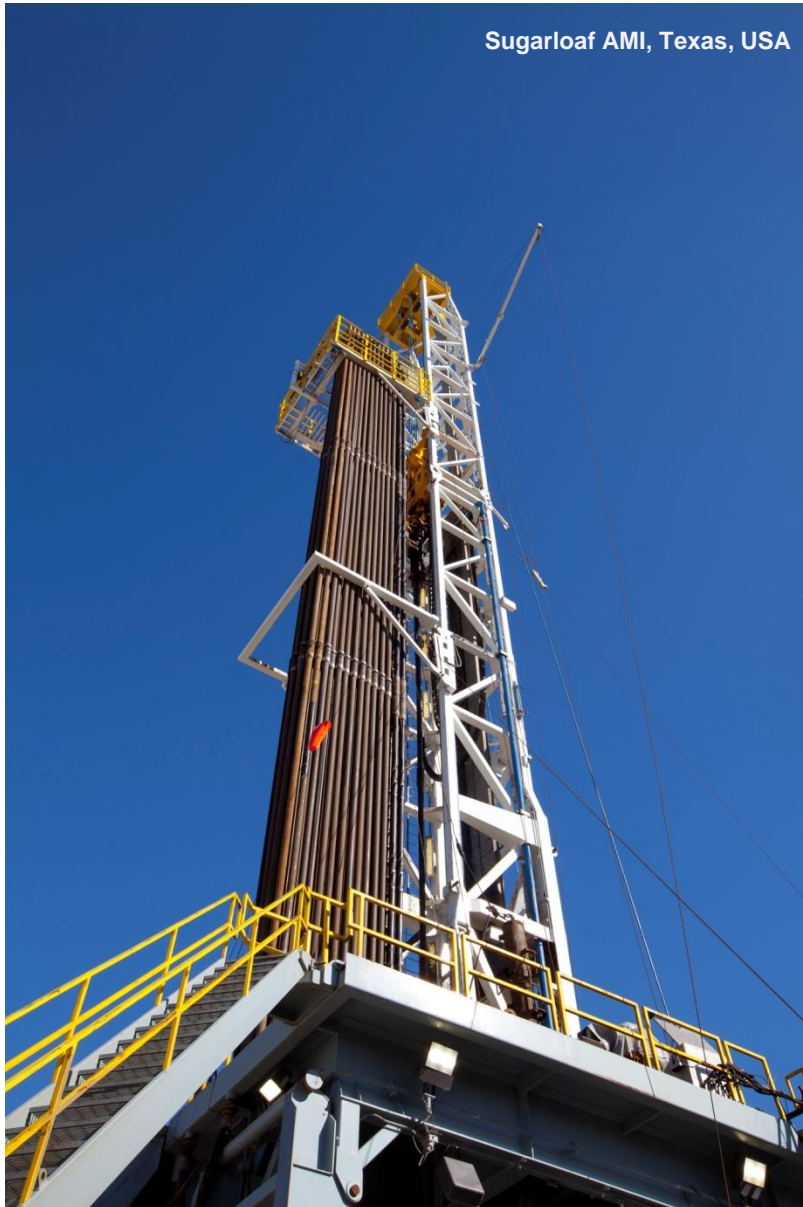


Cornerstone Projects



More upside potential at Sugarloaf

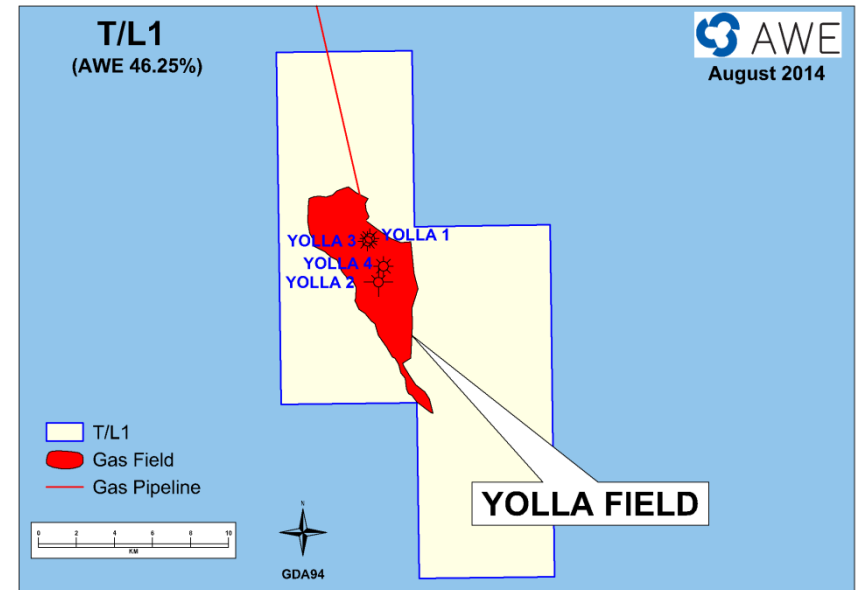
Sugarloaf AMI, Texas, USA



- Production from Sugarloaf up 31% in FY2013-14
- 2P + 2C increased by 82% during FY2013-14 following independent review
- As at 30 September, total of 154 wells in production with additional 39 wells in various stages of drilling and completion
- 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 in Eagle Ford to increase reserves and production
- Initial well production performance from Austin Chalk wells is matching Eagle Ford wells

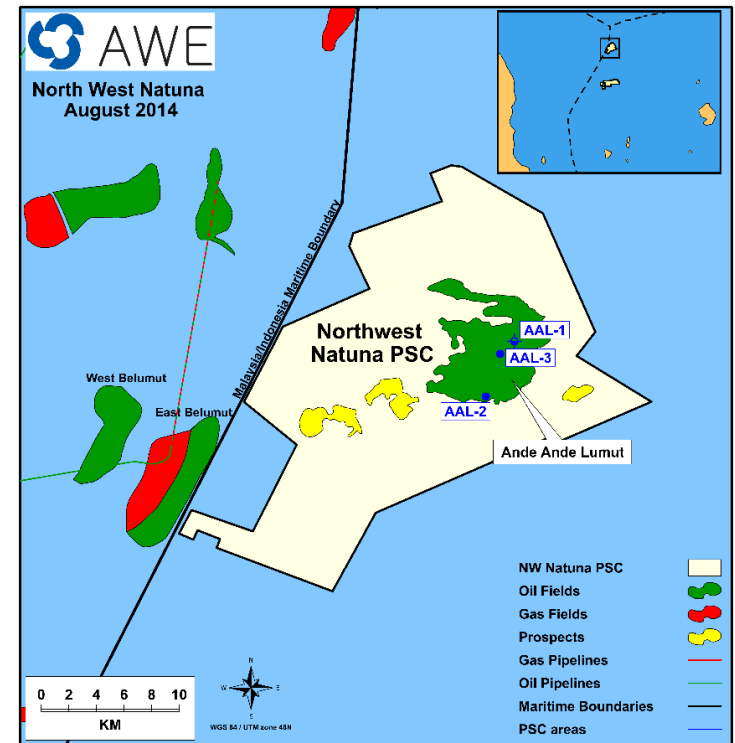
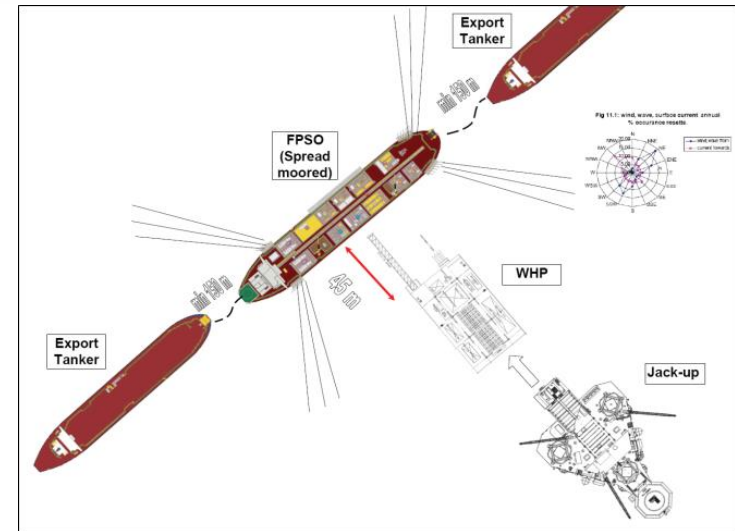
BassGas MLE development

- Achieved FID to drill 2 development wells in early 2015; drill rig contracted (capex net \$75 million to AWE)
- Crane vessel contracted to undertake lift of gas compression and condensate pumping modules in late 2014 (capex net \$20 million to AWE)
- 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”)



Ande Ande Lumut oil project

- Wellhead platform FEED completed
- FPSO tender plan approved by Indonesian government – prequalification has commenced
- Operator has advised FID in late 2015/early 2016; working with Operator to bring forward
- JV approved drilling of G-Sand appraisal well in CY2015
- 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



Perth Basin Update



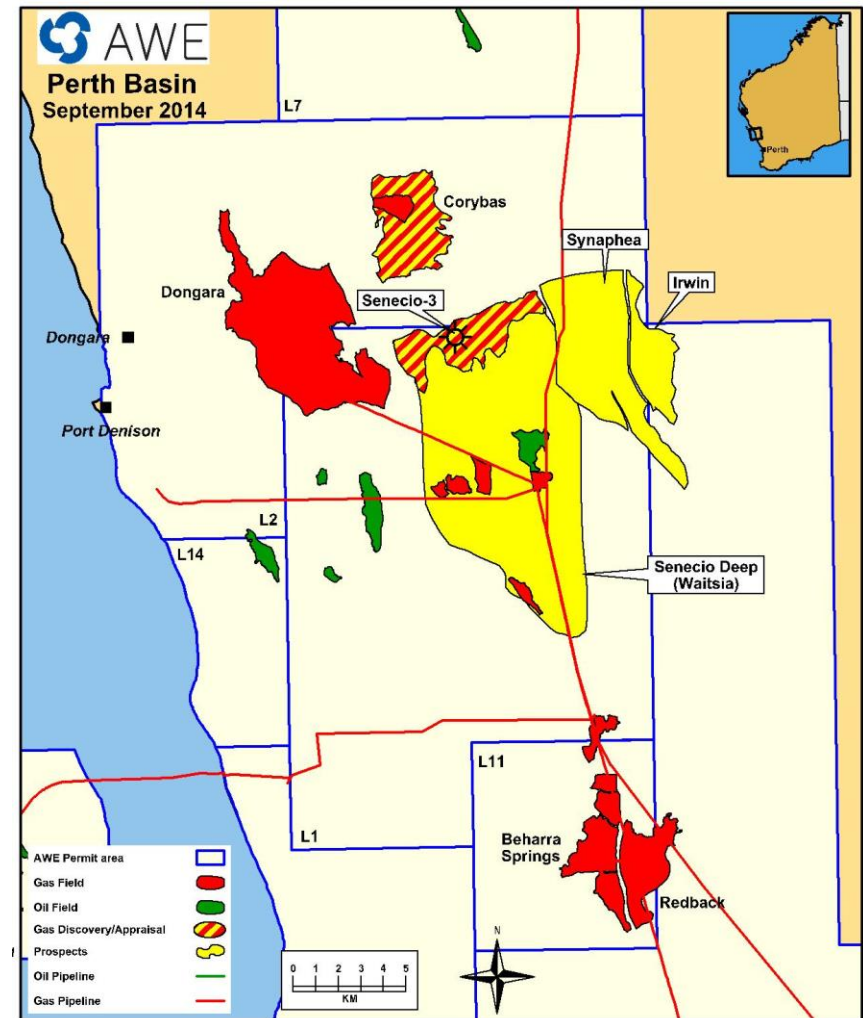
Exciting discovery – Waitsia gas field

Senecio-3 delivers upside

- Senecio-3 well originally targeted Dongara and Wagina formations in the Senecio Field
- Better porosity and permeability than Senecio 2, evidence of improved quality reservoir
- Confirmed Senecio commercial viability and increased 2C Resources

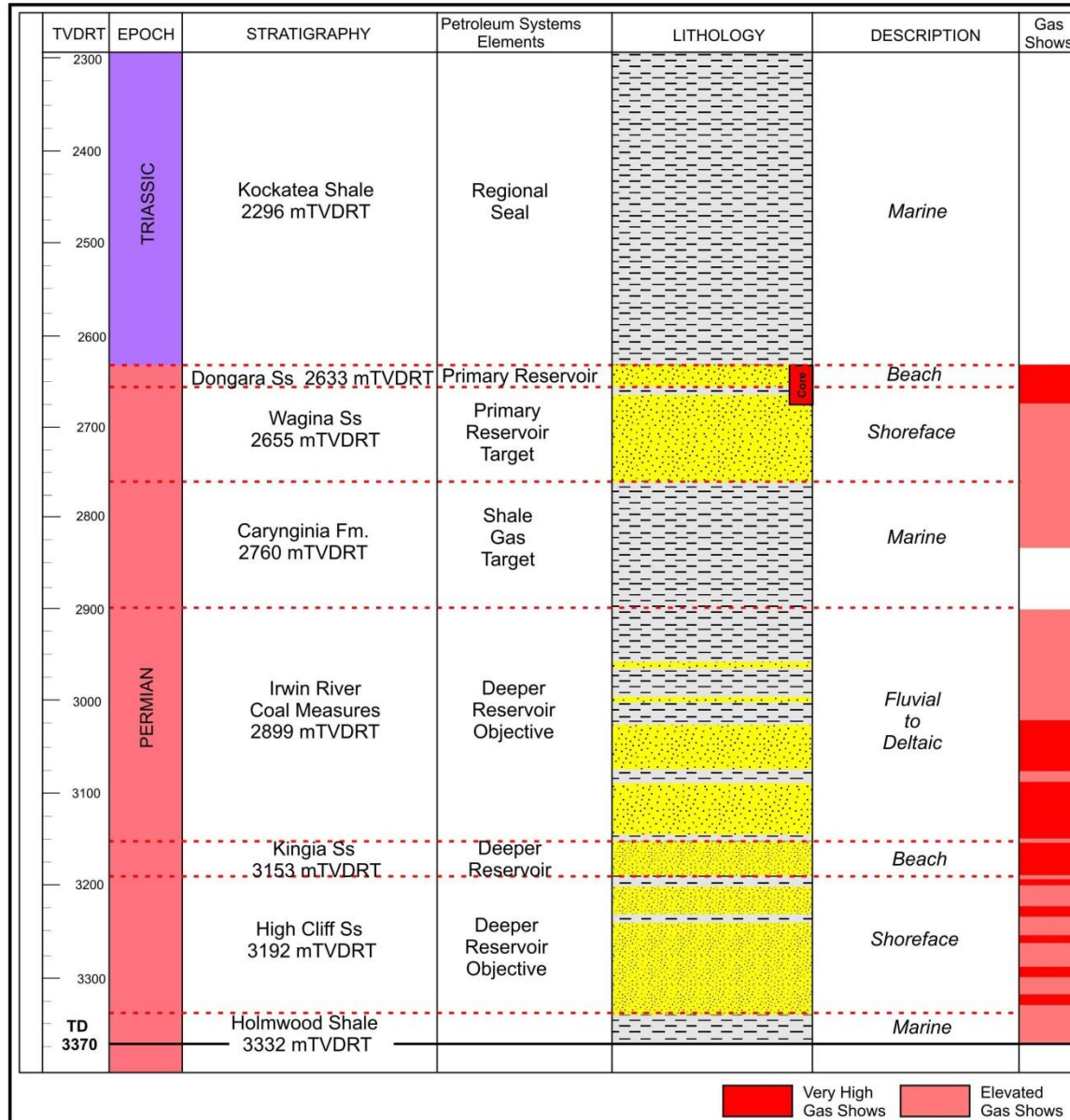
Significant new gas find

- Significant discovery - Waitsia gas field - below original target, in Kingia and High Cliff Sandstone formations
- Elevated and very high gas shows and moderate to good reservoir quality
- A large, potentially conventional gas play with significant unconventional upside in Carynginia Shale and IRCM



Waitsia field potentially the largest conventional WA onshore gas discovery since the 1960s

Senecio-3 stratigraphy



Senecio and Waitsia – initial volumes

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

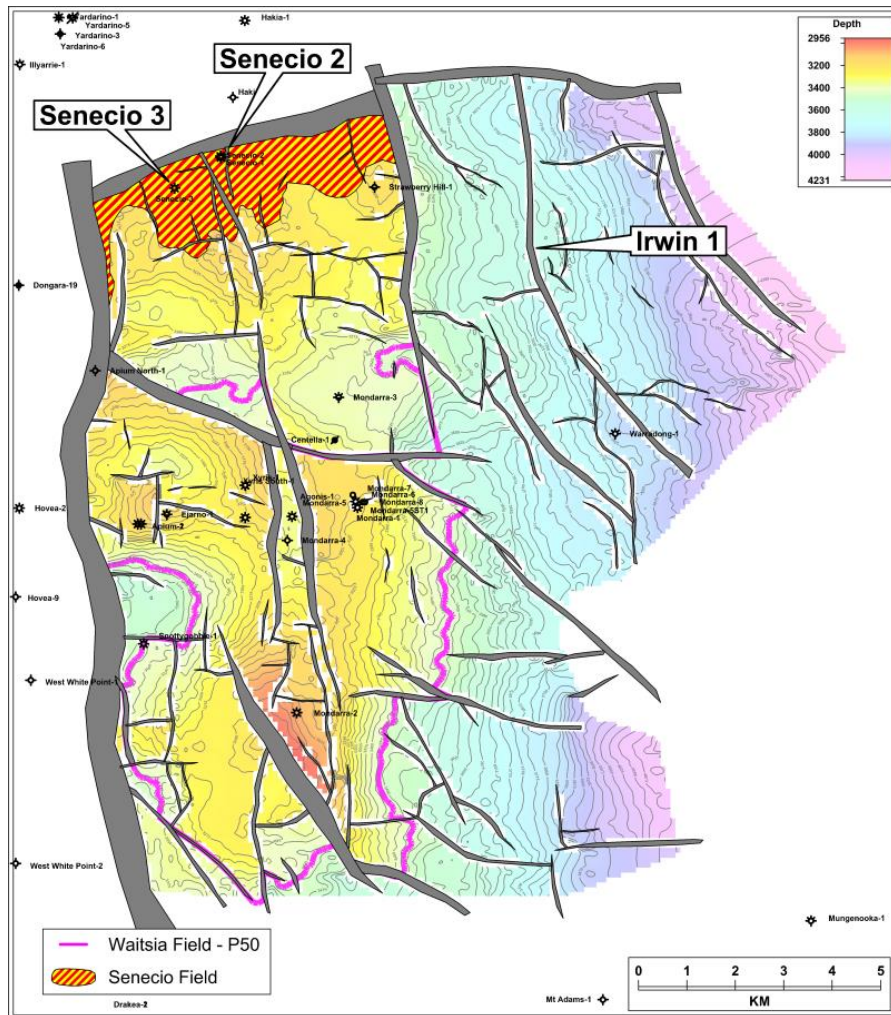
Field	Reservoir Interval	Original Gas in Place (Bcf)			Recoverable (Bcf)		
		P90	P50	P10	P90	P50	P10
Senecio	Dongara/Wagina	86	148	246	40	70	130
Waitsia	Kingia/High Cliff Sandstone	115	489	1961	65	290	1170

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

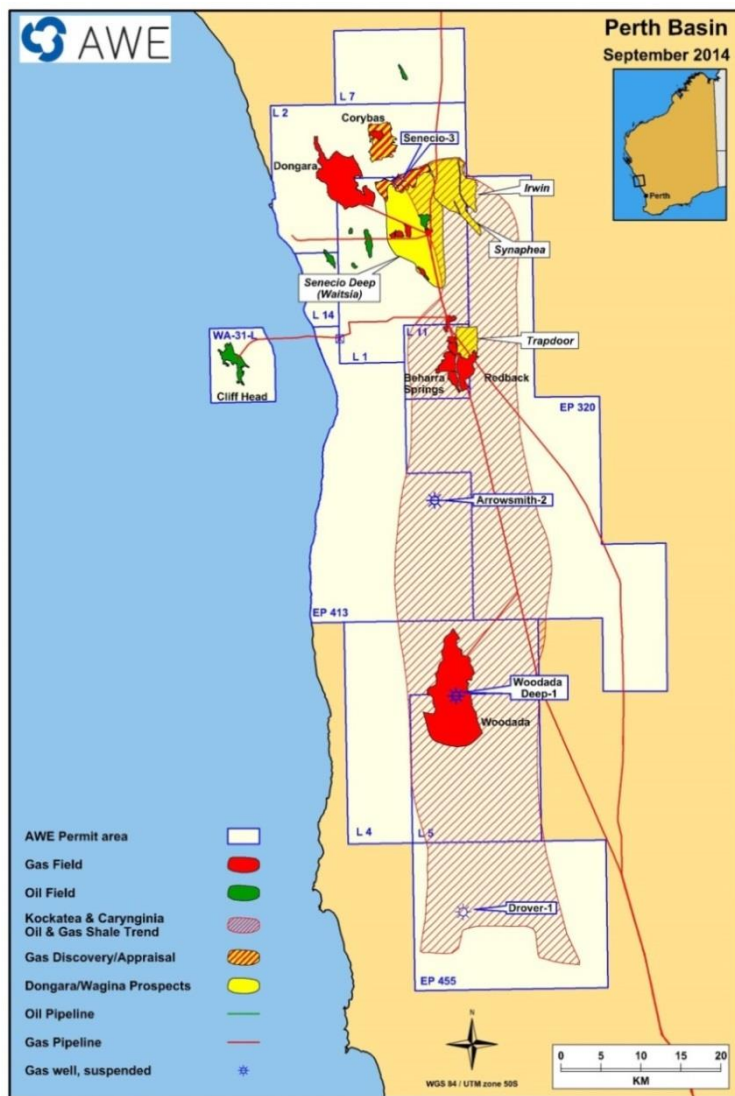
Early conventional development potential AWE



- Early conventional gas development opportunity – close to existing gas plant and pipeline infrastructure
- Potential low cost development in strong WA domestic market
- Conventional flow testing of Senecio-3 (Senecio and Waitsia) and further appraisal drilling planned for 1H 2015
- Irwin-1 exploration well planned for 1H 2015
- In October, AWE purchased a 4,642 hectare land holding that covers a significant portion of the Senecio and Waitsia gas fields, signalling a long term commitment to the region

Focused on further appraisal leading to potential early conventional development

A new cornerstone growth asset

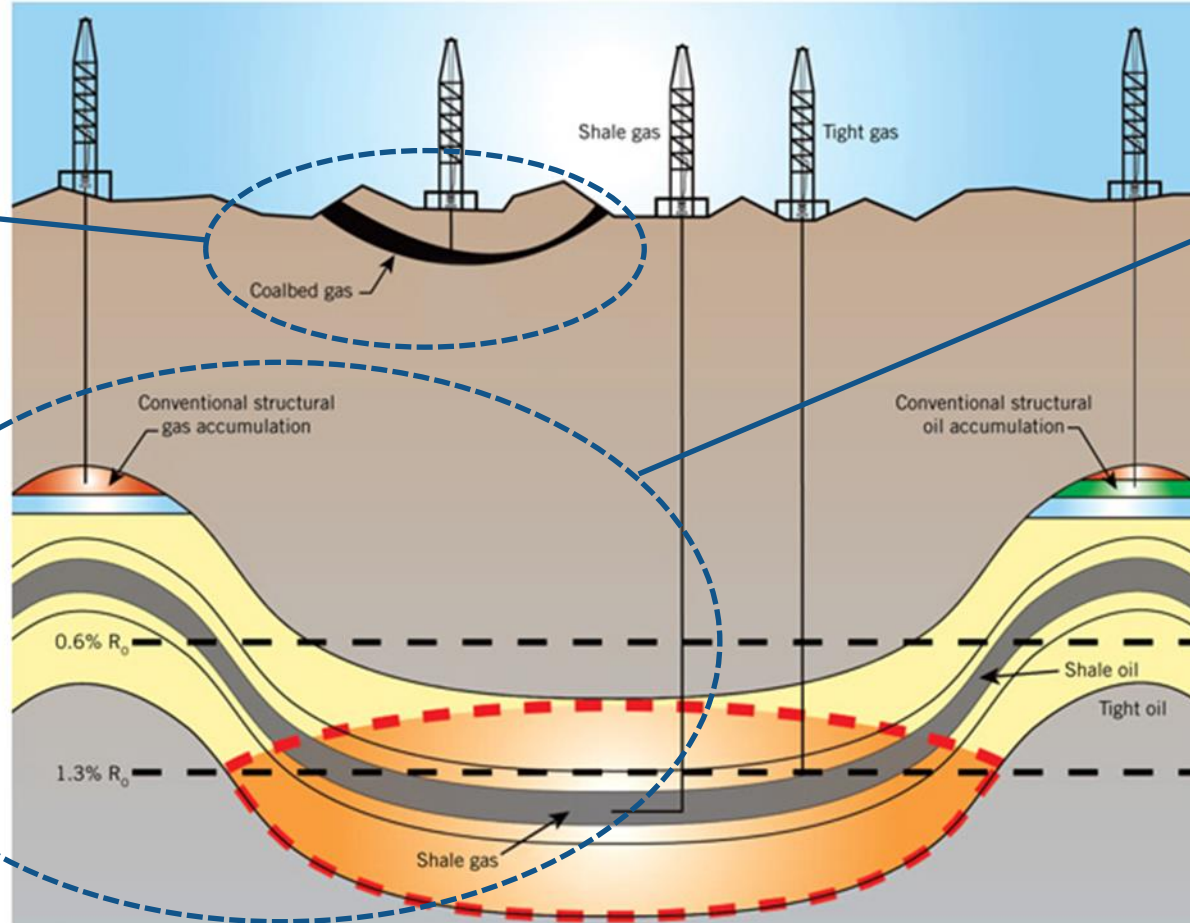


- Perth Basin has existing production, infrastructure and markets
- Multiple plays – conventional and tight gas sandstones, oil and gas shales
 - New “Waitsia” discovery is a potential conventional gas play with significant unconventional upside
 - Northern tight gas play – Senecio, Irwin, Synaphea
 - Basin-wide oil and gas shale play
- Early conventional development opportunity at Waitsia (Kingia/High Cliff)
- Material exploration/appraisal inventory – Waitsia, Irwin, Synaphea, Trapdoor
- Exciting shale oil and gas potential – Drover to Beharra Springs trend

Another cornerstone growth asset to drive growth beyond the end of the decade

Oil and Gas in the Perth Basin

AWE is not exploring for Coal Seam Gas which is close to surface and involves dewatering coal seams to release gas.



North Perth Basin conventional gas, tight gas and shale gas is >2km below the surface – well below freshwater aquifers

*Assessed by USGS: R_o = Vitrinite reflectance.

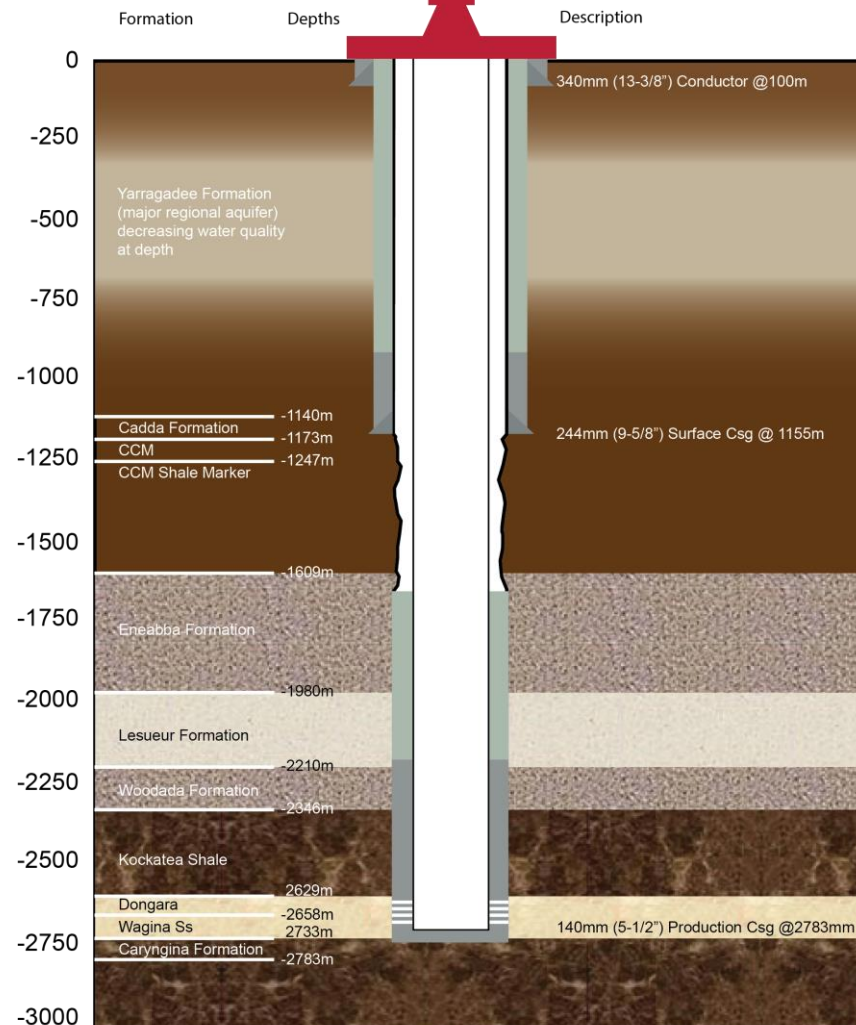
AWE is exploring for conventional gas, tight gas and shale oil and gas

Protecting freshwater aquifers

- Well construction consists of multiple layers of steel casing plus cement to:
 - Reach formations of interest safely and ensure the containment of hydrocarbons if intersected
 - Maintain wellbore stability
 - Allow zonal isolation (protection of freshwater aquifers and isolation of hydrocarbon bearing formations)
- The section of the well bore that intersects the aquifer is near the surface and is safeguarded by layers of steel casing and cement
- Hydraulic fracturing done at depths greater than 1-2km below freshwater aquifers

Senecio-3
Appraisal Well

Original well casing section
(pre-drilling)



- Baseline monitoring of soil and water is undertaken prior to commencement of any drilling activities
- By locating a water bore down the hydraulic gradient from the well location, water quality can be monitored before, during and after drilling activities
- Actively monitor for a two year period after drilling
- Monitoring results are used to observe any changes in groundwater characteristics during the course of the activity as compared to baseline levels
- Monitoring results will be summarised within Annual Environmental Reporting to the DMP and on our website



Stakeholder engagement

- In addition to technical studies and demonstration of compliance with statutory requirements – AWE recognises “social licence” as an integral part of good business practice
- Social licence is maintained by demonstrating:
 - ✓ compliance within regulatory framework
 - ✓ best practice in HSE
 - ✓ disclosure and transparency
 - ✓ proactive community engagement
 - ✓ listening and responding to evolving community concerns
 - ✓ social investment
- AWE has a comprehensive stakeholder management plan in place which identifies stakeholders, their information needs and the timing of communications and engagement



Forward work plan for the Perth Basin

	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Drover-1	Core and data analysis		Hydraulic stimulation (1 week)	
Senecio-3	Drill	Flow test		Analysis
Irwin-1		Preparations	Exploration Drilling	
Senecio/Waitsia		Preparations	Appraisal Drilling	

Current activity

Planned activity

Other Opportunities



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)

Kan Tan IV semi-submersible drilling rig

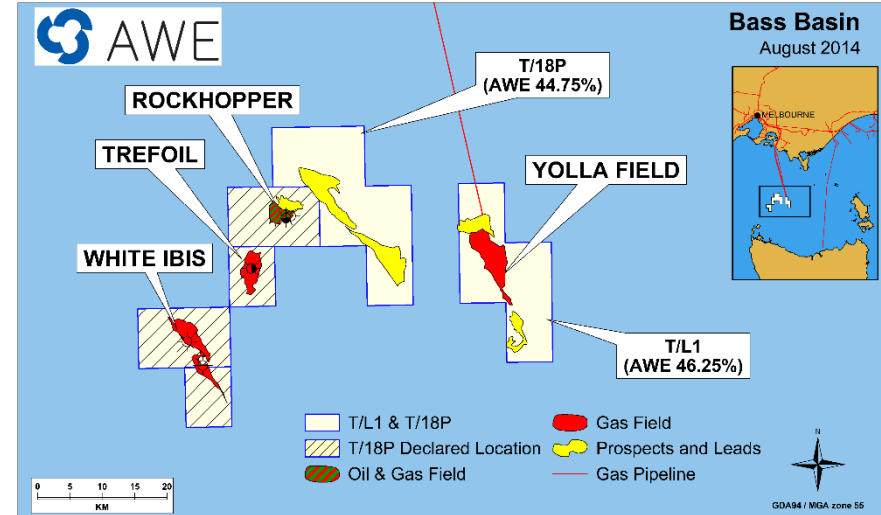


Kan Tan IV

Leveraged to east coast gas price uplift

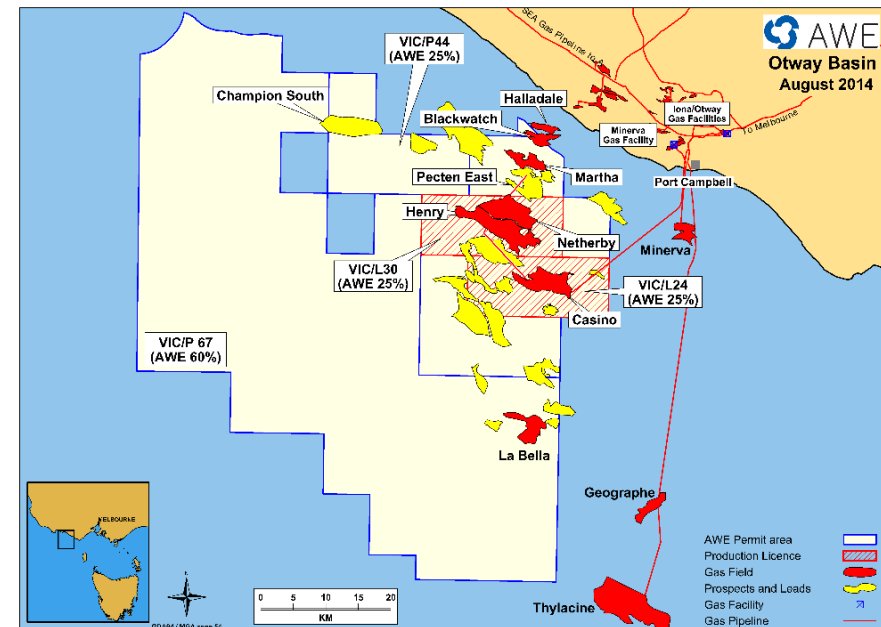
Bass Basin

- Future expansion opportunities with Trefoil, White Ibis and Rockhopper
- Work continuing on a development feasibility study for Trefoil
- Net interest in T/18P (Trefoil) to be 40% once purchase of 5% interest from Drillsearch complete



Otway Basin

- In Vic/P44, Operator evaluating potential drilling opportunities for next phase of development
- Reinterpretation of 3D seismic PSDM reprocessing data is underway to assess remaining prospectivity
- Decision to participate or withdraw from Vic/P67 due this quarter



Good progress in Indonesia

Lengo Gas Project

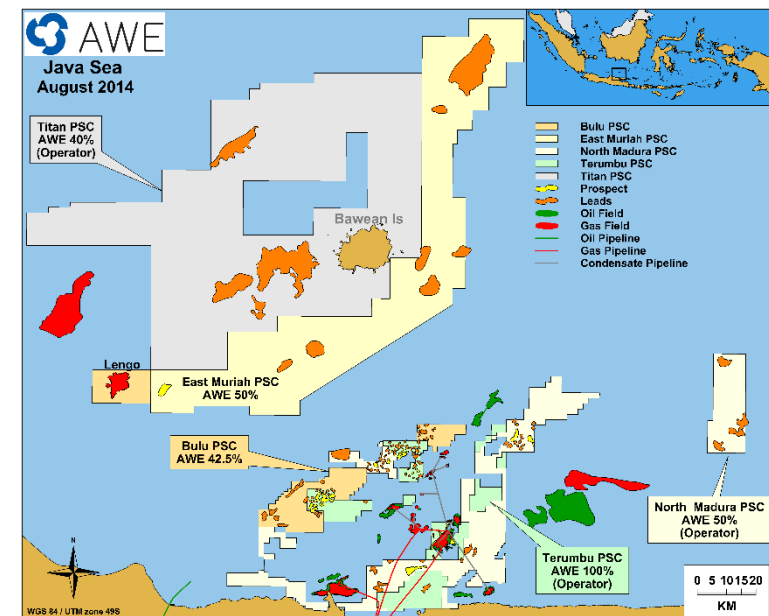
- Operator of Bulu PSC (Kris Energy) has submitted a POD to the regulator, SKK MIGAS, for approval
- Estimated 200 Bcf recoverable sales gas with good proximity to strengthening gas market on East Java

East Java Sea

- Acquired 2D seismic in the North Madura PSC and Terumbu PSC, processing under way
- Evaluating opportunities for exploration drilling in North Madura PSC
- Potential farm-out opportunities

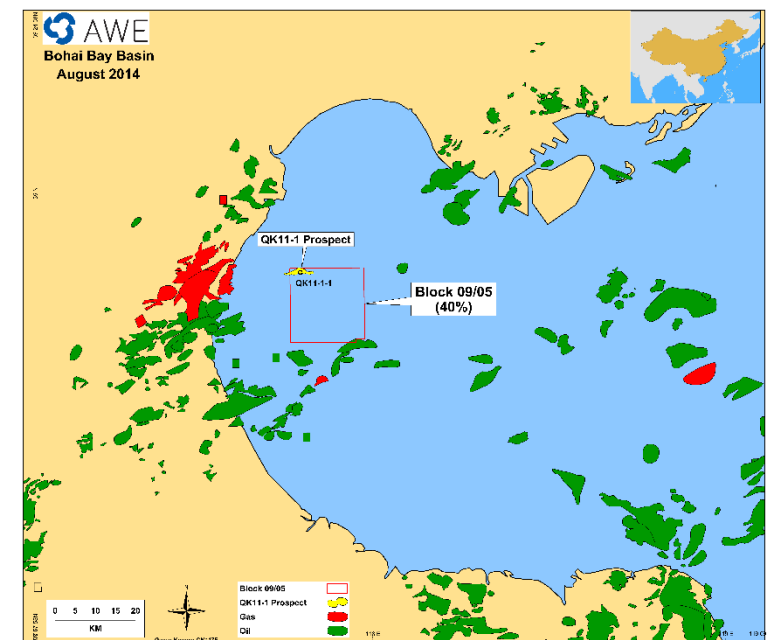
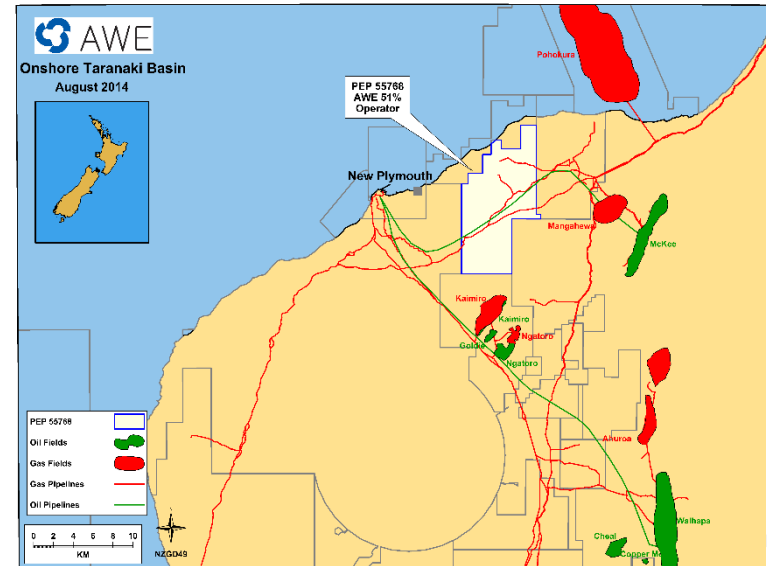
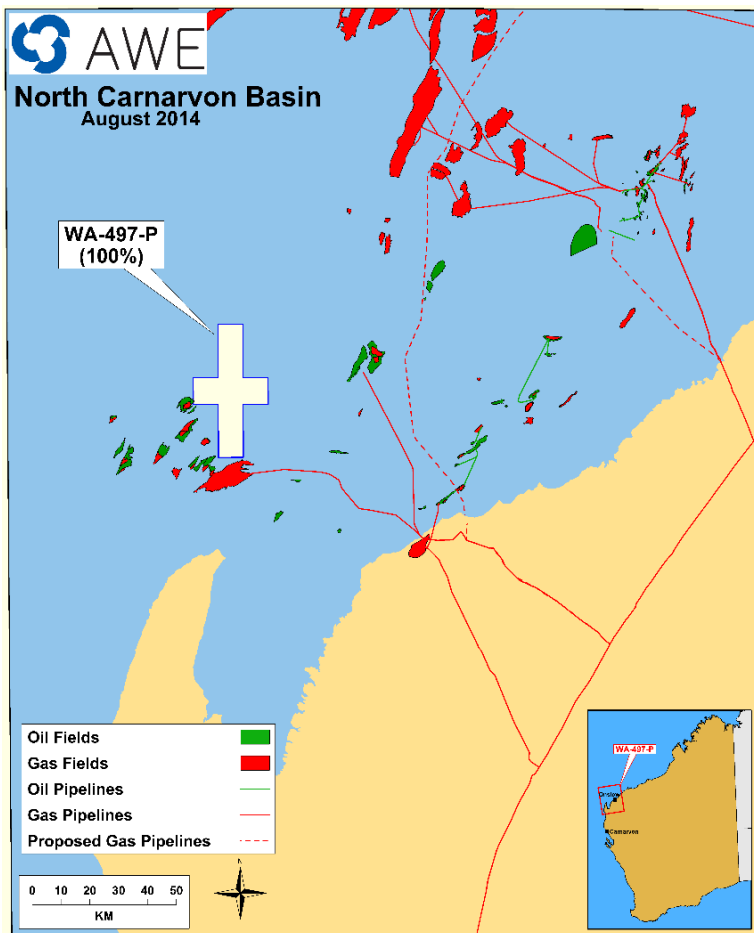
Onshore Sumatra

- Joint study into unconventional potential of the Jembar-Rimba Area completed and approved
- Awaiting future unconventional oil and gas bid round



New Exploration Permits

- Builds on AWE's exploration portfolio
- Exploration blocks in proven hydrocarbon basins
- Adjacent to existing fields, infrastructure and markets



Looking Ahead



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 - 75

Production guidance lower than previous FY primarily due to:

- Sale of 11.25% of BassGas
- Planned shutdowns at BassGas for MLE Phase 1b and 2 (to access more reserves and significantly extend field life) and facility integrity testing

Exploration guidance increased to reflect potential additional activity in the onshore Perth Basin

- **Exciting developments in the onshore Perth Basin**
 - *Conventional flow test of Senecio/Waitsia; further appraisal drilling anticipated in 2015*
 - *Irwin-1 well planned for 1H CY2015 targeting Dongara/Wagina and deeper formations*
 - *Drover-1 evaluation under way to define potential of southern shale play*
- **Sugarloaf production expected to increase over the remainder of FY2014-15**
 - *More wells coming online delivering increased production; Austin Chalk gaining momentum*
- **BassGas development drilling – two well program – early 2015**
 - *Drilling two wells to access undeveloped reserves; scheduled for early 2015*
 - *Gas compression and condensate pumping modules lift scheduled for late 2014*
- **Ande Ande Lumut oil project**
 - *FPSO tender plan approved by Indonesian government; FID late 2015*
 - *Appraisal well on underlying G-sand planned for 2015*
- **Lengo gas field Plan of Development (POD)**
 - *POD submitted to regulator for approval*
- **Tie-in of Pateke-4H well to Tui oil field**
 - *Work to commence in 1Q CY2015; production from Pateke-4H anticipated 2Q CY2015*

- 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

Thank you



Questions



Accounts and reports

Questions

Remuneration report

Resolution 1, adopt remuneration report

Resolution 1, adopt remuneration report

This resolution is an advisory resolution

Proxies for	347,474,052
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Proxies against	3,286,260
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Proxies undirected	1,219,535
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Proxies abstained	827,396
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Re-election and election of directors

Resolution 2(a)

That Mr Bruce Phillips be re-elected as a director of the Company



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

This resolution is an ordinary resolution

Proxies for	313,922,479
Proxies against	37,227,495
Proxies undirected	1,368,289
Proxies abstained	291,980

Resolution 2(b)

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



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

This resolution is an ordinary resolution

Proxies for	349,299,260
Proxies against	1,840,480
Proxies undirected	1,377,237
Proxies abstained	293,266

Issue of Cash Share Rights

Resolution 3, regarding the issue of 365,552 cash share rights to the Managing Director, Mr Bruce Clement.

- ☐ To be tested against performance related vesting conditions at 30 June 2017.
- ☐ This resolution involves the issue of 182,776 Absolute TSR cash share rights and 182,776 Relative TSR cash share rights.

Issue of Cash Share Rights

Resolution 3, regarding the issue of 365,552 cash share rights to the Managing Director, Mr Bruce Clement.

This resolution is an ordinary resolution

Proxies for	348,167,797
Proxies against	2,979,483
Proxies undirected	1,233,962
Proxies abstained	425,841

Remuneration of Non-Executive Directors

Resolution 4, regarding the remuneration of Non-Executive Directors.

This resolution involves the requirement for shareholders to approve any increase in the total amount of non-executive directors' fees. Your board considers that this capped amount be reserved to provide for:

- ☐ Adequate financial incentives commensurate with the market to attract and retain suitably qualified and experienced directors to replace existing non-executive directors
- ☐ Appropriate arrangements to be put in place to ensure a smooth transition on replacement of directors, including a period of overlap if required; and
- ☐ Increases in the number of non-executive directors in the future should it be considered appropriate

Remuneration, Non-Executive Directors

Resolution 4, increase in the maximum aggregate amount which can be paid to non-executive directors by \$300,000, from \$900,000 to \$1,200,000 (all amounts inclusive of superannuation).

This resolution is an advisory resolution

Proxies for	347,731,435
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Proxies against	3,073,310
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Proxies undirected	1,216,222
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Proxies abstained	786,276
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