



Senecio-3 flow test update

AWE Limited (ASX: AWE) as the Operator of the L1/L2 joint venture, provides the following update on the flow testing program at the Senecio-3 well, in the onshore Perth Basin, Western Australia.

The testing program is designed to determine well deliverability from two reservoir zones in the Waitsia gas discovery and to collect gas samples for compositional analysis.

The first stage of the testing program commenced on 18 February and focused on the lesser quality, deeper secondary target, the High Cliff Sandstone. A 5 metre interval (3,254m – 3,259m) was perforated without stimulation and the well was flowed twice over a 77 hour period.

Following clean-up of the well, a stabilised gas flow rate of 0.3 million standard cubic feet per day (mmscf/d) was measured during the flow test period. The gas composition was predominantly methane with only minor levels of carbon dioxide present (CO₂ circa 2%, which is within gas pipeline specification). The result is consistent with pre-test expectations for the High Cliff Sandstone and confirms its potential as a significant gas resource.

Following a shut-in period to monitor pressure build up, a plug will be set to isolate this deeper interval prior to commencing the second stage of the testing program. This will involve extended testing of the primary target, a 10 metre interval (3,173m - 3,183m) in the upper Kingia Sandstone. The testing program is expected to be completed by mid-April.

AWE estimates that the Kingia and High Cliff Sandstone intervals in the Waitsia gas field have gross Contingent Resources in the range from 65 billion cubic feet (Bcf) to 1,170 Bcf, with a best estimate (2C) of 290 Bcf. The Dongara/Wagina formation is estimated to contain an additional 70 Bcf gross 2C Contingent Resource.

Further appraisal of the Waitsia field is planned in late May with the drilling of the Waitsia-1 well, 3km to the east of Senecio-3 in L1/L2. This well will follow the planned Irwin-1 exploration well in EP320 (operated by AWE under an agency agreement with joint venture partner, Origin Energy) that is scheduled to spud in late March. Irwin-1 will target multiple reservoir objectives including the Kingia and High Cliff Sandstones approximately 6km east of the Senecio-Waitsia Fields.

The Joint Venture partners in L1/L2 are:

AWE Limited (via subsidiaries) (Operator)	50.0%
Origin Energy Resources Limited	50.0%



About AWE Limited.

AWE Limited is an Australian based energy company focused on upstream oil and gas and related energy opportunities. Established in 1997 and listed on the ASX, the Company is headquartered in Sydney, Australia, with international operating offices in New Zealand and Indonesia. AWE has built a substantial portfolio of production, development and exploration assets in Australia, New Zealand, USA, Indonesia and China. With its strong technical base and disciplined financial management, AWE will continue to pursue exploration, appraisal and development growth opportunities in Australasia and Asia.

Figure 1. Depth map on the Senecio and Waitsia fields

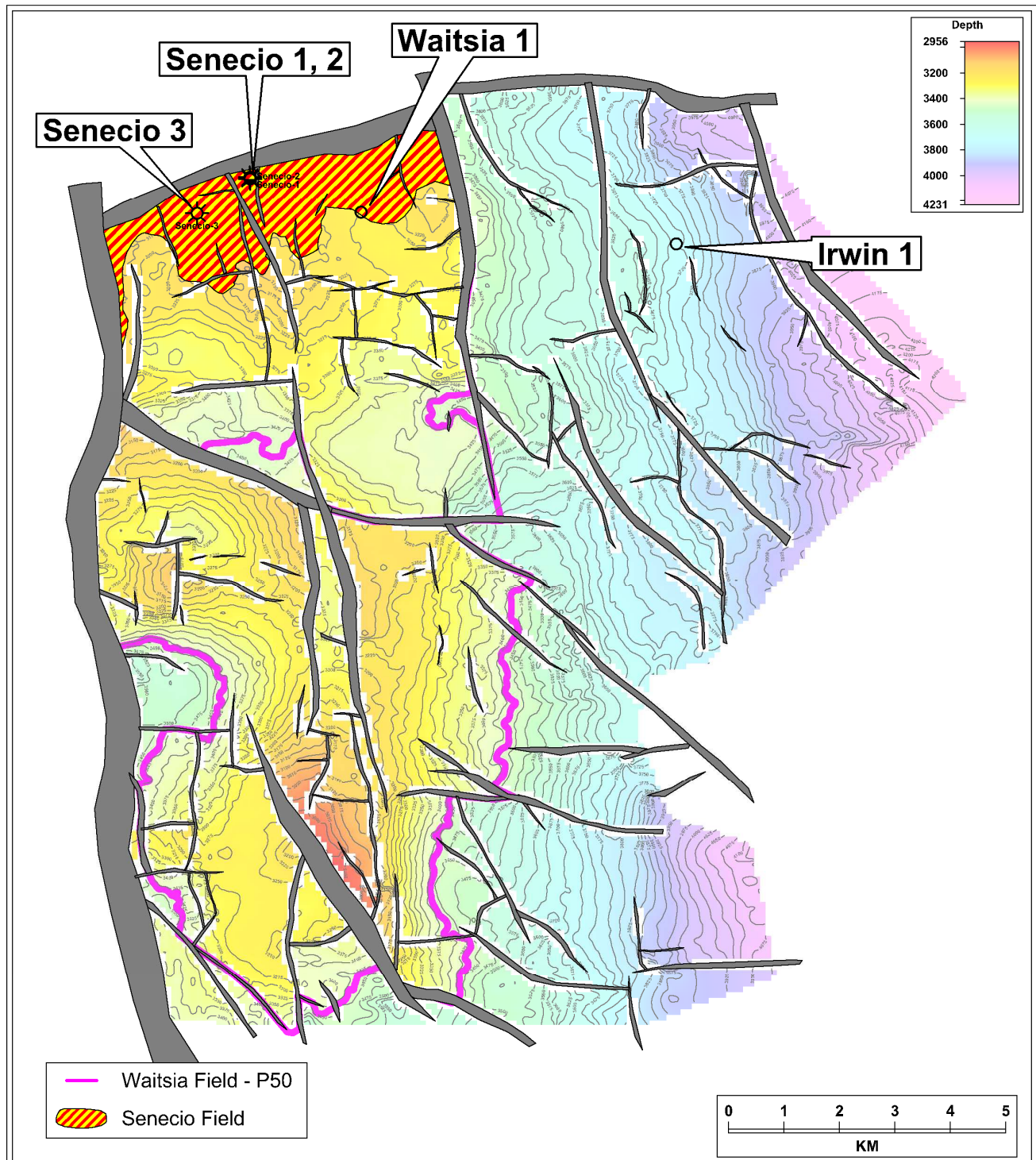


Table 1. Gross Contingent Resources estimates for the Senecio and Waitsia fields

Field (Permits L1/L2)	Reservoir Interval	Discovered Original Gas in Place (Bcf)			Contingent Resources (Bcf)		
		P90	P50	P10	1C	2C	3C
Senecio	Dongara/Wagina	86	148	246	40	70	130
Waitsia (Senecio Deep)	Kingia/High Cliff Sandstone	115	489	1961	65	290	1170

Table 2. Net Contingent Resources estimates for the Senecio and Waitsia fields

Field (Permits L1/L2)	Reservoir Interval	AWE 50% Share (Bcf)		
		1C	2C	3C
Senecio	Dongara/Wagina	20	35	65
Waitsia (Senecio Deep)	Kingia/High Cliff Sandstone	33	145	585

Reserves and Resources.

The reserve and resource information contained in this announcement is based on information compiled by Neil Tupper (General Manager, Exploration and Geoscience). Mr Tupper is a Geologist with a Masters Degree in Sedimentology and has over 32 years' experience in petroleum exploration. He consented in writing to the inclusion of this information in the format and context in which it appears.

Conversion Tables

Energy Value	Barrel of Oil Equivalents (BOE)
1,000 standard cubic feet of sales gas yields about 1.055 gigajoules (GJ) of heat	Oil 1 barrel = 1 BOE
1 petajoule (PJ) = 1,000,000 gigajoules (GJ)	Condensate 1 barrel = 1 BOE
1 gigajoule = 947,817 British Thermal Units (BTU)	LPG/NGLs 1 tonne = 11.6 BOE
	Sales Gas 6PJ = 1 million BOE

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