

Delivering growth: focused on the future

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Disclaimer

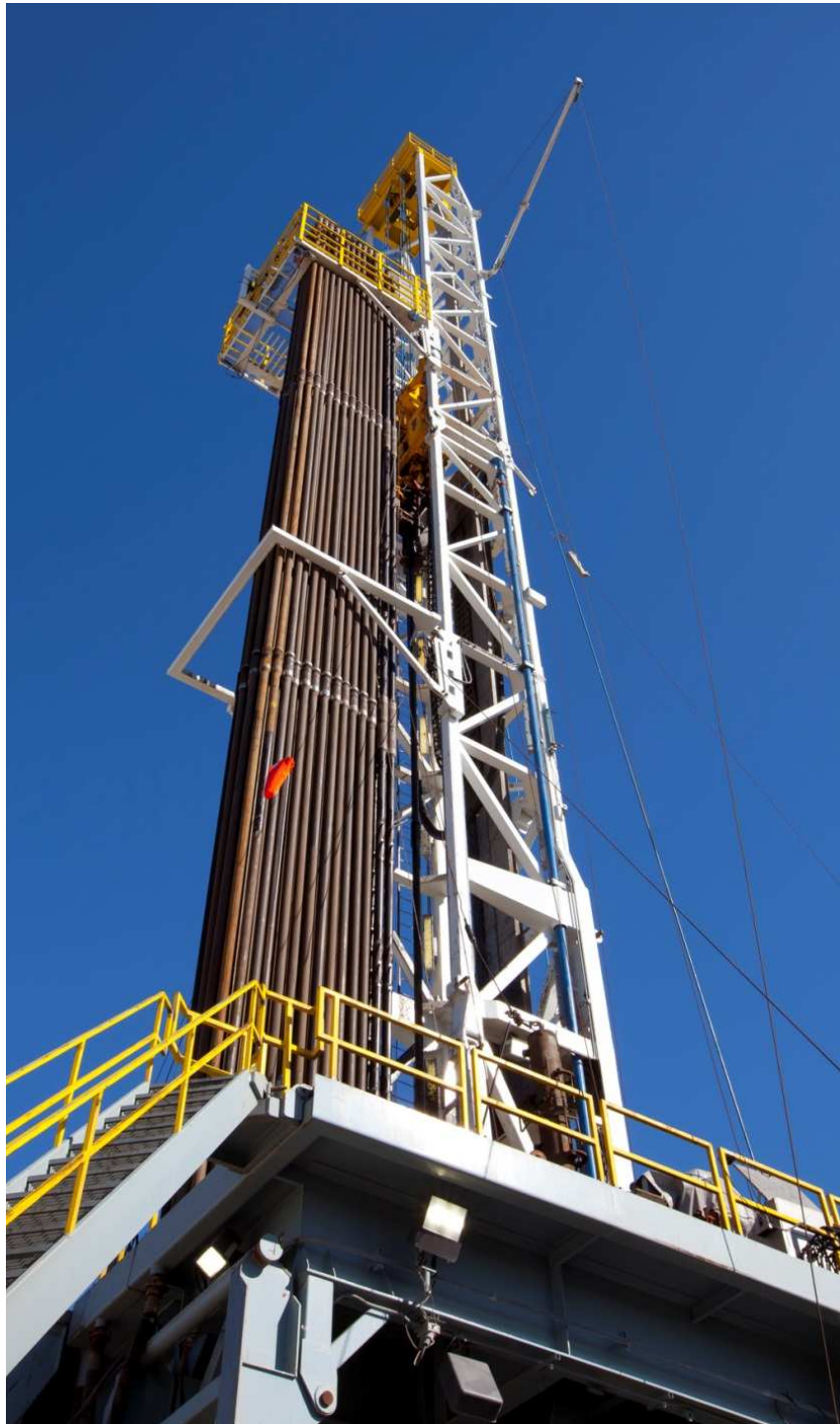


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Reserves and Resources. The reserve and resource information contained in this announcement is based on information compiled by Dr. Suzanne Hunt (Manager, Engineering and Development). Dr. Hunt is a Petroleum Engineer with a PhD in Geomechanics and has over 18 years' experience in the petroleum sector. She 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

3Q Highlights
Strategy Update
Growth Projects
Outlook



3Q Highlights

For the period to
31 March 2015

3Q FY2014-15 Highlights



Production

- FY2014-15 YTD production of 3.67 mmboe, in line with full year guidance

Development

- Pateke-4H on production at Tui; initial performance exceeding expectations
- BassGas JV commenced drilling Yolla-5 and 6 development wells
- Total production wells at Sugarloaf increased to 205 with 21 in Austin Chalk
- FEED and site survey contracts awarded for Lengo Gas Project

Exploration & Appraisal

- Senecio-3 flow test confirms commercial potential of Waitsia gas field
- Gas discovery made in the Dongara/Wagina sands at Irwin-1

HSE

- No lost time injuries and no reportable environmental incidents

Corporate

- Two new offshore exploration permits awarded in WA

AWE continues to achieve operating milestones and remains focused on growth targets

3Q FY2014-15 financial performance



Item	FY2014-15 year to date (9 months)
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Total production	3.67 mmboe, down 15% on pcg
Sales Revenue	\$202 million, down 25% on pcg
Field Opex	\$100 million, up 11% on pcg
Field EBITDAX	\$103 million, down 42% on pcg

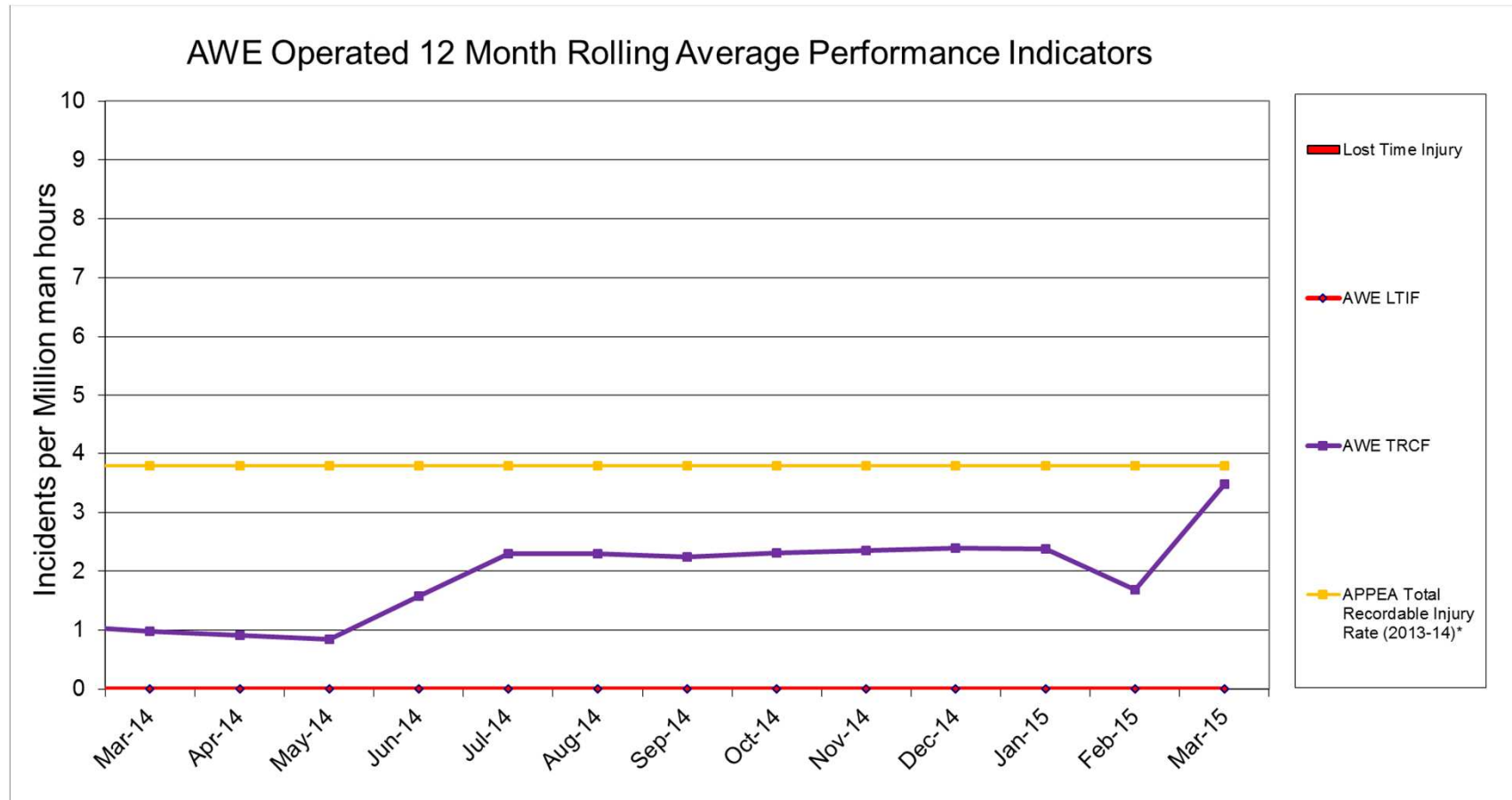
Item	At end of March 2015
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Cash	\$62 million
Drawn debt ⁽¹⁾	\$109 million
Net debt	\$47 million
Average realised oil/condensate price	\$57.33/barrel in 3Q, down 29% on 2Q

(1) Drawn debt of A\$109 million from a A\$300 million loan facility Note: Financial highlights are preliminary and unaudited

Solid production and financial performance in low oil price environment

Good HSE performance

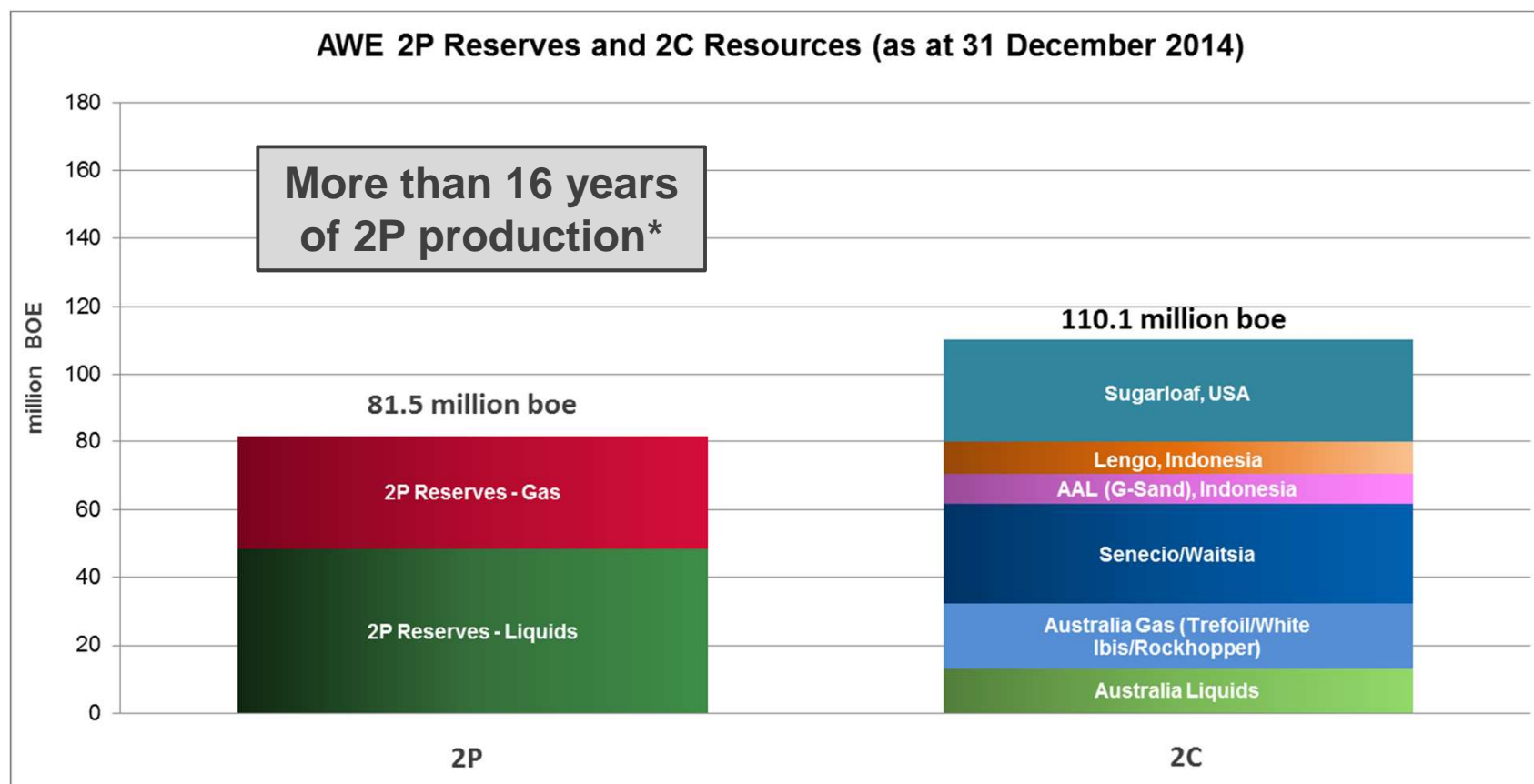


* APPEA Total Recordable Injury Rate (2013-2014) is 3.79 injuries per million hours worked, 23% lower than the previous reporting year (which was 4.9).

- No Lost Time Injuries and no reportable environmental incidents during 3Q FY2014-15

Safety and environment focused on reducing potential incidents

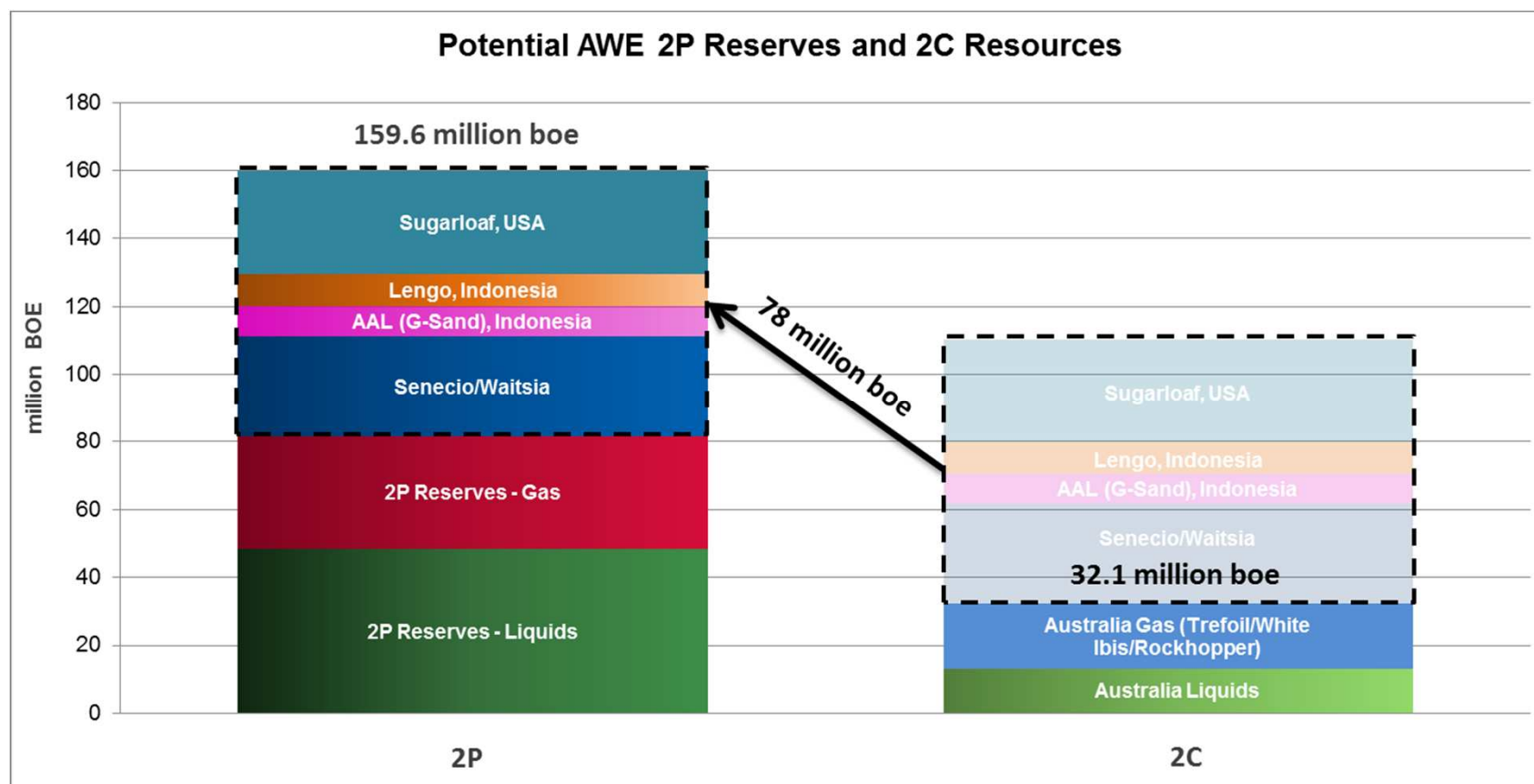
Strong base of Reserves & Resources



* Based on nominal annual production of 5.0 million BOE

AWE has a large asset base with substantial growth projects built into 2C Resources

Potential to double 2P Reserves



AWE has the potential to double 2P Reserves in the near to medium term

Guidance maintained for FY2014-15



Key Indicator	Guidance FY2014-15	YTD as at 31 Mar 2015
Production (million BOE)	4.6 – 5.1	3.7
Sales Revenue (\$m)	290 - 320	202
Development Expenditure (\$m)	220 - 250	172
Exploration Expenditure (\$m)	50 - 75	50

Note: Guidance was prepared using a Brent Oil price of USD100 per barrel and AUD/USD of 90 cents

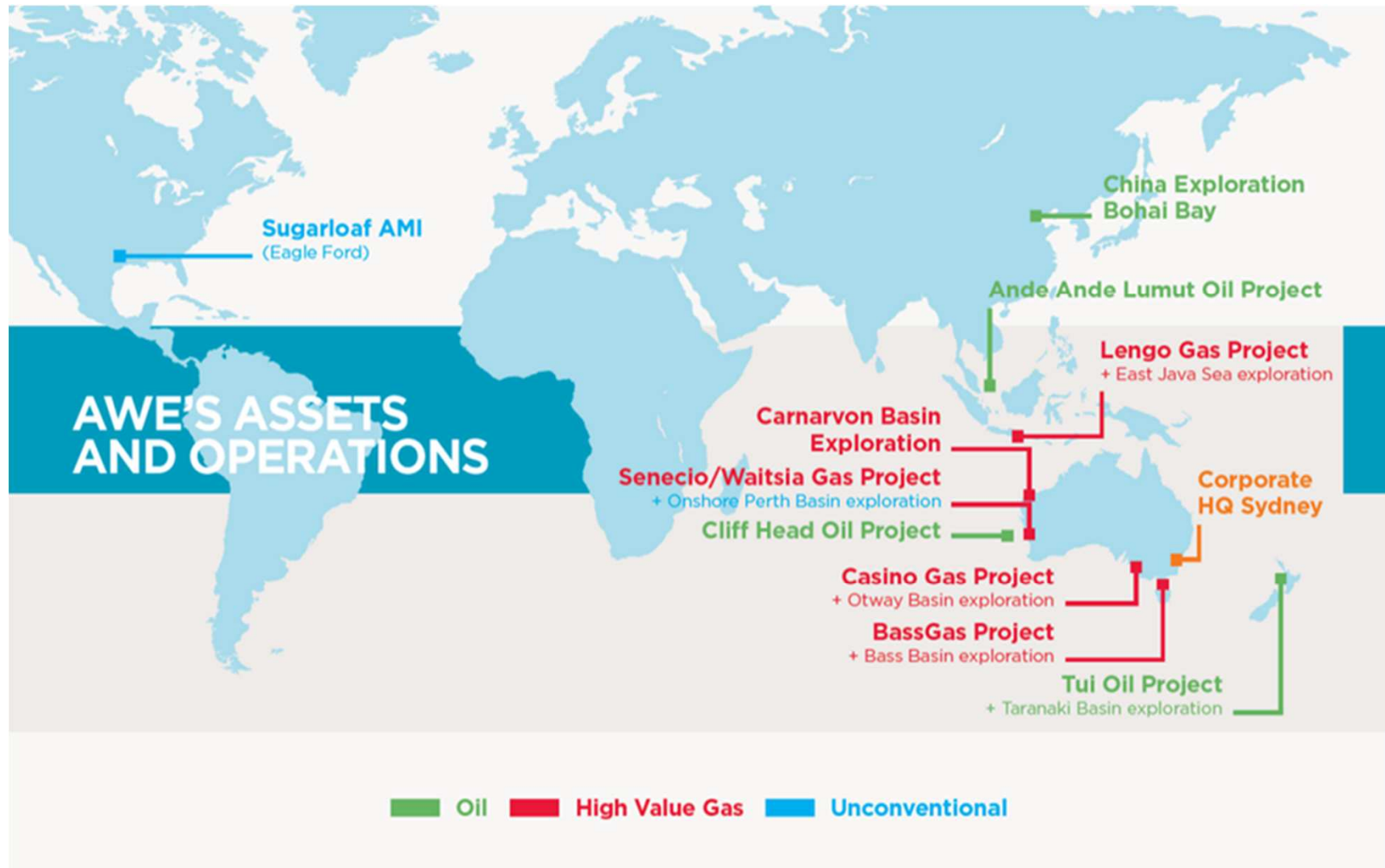
- **Production** on track and expected to be within full year range
- **Sales revenue** expected to be at bottom end of range due to significantly lower oil price
- **Development expenditure** expected to be within range
- **Exploration expenditure** expected to be at the upper end of range (fast track Waitsia appraisal)

AWE remains on track to meet full year guidance

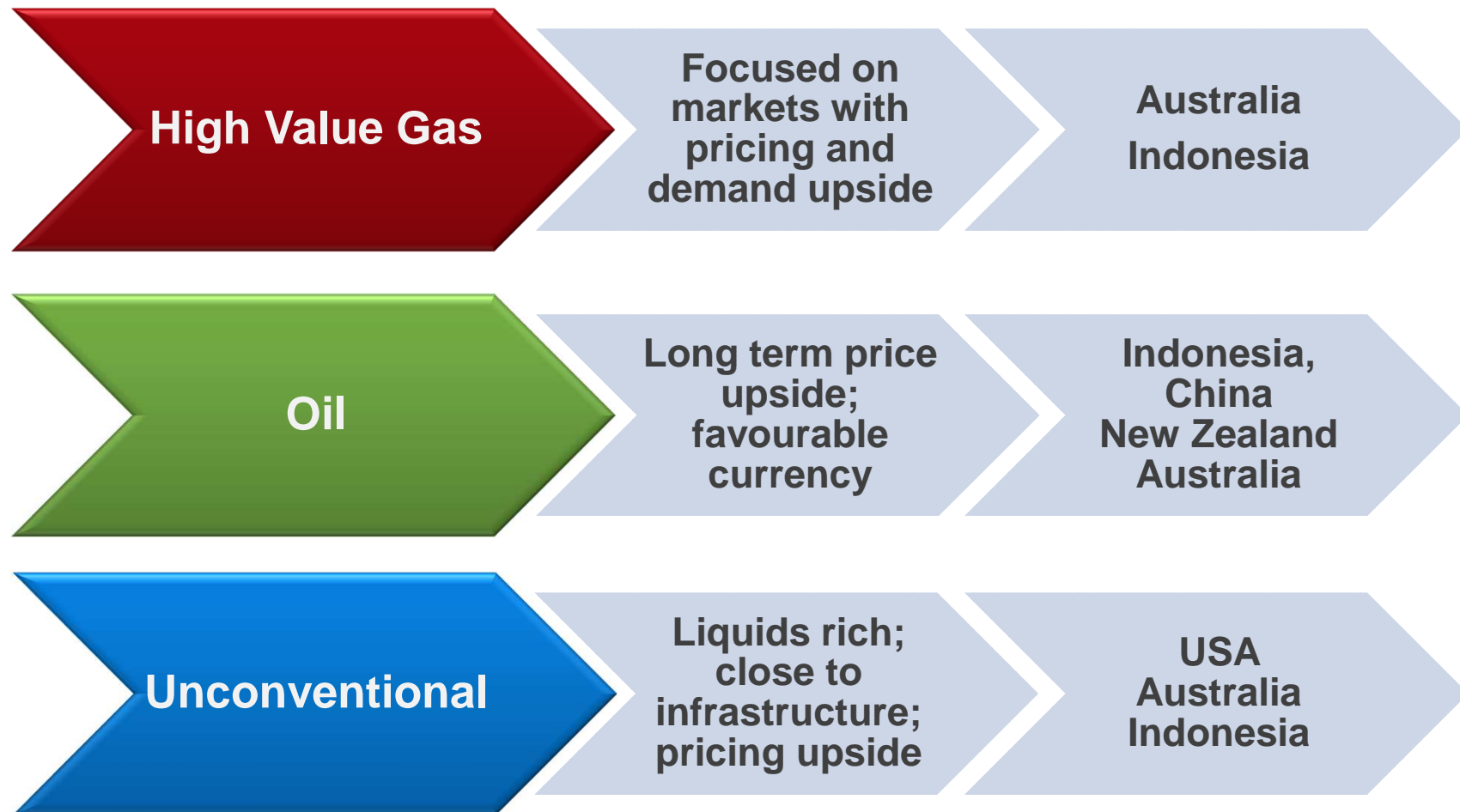
Strategy Update



Geographic spread reflects market focus AWE



Strategy built on 3 core platforms



AWE well positioned for low oil prices



Operations continue to perform well

- Production on track to achieve full year guidance
- Achieving development milestones
- Small team with good HSE

Diversified asset portfolio provides optionality

- Ability to prioritise development and exploration
- Gas contracts CPI linked
- Significant gas reserves and resources to be recontracted at higher prices

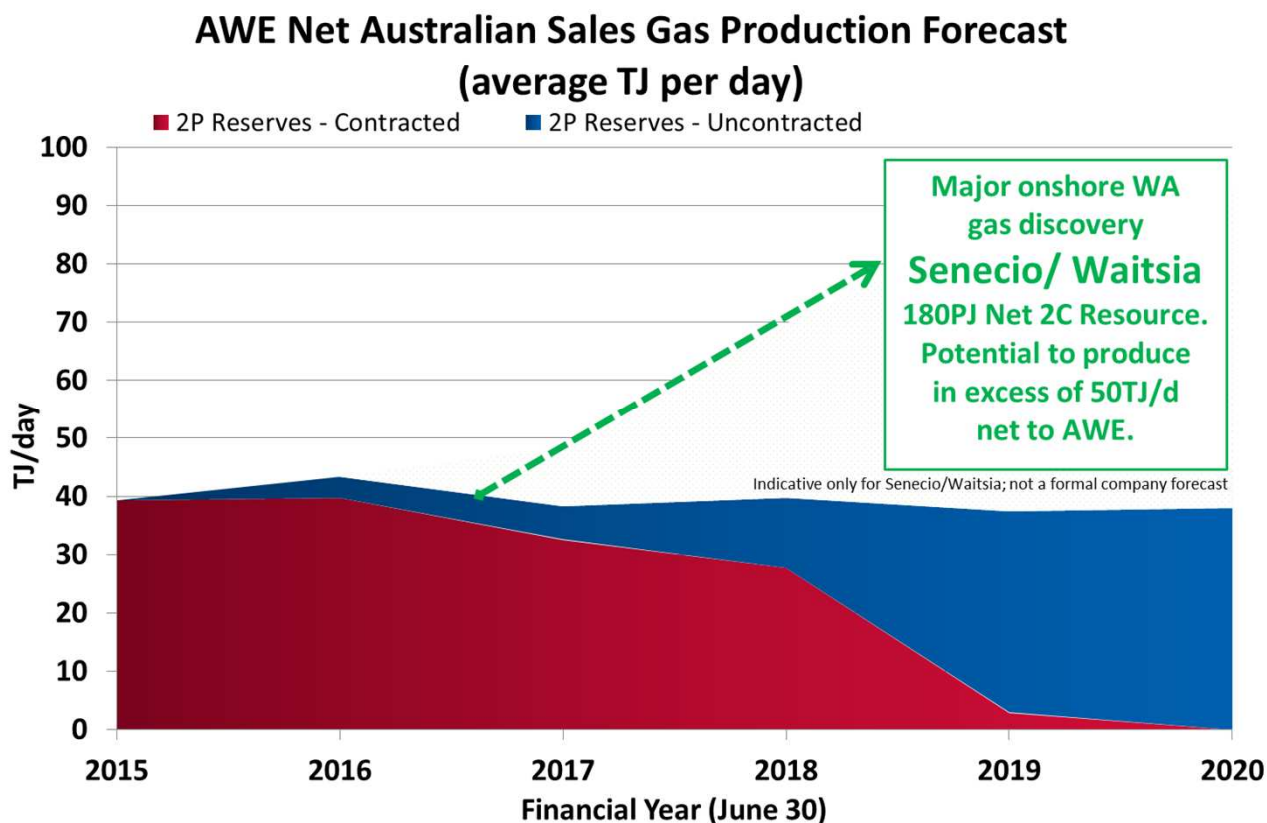
Disciplined financial management

- Focused on reducing costs
- Look to reduce or prioritise future commitments
- Portfolio management
- Maintain robust and flexible balance sheet

AWE's geographic and asset diversity underpins growth strategy

- **Production assets** – production remains economic for all assets at current commodity prices; good balance of liquids and gas
- **Revenue replacement** – lower oil and condensate revenues to be offset over time by gas developments in high value gas markets
- **Prioritise developments** - fast track development of gas projects to maximise returns over shortest timeframe, e.g. Waitsia
- **Cost reduction** – management focused on reducing corporate overheads, G&A, operational costs and discretionary spending
- **Reduced FY 2015-16 funding commitments** – forecast 27% reduction in development expenditure and 45% reduction in exploration expenditure
- **Portfolio management** – potential to farm out or sell non-core assets to optimise portfolio returns

AWE targeting high value gas markets



Substantial uncontracted domestic gas position

- Industry experts forecast the domestic gas price to rise 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

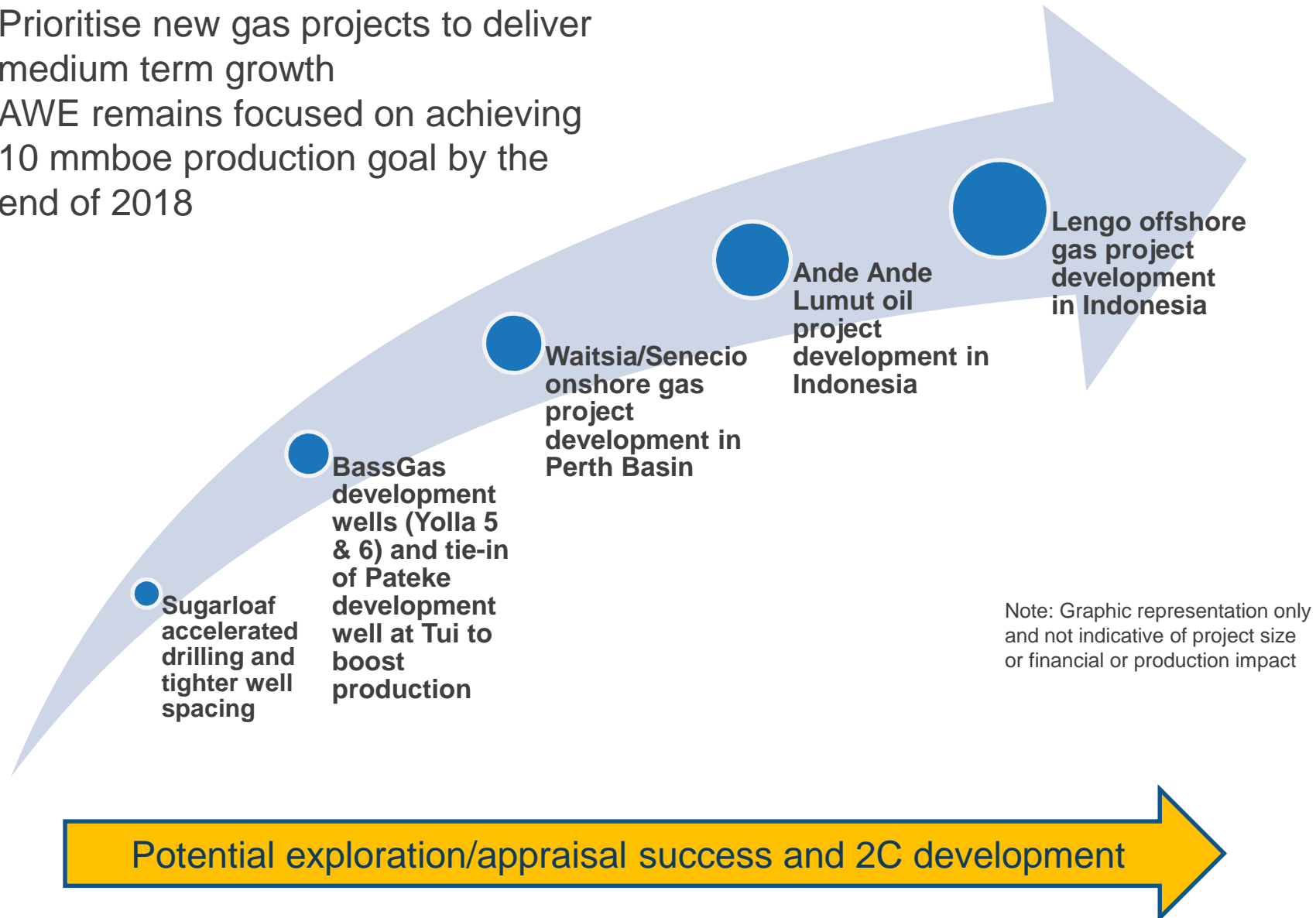
Recontract both Otway and Bass basin gas sales within the next two years

Prioritising development projects

- Complete current commitments to deliver production growth:
 - *Pateke-4H well at Tui oil fields on production from April 2015*
 - *BassGas MLE development drilling to increase production from Yolla platform by >50% to system capacity of 67 TJ/day by end of FY 2014-15*
- Focused on further reducing drilling costs at Sugarloaf, anticipate similar drilling program in CY 2015 (up to 100 new wells spudded)
- Prioritise development of Waitsia conventional gas field and Senecio tight gas field in the Perth Basin
 - *Target early, low cost production through existing facilities by mid-2016*
- Progress AAL well head platform and FPSO tender processes in CY 2015
 - *Focus on reducing development costs for well head platform, FPSO and drilling*
- Progress Lengo gas field development in Indonesia

High value gas projects prioritised

- Prioritise new gas projects to deliver medium term growth
- AWE remains focused on achieving 10 mmboe production goal by the end of 2018

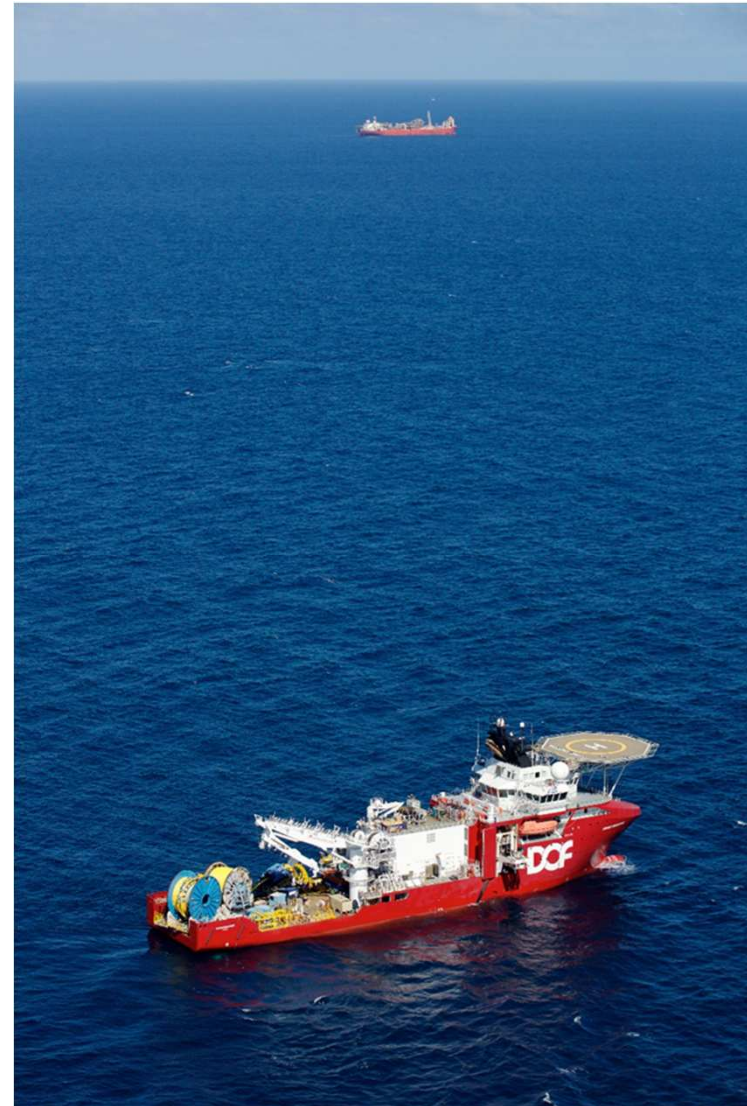


Growth Projects



Increased Tui production in CY 2015

- Pateke-4H development well brought onto production in April 2015
- Initial well performance from Pateke-4H ahead of expectations
- Tui field currently producing around 7,500 bopd
- Water cut approximately 75% which is less than predicted in pre-production modelling
- Increased production likely to result in two liftings during 4Q FY2014-15

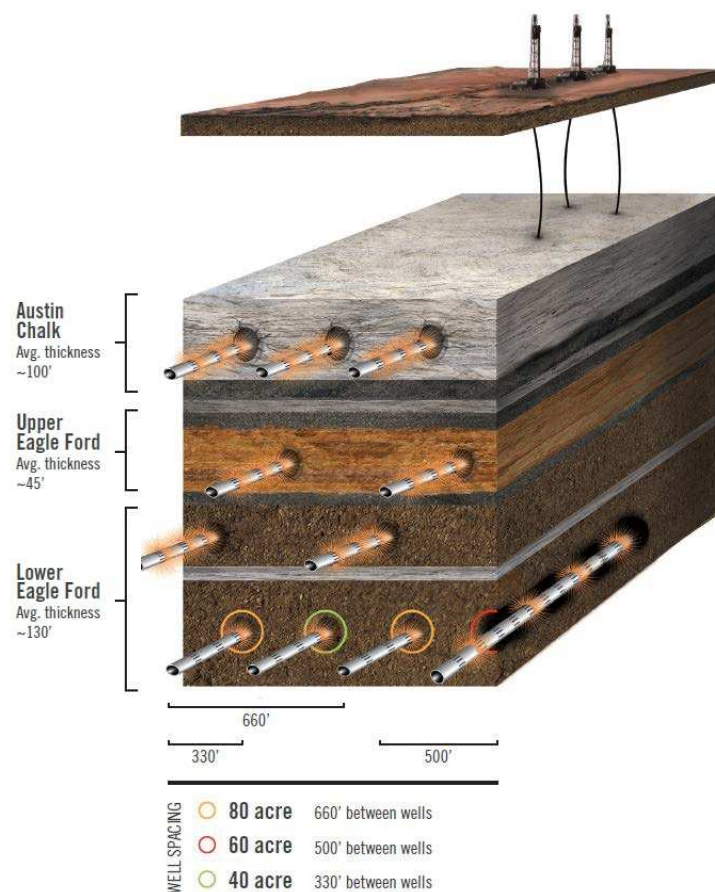


Pateke-4H performance exceeding pre-drill expectations

More upside at Sugarloaf



Eagle Ford horizontal and vertical well spacing



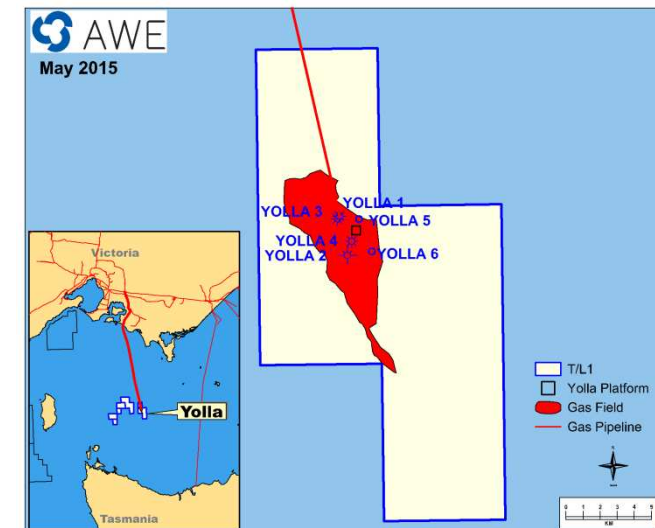
Source: Baytex Energy Corp., February Corporate Presentation, 2015

- Liquids-rich sweet spot in the Eagle Ford that provides good returns, even at current low oil prices
- Operator targeting gross well costs of US\$6.3m/well
- At 31 March 2015 there were 205 wells producing with 21 in the Austin Chalk
- A further 40 wells were in various stages of drilling and completion
- AWE anticipates up to 100 new wells to be spudded in CY 2015
- Independent review of Eagle Ford and Austin Chalk Reserves and Resources planned for 1H CY 2015
- Significant Resources potential in Upper Eagle Ford

Sugarloaf continues to create value, even in current low oil price environment

BassGas MLE on track

- Heavy lift phase successfully completed in December 2014
- Tie-in and commissioning of gas compression and condensate pumping modules to start mid CY 2015
- Drilling of 2 development wells (Yolla 5 and 6) has commenced
- Targeting increased production up to system capacity of 67 TJ/day (gross) towards the end of FY2014-15
- Reduced holding in T/L1 (BassGas) to 35%
- Increased holding in T/18P (Trefoil) to 40%

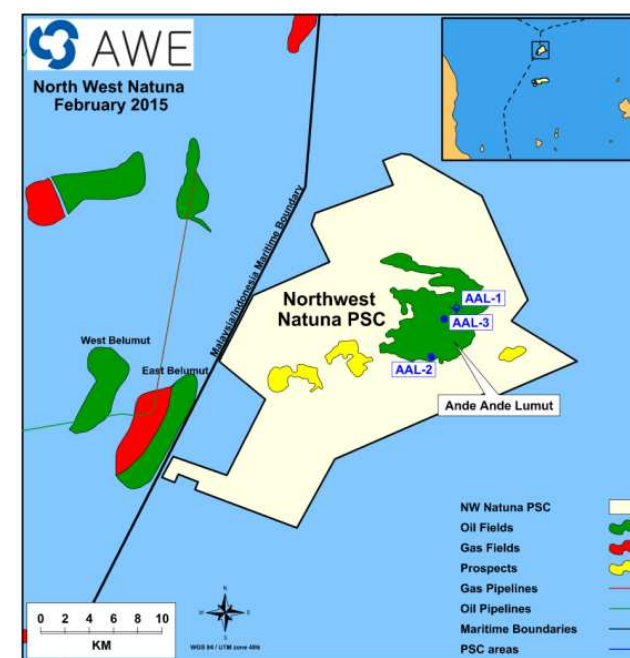


Access to gas price growth in eastern states, will recontract gas over next 12-24 months

AAL moves into tendering phase

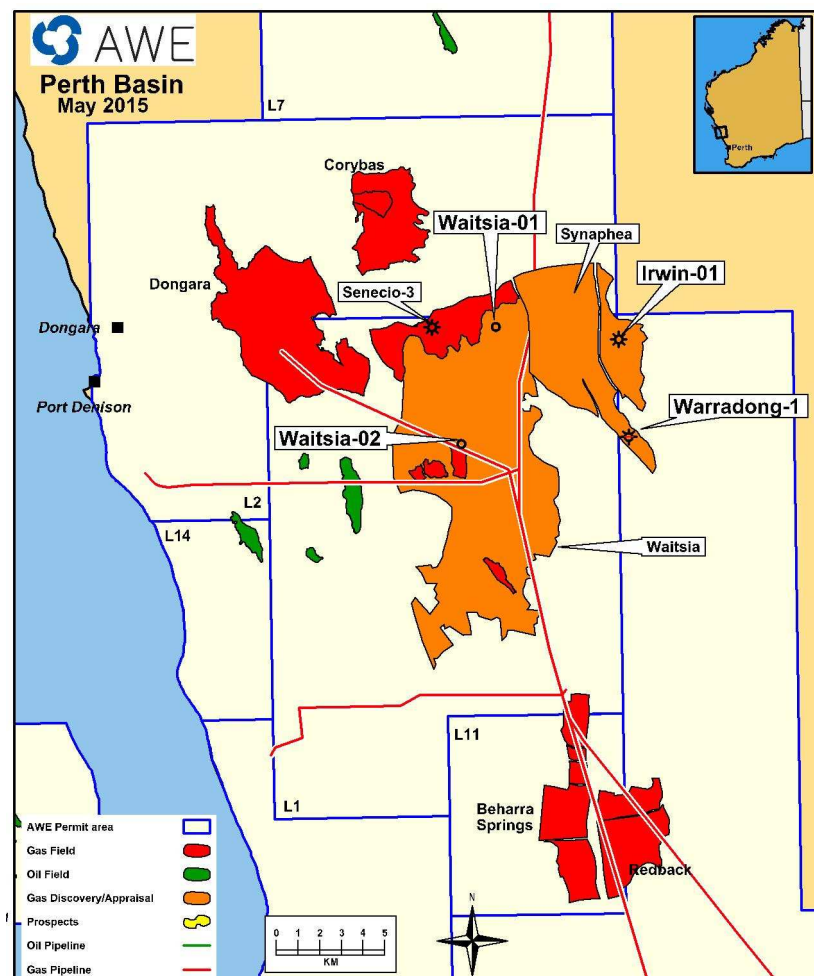


- 100 mmbbl gross recoverable oil field development, offshore Indonesia
- FPSO and well head platform tender plans approved by Indonesian government
- Progress AAL well head platform and FPSO tendering processes in CY 2015
- Look to achieve savings on major cost items: well head platform, FPSO and drilling
- Operator proposes delaying FID for the project to 2H CY2016 with first oil in 2018
- Additional exploration prospects in PSC
- 35 mmbbl gross upside potential in deeper G-Sand



AAL well positioned to take advantage of expected oil price increases

Waitsia early development potential



- Early conventional gas development opportunity – close to existing gas plant and pipeline infrastructure
- Potential low cost development in strong WA domestic market – gas marketing has commenced
- Positive Senecio-3 flow test results from Kingia interval (Waitsia field):
 - *12.3 mmscf/d average gas flow rate over a 5 hour period*
 - *Well head pressure of 1,980 psig on a 36/64 inch choke*
- Waitsia-1 appraisal well to spud in May 2015, with Waitsia-2 planned for the 2H of CY 2015

Targeting early production from initial development by mid-2016 subject to results & approvals

Senecio and Waitsia – initial volumes



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

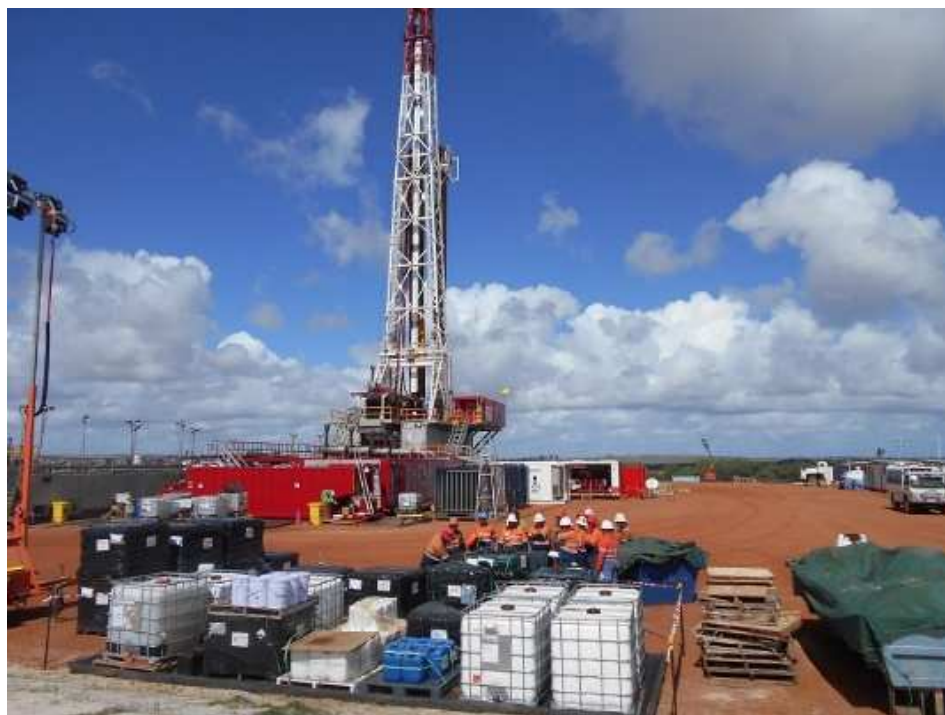
Field	Reservoir Interval	Original Gas in Place (Bcf)			Recoverable (Bcf)		
		P90	P50	P10	P90	P50	P10
Senecio	Dongara/Wagina	86	148	246	40	70	130
Waitsia	Kingia/High Cliff Sandstone	115	489	1,961	65	290	1,170

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	2,813	114	420	1,497
	Carynginia Shale	Not yet determined					

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

Gas discovery at Irwin-1



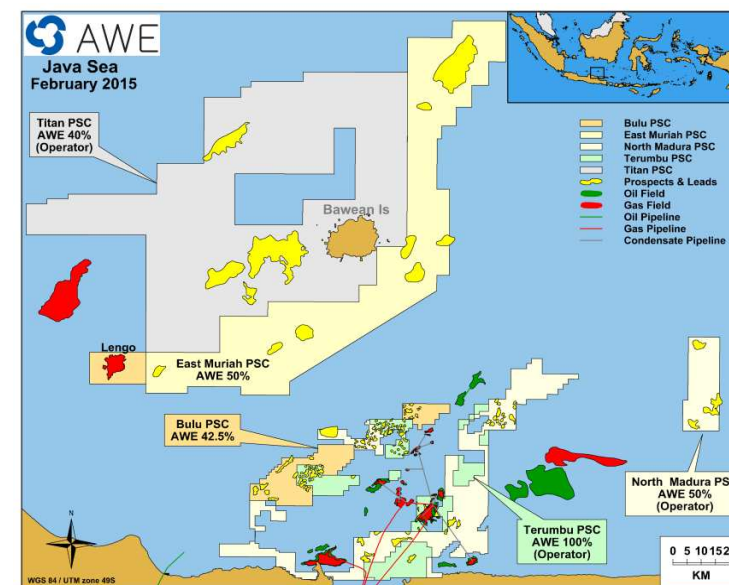
- 32m gas column in the Dongara/Wagina tight gas reservoir
- Gas/water contact interpreted at 3,085m TVDSS
- Initial estimated gross 149 Bcf of gas 2C Contingent Resource in the Dongara/Wagina in Irwin and Synaphea structures
- Kingia interval at Irwin-1 water bearing as expected but similar reservoir quality to Waitsia
- Confirms the Kingia reservoir is laterally extensive, as assumed in assessment of Waitsia 2C

Gross 149 Bcf of gas 2C Contingent Resource in Irwin & Synaphea structures

Lengo achieves POD approval



- Indonesian government has approved the Plan of Development for the Lengo gas project in the Bulu PSC offshore East Java
- POD comprises four development wells, an unmanned well head platform, and a 20-inch, 65km pipeline to shore
- Operator (KrisEnergy) has awarded FEED contract for the offshore facilities and pipeline
- Geophysical and geotechnical surveys at the platform site have commenced
- Negotiations for gas sales under way
- Operator estimates over 300 Bcf recoverable sales gas with good proximity to strengthening gas market on East Java



Operator pursuing development for Lengo gas project



Outlook

Looking ahead – near term catalysts



- **Exciting developments in the onshore Perth Basin**
 - *Senecio-3 conventional flow test of Kingia interval confirms commercial potential of Waitsia gas field*
 - *Two new appraisal wells planned for Waitsia gas field in CY 2015*
 - *Irwin-1 exploration well confirms gas discovery in Dongara/Wagina interval*
- **BassGas development drilling – two well program**
 - *Currently drilling two wells to access undeveloped reserves*
- **Sugarloaf production expected to increase over the remainder of FY2014-15**
 - *Large inventory of 40 wells to bring onto production; Austin Chalk gaining momentum*
- **Tie-in of Pateke-4H well to Tui oil field**
 - *Production from Pateke-4H commenced in April 2015, exceeding pre-drill expectations*
- **Ande Ande Lumut oil project**
 - *Progress FPSO and well head platform tendering processes; target cost savings*
- **Lengo gas project**
 - *FEED and site survey contracts awarded; gas sales negotiations underway*

Prioritise and progress delivery of growth assets from current portfolio

- **Highlights:**
 - Continued to achieve milestones on major growth projects
 - Production on track to meet guidance
 - Potential for significant 2P Reserves growth
 - Further Perth Basin exploration success
- **Financial:**
 - Focused on reducing costs and prioritising investments
 - Maintain robust and flexible balance sheet
 - Actively managing our asset portfolio
- **Operations:**
 - Strong focus on Health, Safety and Environment
 - Production assets continued to perform well
 - High levels of development and exploration drilling activity
 - Significant gas reserves to be recontracted at higher prices
- **Growth Projects:**
 - In place, substantial size and gaining momentum
 - Prioritising gas assets in response to lower oil prices
- **Future Direction:**
 - Clear goal and growth strategy in place
 - Focused on achieving 10 mmboe production by end of 2018

Questions

