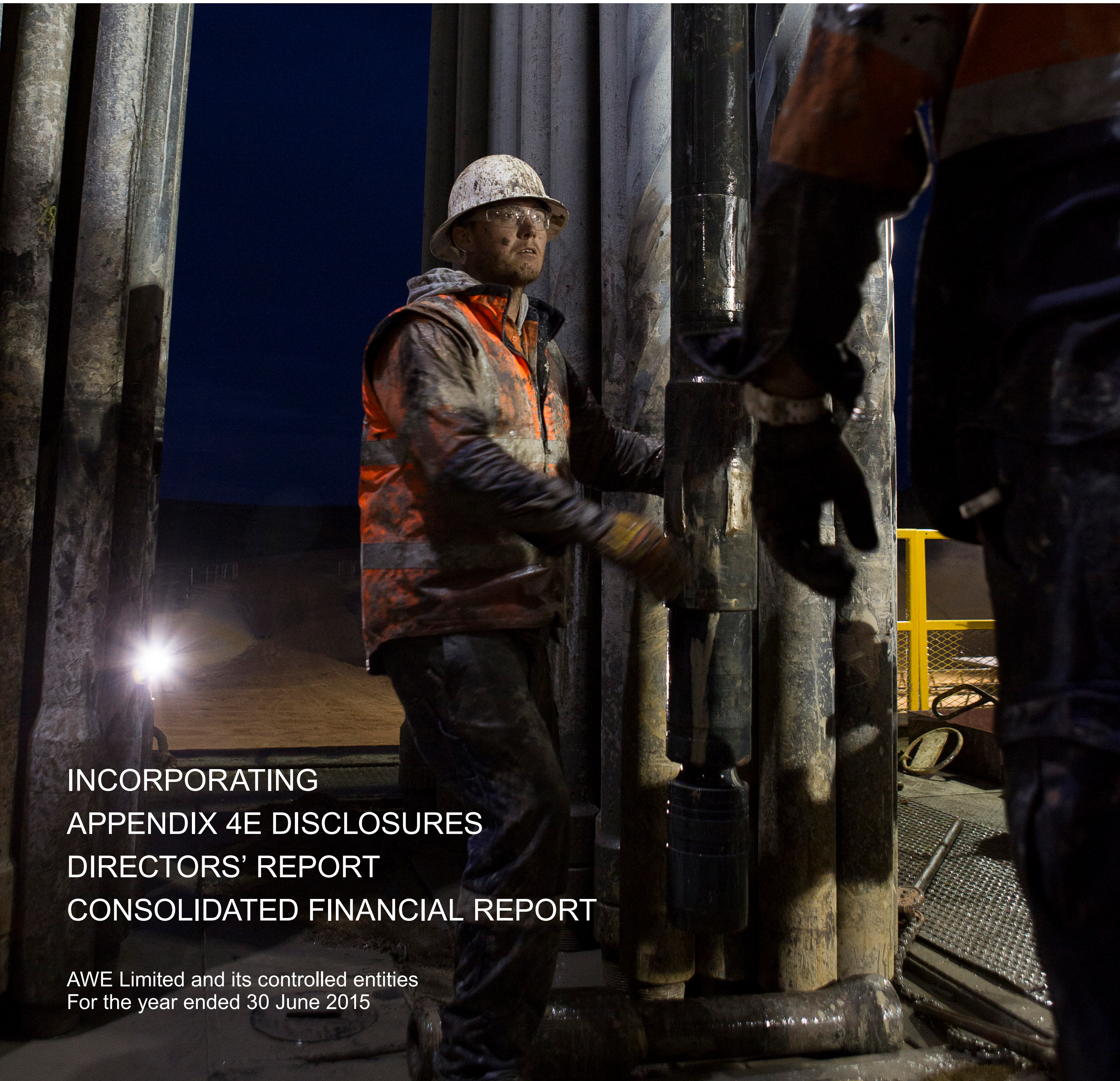
YEAR END REPORT
TO 30 JUNE 2015



INCORPORATING
APPENDIX 4E DISCLOSURES
DIRECTORS' REPORT
CONSOLIDATED FINANCIAL REPORT

AWE Limited and its controlled entities
For the year ended 30 June 2015

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Appendix 4E

AWE Limited
ABN 70 077 897 440

Results for announcement to the market

Financial year ended 'Current period' 30 June 2015	Financial year ended 'Previous corresponding period' 30 June 2014

			A$'000
Revenue from ordinary activities is down by	**-13%**	**to**	**284,930**
Profit from ordinary activities after tax attributable to members is down	**>-100%**	**to**	**(230,198)**
Net profit for the period attributable to members is down	**>-100%**	**to**	**(230,198)**

Interim dividends	**Amount per security**	**Franked amount per security**
Current period – interim dividend	NIL	NIL
Previous corresponding period – special divided	NIL	NIL
Record date for determining entitlements to the dividend	N/A	

A review of the consolidated entity's operations during the year ended 30 June 2015 and the results of those operations are included in the AWE Limited 30 June 2015 directors' report set out on pages 4 to 17.

NTA backing	**Current period**	**Previous corresponding period**
Net tangible asset backing per ordinary security	**1.20**	**1.55**

Change in ownership of controlled entities	There was no gain or loss of control of entities during the year ended on 30 June 2015 or up to the date of this report.

Details of dividends	There were no dividends paid or declared during the year ended 30 June 2015 or up to the date of this report.

Dividend reinvestment plans	There are no dividend reinvestment plans in place.

Directors' Report

The directors present their report together with the consolidated financial report of the entity being AWE Limited ("AWE" or "the Company"), and its controlled entities, for the year ended 30 June 2015 and the auditor's report thereon.

The directors of the Company during the year are set out on page 13 of the Directors' Report.

Operating and financial review

The directors of AWE Limited present the Operating and Financial Review of the consolidated entity, prepared in accordance with section 299A of the Corporations Act 2001 (Cth), for the year ended 30 June 2015. The information provided in this review forms part of the Directors' Report and provides information to assist readers assess the operations, financial position and business strategies of AWE.

The principal activities of AWE continue to be the exploration for, development and production of hydrocarbons.

1. Performance overview

The Company delivered a solid operating performance in a challenging oil price environment, with production from its portfolio of assets at the top end of AWE's market guidance and sales revenue marginally below guidance. The Company substantially increased its Resources and Reserves during the year, with 2P Reserves increasing 25% by 23 mmboe to 114 mmboe (after production) and 2C Contingent Resources increasing 57% by 44 mmboe to 121 mmboe.

AWE achieved significant exploration success with the new Waitsia, Senecio, Irwin and Synaphia gas discoveries which has resulted in the recognition of new 2P Reserves of 16 mmboe and 2C Contingent Resources of 50 mmboe at 30 June 2015. Substantial progress was also made on key development projects, including drilling at Sugarloaf where substantial reserves growth was recorded.

AWE's focus on HSE continued during the year, with no reportable environmental incidents recorded. After a two year period with no safety incidents, it was disappointing that two Lost Time Injuries were recorded during the period. The Company has taken immediate action and will continue to prioritise the health and safety of employees and contractors at AWE sites to regain our previous safety record.

The Company maintained its focus on community and stakeholder engagement and has continued to openly engage with landowners, local communities, regulators and governments particularly in Western Australia and New Zealand where we operate.

The following tables provide an overview of the production and financial performance of AWE as detailed in the subsequent Financial Report.

Overview of consolidated entity	30 June 2015 mmboe	30 June 2014 mmboe	Variance %
Production			
Gas	***2.59***	*3.22*	*(20%)*
LPG production	***0.46***	*0.49*	*(7%)*
Condensate production	***0.85***	*0.76*	*12%*
Oil	***1.20***	*1.14*	*5%*
Total production	***5.09***	***5.61***	***(9%)***

Overview of consolidated entity	$million	$million	%
Sales revenue	***283.7***	*328.3*	*(14%)*
Production costs and royalties	***(140.5)***	*(119.4)*	*18%*
Field EBITDAX[1]	***143.2***	*208.8*	*(31%)*
Exploration and evaluation expense	***(37.6)***	*(39.8)*	*(6%)*
Amortisation	***(119.1)***	*(117.6)*	*1%*
Net financing expense	***(11.9)***	*(10.1)*	*18%*
Impairment	***(246.3)***	-	*>100%*
Fair value adjustment on held for sale assets	**-**	*(12.4)*	*>100%*
Other income / (expense)	***(37.8)***	*67.4*	*>100%*
Statutory net (loss) / profit before tax	***(309.5)***	*96.4*	***>100%***
Tax benefit / (expense)	***79.3***	*(33.9)*	*>100%*
Statutory net (loss) / profit after tax (NPAT)	***(230.2)***	*62.5*	***>100%***

An underlying loss of $52.3 million was incurred for the 2014/15 financial year. To assist readers reconcile the underlying NPAT, the following table provides a reconciliation of NPAT and the impact after adjusting for non-recurring items.

Reconciliation of underlying NPAT	30 June 2015
Statutory NPAT	***(230.2)***
Less non-recurring items (after tax):	
Impairment	*157.5*
Perth basin restoration costs	*8.6*
Write off of capitalised borrowing costs due to refinancing	*1.8*
Indonesian PSC relinquishment cost	*10.0*
Underlying NPAT[2]	***(52.3)***

1. Sales revenue less production costs and royalties. Refer note 10 for information by segment.
2. AWE's Financial Report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS). The underlying (non-IFRS) profit / (loss) is unaudited but is derived from the audited accounts by removing the impact of non-recurring items from the reported (IFRS) audited profit. AWE believes the non-IFRS profit / (loss) reflects a more meaningful measure of the consolidated entity's underlying performance.

1.1 Financial performance

The consolidated entity reported a net loss after tax of $230 million for the year compared to a net profit after tax of $62.5 million for the previous financial year (which included a net profit on sale of AWE's 50% interest in the Ande Ande Lumit (AAL) project). The result includes a net impairment charge of $157.5 million ($246 million pre-tax, $88.7 million tax effect) relating to the Tui and Cliff Head oil projects, reflecting the decline in global oil prices, and the BassGas project relating to a reduction in recognised 2P Reserves.

AWE recorded sales revenue for 2015 of $283.7 million. This was 14% lower than the previous year (2014: $328.3 million) due to the significant decline in global oil prices and lower overall production. The average realised oil and condensate price for the period was 28% lower at A$79 per barrel, compared to A$109 per barrel in the previous year. Approximately 25% of total revenue was derived from long term fixed price gas contracts providing valuable diversification and stability in revenue given the significant decline in oil and condensate prices.

Operating costs were $140.5 million for the year compared to $119.4 million for the previous financial year reflecting higher booked operating costs at Tui due to higher sales volumes and increased production following the tie-in of the Pateke-4H well, and increased royalties and other operating costs at Sugarloaf in line with an increase in production. The depreciation of the Australian dollar against the US dollar during the period also increased USD denominated operating costs at Tui and Sugarloaf.

Field EBITDAX of $143.2 million was lower than the previous year (2014: $208.8 million) also reflecting the lower oil price environment and reduced production for the period. Net cash from operating activities was $62.2 million, lower than the previous financial year of $123.7 million.

In accordance with AWE's successful efforts accounting policy, $37.6 million of exploration and evaluation costs were expensed during the period, compared to $39.8 million in the prior year. Exploration and evaluation costs expensed during the year included drilling costs incurred in Block 09/05 in Bohai Bay, China, and costs expensed in relation to Production Sharing Contracts (PSCs) in Indonesia.

A net taxation benefit is recognised for the period of $79.3 million compared to taxation expense of $33.9 million for the prior year, which included Indonesian taxes payable in respect of the sale of 50% of the AAL project. A taxation benefit of $88.7 million relating to the impairment of the BassGas, Cliff Head and Tui projects was recognised during the period. Taxation benefit/expense includes the tax effect of Petroleum Resource Rent Tax (PRRT) in Australia and Accounting Profits Royalty (APR) in New Zealand.

AWE's underlying loss for the period was $52.3 million after adjusting for non-recurring items of $177.9 million after tax, including exploration and evaluation costs of $37.6 million. This compares to an underlying profit of $7 million for the previous financial year.

1.2 Summary of financial position

The Company maintained a sound balance sheet position with cash holdings of $46.6 million and drawn debt of $169.8 million and undrawn debt of $230.2 million at the end of the period. This compares to a net cash balance of $42.1 million and no drawn debt at 30 June 2014. The increase in drawn debt reflects investments in appraisal and development projects during the year.

In May 2015, the Company successfully completed the refinancing of a new secured syndicated bank loan facility, increasing the facility by $100 million to $400 million and extending the term to May 2019.

2. Production and development

	30 June 2015					30 June 2014
Production (mmboe)	**South East Australia**	**Western Australia**	**New Zealand**	**USA**	**Total**	**Total**
Gas	1.83	0.40	-	0.35	**2.59**	**3.22**
LPG	0.16	-	-	0.29	**0.46**	**0.49**
Condensate	0.17	-	-	0.68	**0.85**	**0.76**
Oil	-	0.36	0.84	-	**1.20**	**1.14**
Total	**2.16**	**0.76**	**0.84**	**1.33**	**5.09**	**5.61**

	30 June 2015						30 June 2014
	South East Australia	**Western Australia**	**New Zealand**	**USA**	**Indonesia**	**Total**	**Total**
Development Expenditure ($m)	**89.2**	**1.7**	**24.1**	**104.8**	**22.7**	**242.5**	**143.8**

Total oil and gas production of 5.1 million BOE was in line with expectations, but 9% lower than the previous financial year, and reflects a reduction in production from BassGas due to shut downs relating to maintenance and Mid Life Enhancement (MLE) project activity. This was partly offset by a strong increase in gas and condensate production at Sugarloaf and increased production from Tui following the successful tie-in of the Pateke-4H well.

An overall increase in 2P Reserves of 23 mmboe was recorded for the period reflecting the recognition of new 2P Reserves in respect of the Waitsia gas project of 16 mmboe and 84% increase to Sugarloaf 2P Reserves of 19.3 mmboe. This was largely offset by production for the year of 5.1 mmboe and a reduction in BassGas 2P Reserves of 5.5 mmboe following a reassessment of the remaining reserves in place by the Operator. Contingent 2C Resources increased by 44 mmboe to 121 mmboe during the period.

2.1 South East Australia

BassGass Project *(offshore Bass Basin, AWE 35%)*
The BassGas project achieved gross gas production of 11.5 PJ, 415,000 barrels of condensate and 35,000 tonnes of LPG. AWE’s share of production was 4.6 PJ of gas, 166,000 barrels of condensate and 14,000 tonnes of LPG. This represented a reduction of 44% in AWE’s share of production for the full year compared to the previous financial year due to reduced equity following the completion of the sale of an 11.25% interest to Prize Petroleum and extended production shut downs for maintenance and the Mid Life Enhancement (MLE) development project.

The MLE project achieved a number of milestones during the period with the completion of the heavy lift phase involving the lifting of gas compression and condensate pumping modules onto the platform and the drilling of the Yolla-5 and Yolla-6 development wells nearing completion at the end of the period. Both wells commenced production subsequent to the end of the period.

Subsequent to year end, the Operator for the BassGas project, Origin Energy, provided a preliminary reassessment of the Yolla field following a review of drilling results that indicated reduced 2P Reserves. AWE has chosen to adopt the Operator’s preliminary reassessment and consequently reduced AWE’s share of remaining 2P Reserves by 5.5 mmboe, down to 13 mmboe at 30 June 2015. The Company has recognised an impairment of $105.5 million after tax (pre-tax $150.7 million, $45.2 million tax effect) in the carrying value of the BassGas project at 30 June 2015.

Casino Gas Project *(offshore Otway Basin, AWE 25%)*
The Casino gas project, including the Casino, Henry and Netherby gas fields, achieved gross production of 25.6 PJ of gas and 15,000 barrels of condensate. AWE’s share of production for the year was 6.4 PJ of gas and 3,700 barrels of condensate. This represented a 16% decrease compared to the previous year due to shut downs for maintenance and natural field decline.

2.2 Western Australia

Onshore Perth Basin *(AWE 33.0% to 100%)*
The Onshore Perth Basin operations contributed 0.4 mmboe to AWE's gas and oil production for the year, with AWE's share totalling 2.4 PJ of natural gas, with approximately 2,800 barrels of condensate, primarily from the Beharra Springs gas project.

Cliff Head Oil Project *(offshore Perth Basin, AWE 57.5%)*
The Cliff Head oil project contributed gross production of 0.63 million barrels of oil. AWE's net share of production was approximately 0.36 million barrels for the year, a reduction of 20% due to natural field decline.

Total impairments of $11.3 million after tax ($27 million pre-tax, $15.6 million tax effect) were recognised during the period, including an impairment of $10.6 million after tax recognised at 31 December 2014.

2.3 New Zealand

Tui Oil Project *(offshore Taranaki Basin, AWE 57.5%)*
The Tui oil project recorded gross oil production of 1.45 million barrels (AWE share 0.84 million barrels), up 22% on the previous corresponding period due to higher than expected production from the new Patake-4H which was brought into production during the last quarter of the financial year.

A significant lifting of over 600,000 barrels of oil was completed during June (AWE share 350,000 barrels) resulting in a cash receivable of $27.5 million at 30 June 2015, received during July.

An impairment of $39.5 million after tax ($67.4 million pre-tax; $27.9 million tax effect) was recognised at 31 December 2014.

2.4 United States of America

Sugarloaf AMI *(onshore Texas, AWE share 10%, net ~7.5% after landowner royalties)*
Production continued to grow strongly at the Sugarloaf AMI shale gas and liquids project during the year, with an increase of 54% over the previous year to approximately 679,000 barrels of condensate, 2.1 PJ of gas and 25,000 tonnes of LPG, net of landowner royalties.

A total of 103 wells were brought into production during the year, bringing the total number of wells on-line at the end of the period to 231, with a further 61 wells being drilled and/or completed.

An independent reserves review by DeGolyer and MacNaughton completed after the end of the period resulted in an 84% increase in Sugarloaf's 2P Reserves to 42.4 mmboe (as at 31 December 2014).

2.5 Indonesia

Ande Ande Lumut Oil Project *(Northwest Natuna PSC, offshore Indonesia, AWE 50%)*
Progress continues to be made on the AAL project with Front End Engineering and Design ("FEED") on the wellhead platform and pre-qualification and tender processes for the wellhead platform and FPSO continuing at the end of the period.

Lengo Gas Project *(Bulu PSC, offshore Indonesia, AWE 42.5%)*
The Lengo gas project is located in the Bulu PSC, offshore East Java. Development activities progressed rapidly during the period, with some important milestones achieved during the period.

The Indonesian Government approved the Plan of Development (POD) during the period. The Operator, KrisEnergy, subsequently awarded the FEED contract for the offshore facilities and pipeline and commenced geophysical and completed geotechnical surveys at the platform site, the proposed platform to shore pipeline route and the onshore receiving terminal location. The development plan comprises four development wells, an unmanned wellhead platform and 65km pipeline to transport gas to shore. Gas marketing negotiations were in progress at the end of the period.

3. Exploration operations

	30 June 2015							30 June 2014
	Western Australia	South East Australia	New Zealand	Indonesia	China	Other	Total	Total
Exploration Expenditure ($m)	**27.8**	**2.4**	**4.3**	**7.5**	**16.0**	**5.4**	**63.4**	**44.3**

3.1 Western Australia

Onshore Perth Basin

AWE achieved considerable success with its exploration and appraisal drilling program in the North Perth Basin during the period. The Company increased its 2P Reserves to 16 mmboe and 2C Contingent Resources to 50 mmboe in relation to the Perth Basin as outlined in the table below.

The Senecio-3 well successfully appraised the Senecio tight gas field in the Dongara/Wagina formation, confirming gross 2C Contingent Resources of 81 Bcf of gas. On deepening the well, the Waitsia gas field was discovered in the Kingia/High Cliff sandstone formation, with 484 Bcf of gross 2P Reserves and 2C Contingent Resources. Subsequently, the Irwin-1 exploration well, drilled 8 kilometres east of Senecio, intersected the Irwin tight gas reservoir in the Dongara/Wagina sandstone, identifying a substantial updip gas accumulation in the combined Synaphea/Irwin structures, representing a total of 156 Bcf of gross 2C Resources.

The Waitsia-1 well and Waitsia-2 well, completed after the end of the period, successfully appraised the Waitsia field to the east and south of Senecio-3, confirming the extent of the initial discovery, its commercial potential and identifying additional upside in the field, including in the Irwin River Coal Measures and Carynginia Shale.

North Perth Basin Reserves and Resources appraised during 2015:

	Ultimate recovery Bcf (gross)	2P Reserves mmboe (AWE Share)	2C Resources mmboe (AWE Share)	
Field	**30-Jun-15**	**30-Jun-15**	**30-Jun-15**	**30-Jun-14**
Waitsia	484	15.7	27.1	**-**
Senecio	81	-	7.6	5.1
Irwin/ Synaphea	156	-	15.0	-
Total (*)	**721**	**15.7**	**49.7**	**5.1**

* Excludes Reserves and Resources in respect of Corybas, Dongara and Beharra Springs.

In EP455 (AWE 81.5%, Operator), AWE completed a Diagnostic Fracture Injection Test (DFIT) at Drover-1. Following the review of results from the test, no further work is planned for the Drover-1 well. The well will be decommissioned and the site rehabilitated.

In EP413 (AWE 44.25%), the Operator, Norwest Energy, completed 3D seismic acquisition and the interpretation of the survey results was in progress at the end of the period.

In WA-512-P (AWE 100%, Operator) reprocessing of 535km^2 of 3D and 4,048km^2 of 2D seismic data has commenced.

North Carnarvon Basin

In WA-497P (AWE 100%, Operator), interpretation of approximately 1,200km^2 of 3D and 280km of 2D seismic survey data was underway at the end of the period.

In WA-511P (AWE 100%, Operator), the acquisition of 3D seismic survey data was completed.

3.2 South East Australia

Bass Basin
The T/18P joint venture was undertaking development feasibility studies for the Trefoil field (2C Contingent Resources of 17 mmboe net to AWE) during the period to determine if the development of the field can be accelerated.

Otway Basin
In exploration permit VIC/P44 (AWE 25%), interpretation of reprocessed 3D seismic data to determine the prospectivity of the licence area was ongoing at the end of the period.

3.3 New Zealand

Taranaki Basin
In onshore permit PEP 55768 (AWE 51%, Operator), planning for drilling a vertical exploration well targeting the Hillsborough gas prospect had commenced at the end of the period.

3.4 Indonesia

East Java Basin
In the North Madura PSC (AWE 50%, Operator), interpretation of the 2D seismic survey is continuing at the end of the period.

The process to relinquish the East Muriah PSC (AWE 50%) and Terembu PSC (AWE 100%) has commenced. The relinquishment of the Anambas and Titan PSCs was in progress at the end of the period.

3.5 China

Bohai Basin
During the period, the Company acquired a 40% working interest in Block 09/05 in the offshore Bohai Basin in China. The first well drilled in August 2014 did not encounter commercial quantities of hydrocarbons. Preparation work for a second exploration well in the PSC was in progress at the end of the period.

4. Drilling activity

The wells drilled during the year are summarised as follows:

Well name	Location	AWE Share	Comments
Drover-1	Onshore Perth Basin	81.5%	Well successfully completed and suspended. Subsequent decision to decommission the well.
Senecio-3	Onshore Perth Basin	50%	Well successfully completed and suspended for production.
Waitsia -1	Onshore Perth Basin	50%	Well successfully completed and suspended for production.
Waitsia -2	Onshore Perth Basin	50%	Well successfully completed and suspended for production subsequent to year end.
Irwin-1	Onshore Perth Basin	33%	Well successfully completed and suspended.
Yolla 5/6	Bass Basin	35%	Well successfully completed and suspended subsequent to year end, for production.
Block 09/05	Bohai Basin	40%	Plugged and decommissioned.
Sugarloaf AMI	Eagle Ford Shale	10%*	125 wells drilled, 103 wells brought into production; 61 wells being drilled and / or completed at year end.

* Net working interest of 10%; net interest approximately 7.5% after land-owner royalties

5. Business strategy & opportunities

5.1 Business strategy

AWE's goal is to be a leading energy company in Australia by building a sustainable business that delivers superior returns to shareholders.

The Company has implemented a strategy that is focused on pursuing opportunities in oil, high value gas, and unconventionals in the geographic areas comprising Australia, New Zealand, Asia and the USA.

AWE has a diverse and valuable portfolio of exploration, appraisal, development and production assets across multiple geographic regions. The Company has a suite of established and valuable producing assets that deliver stable operating cash flows and which underpins the ability of the Company to reinvest in key development projects to drive growth. Combined with a strong balance sheet and a disciplined financial approach, the Company is positioned to fund existing opportunities. Near term growth opportunities include the development of contingent gas resources in the Perth Basin and further development at Sugarloaf.

AWE is committed to these goals while preserving our commitment of zero harm to our people, minimising our impact on the environment, supporting the communities in which we operate and building a motivated and engaged team.

5.2 Opportunities

In the current low oil price environment the focus and objective of the Company is to generate sustainable returns to shareholders whilst maintaining a prudent and disciplined approach to financial management. AWE will pursue growth initiatives from its extensive portfolio of exploration and development assets as well as new opportunities where it is value accretive and where we have the balance sheet capacity to support future development expenditure.

Key projects and opportunities being pursued during the next financial year include:

- In the onshore Perth Basin, development of substantial contingent gas resources including plans for early development of the Waitsia gas field including the commencement of production in the first half of the 2016 calendar year.

- At BassGas, the Company will consider accelerating development feasibility studies for the Trefoil field, adjacent to the existing Yolla field in the Bass Basin.

- In the Otway Basin, the Casino joint venture will continue to assess a range of options for the next phase of development for the project.

- In the United States, the drilling program in the Sugarloaf AMI is expected to continue to increase production and has the potential to further upgrade 2P Reserves in the Eagle Ford Shale and development of 2C Contingent Resources in the Austin Chalk and Upper Eagle Ford.

- The AAL oil field development in Indonesia, where it is planned to progress the project through important milestones including the tendering for the FPSO and wellhead platform, an appraisal well in the first half of 2016, and subsequently FID late 2016 calendar year. First oil is targeted for late 2018 calendar year.

- In Indonesia, planning for the development of the Lengo gas field will proceed during the 2015/16 financial year.

- In China, a second exploration well in the Bohai Basin is planned to be drilled during the 2015/16 financial year.

AWE will continue to progress the review of a range of exploration and new business opportunities in conventional and unconventional oil and gas, but only where the business and economic case continues to be positive at low oil prices.

5.3 Material business risks

The following material business risks have been identified as key issues that have the potential to impact the Company's performance:

- Commodity price risk, which directly impacts AWE through the realised price received from the sale of hydrocarbons – gas, crude oil, condensate and LPG with the exception of Australian gas sales which are made under long-term contracts where the price is denominated in Australian dollars.

- Reserves and production risks, where future performance of individual assets may not meet current estimates and forecasts.

- Execution of development and operating projects, including meeting schedule and budget, which could be subject to changes in future industry and economic conditions.

- Sovereign risk relating to the expected fiscal, tax and regulatory environment in jurisdictions that AWE does business.

- Health, Safety and Environmental risks which are recognised by AWE as being of critical importance in ensuring AWE continues to build and operate a sustainable business and which remain a key priority for the Company.

- Maintaining the Company's social licence to operate by pursuing operational excellence and proactively engaging with the communities, regulators and other key stakeholders, particularly in relation to onshore oil and gas exploration, development and production activities.

Directors' qualifications and experience

Name	Experience
Bruce J. Phillips **BSc (Hons) Geol** Independent Non-executive Director and Chairman Member of the People Committee	Bruce Phillips is a petroleum explorationist who has more than 35 years of technical, financial and managerial experience in the upstream energy sector of the oil and gas industry. He has broad domestic and international exploration and production experience throughout Australia, South East Asia, Africa and South America. Bruce is an active member of PESA and the Australian Society of Exploration Geophysicists. Bruce is currently a non-executive director of AGL Energy Limited and ALS Limited. He was formerly the non-executive Chairman of Platinum Capital Limited and a non-executive director of Sunshine Gas Limited. Bruce was founder and Managing Director of AWE. He retired as Managing Director on 31 August 2007 and was appointed as a non-executive director on 19 November 2009 and non-executive Chairman on 18 November 2010.
Bruce F.W. Clement **B Eng (Hons), BSc (Mathematics), MBA** Managing Director	Bruce Clement is an Engineer with over 35 years extensive experience in Australian and international oil and gas businesses in senior technical, financial and managerial roles with Esso Australia, Ampolex, AIDC, and Roc Oil. Bruce's career has included leadership roles in major appraisal, development and production projects in Australia and in Asia as well as key executive roles in financial and commercial management. Bruce was appointed Managing Director of AWE on 1 February 2011.
David I. McEvoy **BSc (Physics), Grad Dip (Geophysics)** Independent Non-executive Director Chairman of the Sustainability Committee Member of the Audit and Governance Committee	David McEvoy has a petroleum geoscience background with almost 40 years' experience in international exploration and development. He has held several senior executive positions in affiliates of ExxonMobil, most recently Vice President, Business Development in ExxonMobil Exploration Company from 1997 to 2002. David is currently a non-executive director of Woodside Petroleum Ltd and Seven Group Holdings Limited. He was formerly a non-executive director of Po Valley Energy Limited and ACER Energy Limited (formerly Innamincka Petroleum Ltd). David was appointed a non-executive director of AWE on 22 June 2006.
Kenneth G. Williams **BEc (Hons), MAppFin, MAICD** Independent Non-executive Director Chairman of the Audit and Governance Committee Member of the People Committee	Kenneth Williams has over 20 years operational experience in corporate finance with an emphasis on treasury and financial risk management as well as diverse experience in mergers, acquisitions, divestments and corporate reconstructions. During his executive career he has worked for significant Australian enterprises including Renison Goldfields, Qantas, Normandy Mining and Newmont Australia. Ken has an Honours degree in Economics and a Masters of Applied Finance and is a member of the Australian institute of Company Directors. Ken is a non-executive Chairman of Havilah Resources NL. He was formerly a non-executive director of Curnamona Energy Limited, now delisted from the ASX. Ken was appointed as a non-executive director of AWE on 26 August 2009.
Vijoleta Braach-Maksvytis **BSc (Hons), PhD (Biophysics), FAICD** Independent Non-executive Director Chair of the People Committee Member of the Sustainability Committee	Dr Vijoleta Braach-Maksvytis is an innovation consultant with more than 20 years' experience in science and technology, the commercialisation of technology, and intellectual property strategy. Previous roles include Head of the Office of the Chief Scientist of Australia, Senior Executive and Director Global Development for CSIRO, Deputy Vice Chancellor Innovation and Development at the University of Melbourne. She was the Chairman of Melbourne Ventures Pty Ltd and member of the Australian Federal Government's Green Car Innovation Fund Committee and Advisory Board of the Intellectual Property Research Institute of Australia. Vijoleta is on the advisory board of the Intellectual Property Research Institute of Australia, and is also a member of other public interest boards. She was formerly a non-executive director of Orbital Corporation Limited. Vijoleta was appointed as a non-executive director of AWE on 7 October 2010.
Raymond J. Betros **BEng Chemical, Grad Dip Process Plant Engineering** Independent Non-executive Director Member of the Sustainability Committee Member of the Audit and Governance Committee	Raymond Betros has over 35 years' experience in international business and project development and technical management. He has held senior positions in resource companies and worked extensively internationally including Indonesia, United Kingdom and Egypt. Raymond has held various senior executive positions at BHP/BHP Billiton (1993-2004), BG Group (2004-2008) and most recently Santos (2008-2011) where he held the position of Executive Vice-President Technical until his retirement from executive duties. Raymond was appointed as a non-executive director of AWE on 22 November 2012.
Karen L. C. Penrose **BComm CPA, GAICD** Independent Non-executive Director Member of the Audit and Governance Committee Member of the Sustainability Committee	Karen Penrose has over 35 years' experience in the finance and corporate sectors, including 20 years in banking with the Commonwealth Bank of Australia and HSBC Bank Australia. In the eight years to early 2014 Ms Penrose held Chief Financial Officer and Chief Operating Officer roles with Wilson HTM Investment Group Ltd and Keybridge Capital Limited. Karen is a non-executive director of Federation Centres, Spark Infrastructure Group and the pro-bono board of Future Generation Global Investment Company Limited. She is also a director UrbanGrowth NSW. Ms Penrose was formerly Deputy Chairman of Silver Chef Limited (to February 2015). Karen was appointed a non-executive director of AWE on 28 August 2013.

No directors of the Company either resigned or were appointed since the end of the financial year.

Company secretary

Mr Neville Kelly was appointed to the position of Company Secretary in October 1999. Mr Kelly (BCom, Merit, CPA) is an accountant with over 30 years commercial experience in the upstream sector of the Australian oil and gas industry, including 12 years' experience with Bridge Oil Limited. Neville was also the Chief Financial Officer of AWE until 31 October 2011 and joined the Company on its public listing in 1997.

Remuneration report

The Remuneration Report set out on pages 19 to 32 forms part of the Directors' Report for the financial year ended 30 June 2015.

Corporate governance statement

Details of the Company's corporate governance practices are included in the Corporate Governance Statement set out on the Company's website.

Dividends

Dividends paid or declared by the Company to members since the end of the previous financial year were:

	Cents Per Share	Total amount $'000	Franking	Date of payment
Declared and paid during the 2015 financial year	-	-	-	-
Declared and paid during the 2014 financial year	-	-	-	-

Events subsequent to balance date

In the opinion of the directors, no other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect:

a) the consolidated entity's operations in future financial years, or
b) the results of those operations in future financial years, or
c) the consolidated entity's state of affairs in future financial years.

Directors' interests

The relevant interest of each director in the share capital of the Company, as notified by the directors to the Australian Securities Exchange ("ASX") in accordance with section 205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Fully paid ordinary shares
B. J. Phillips	3,178,414
B. F. W. Clement	701,091
D. I. McEvoy	30,000
K. G. Williams	20,000
V. Braach-Maksvytis	3,000
R.J Betros	70,000
K. L. C. Penrose	25,000

No directors' interests are subject to margin loans. Further details of directors' interests in share capital are set out in note 33 to the financial statements, Related party disclosures.

Directors' meetings

The number of meetings, including meetings of committees of directors and the number of meetings attended by each director of the Company during the financial year were:

	Directors' meetings		Audit and Governance Committee meetings		People Committee meetings		Sustainability Committee meetings	
Director	Held[1]	Attended	Held[1]	Attended	Held[1]	Attended	Held[1]	Attended
B. J. Phillips	11	11			4	4		
B. F. W. Clement	11	11						
D. I. McEvoy	11	11	7	7			4	4
K. G. Williams	11	11	7	7	4	4		
V. Braach-Maksvytis	11	11			4	4	4	4
R.J Betros	11	11	7	6			4	4
K. L. C. Penrose	11	11	7	7			4	4

1. Reflects the number of meetings held during the time the Director held office, or was a member of the Committee during the year.

Indemnification and insurance of officers

Under the Company's Constitution, and to the extent permitted by law, every person who is, or has been, a director or officer of the Company is indemnified against:

1. a liability incurred by that person, in his or her capacity as a director or secretary, to another person (other than the Company or a related body corporate of the Company) provided that the liability does not arise out of conduct involving a lack of good faith; and

2. a liability for costs and expenses incurred by that person:

   (i) in defending any proceedings in which judgement is given in that person's favour, or in which that person is acquitted, or

   (ii) in connection with an application in relation to any proceedings in which the Court grants relief to that person under the Corporations Act.

During the financial year, the Company paid premiums based on normal commercial terms and conditions to insure all directors, officers and employees of the Company against the costs and expenses in defending claims brought against the individual while performing services for the consolidated entity. The premium paid has not been disclosed as it is subject to the confidentiality provisions of the insurance policy.

The Company has entered into Indemnity Deeds to indemnify directors and certain executives of the Company against all liabilities incurred in the course of or arising out of their employment with the Company and its controlled entities, except where the liability results wholly or in part from serious and wilful misconduct by the executive or director.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to Ernst & Young during or since the financial year.

Audit and non-audit services

Details of the amounts paid to the auditor of the Company, Ernst & Young, and its related practices for audit and non-audit services provided during the year are set out below.

EY	2015 $	2014 $
Audit services - auditor of the Company		
Audit and review of financial reports	**472,348**	398,151
Taxation Services		
Taxation compliance services	**93,733**	95,000
Other Services		
Advisory and assurance services	**21,480**	63,357
Total remuneration of EY	**587,561**	556,508

During the year Ernst & Young, the Company's auditor, has performed certain other services in addition to their statutory duties. The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit & Governance Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non–audit services do not impact the integrity and objectivity of the auditor; and
- The non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Auditor's independence declaration under section 307C of the Corporations Act 2001

The auditor's independence declaration is set out on page 18 and forms part of the Directors' Report for the year ended 30 June 2015.

Rounding off

The Company is of a kind referred to in Australian Securities and Investments Commission ("ASIC") Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order amounts in the financial report and the Directors' Report have been rounded off to the nearest one thousand dollars unless otherwise stated.

B. J. PHILLIPS	**B. F. W. CLEMENT**
Chairman	**Managing Director**

Dated at Sydney this 24th day of August 2015

680 George Street
Sydney NSW 2000 Australia
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Auditor's Independence Declaration to the Directors of AWE Limited

In relation to our audit of the financial report of AWE Limited for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Scott Jarrett
Partner
Sydney
24 August 2015

June 2015 remuneration report

Key Points

Total Shareholder Return (TSR)	• TSR for the financial year of -32.8% compared to ASX 200 Energy Index of -19.0% • TSR for 3 years to 30 June 2015 of -9.7% compared to ASX 200 Energy Index of 5.5%
Fixed remuneration	In recognition of the current low oil price environment the board has determined that for the June 2016 financial year: • Non-executive director fees - no increase • Managing Director salary - no increase • Senior executive salaries - no increase
Short term Incentive (STI) (Based on performance for the June 2015 financial year)	• STI payment to Managing Director set at 45% of maximum allowable • STI payment to senior executives averaged 45% of maximum allowable In recognition of the low oil price environment no STI has been awarded under the board discretion component of these performance measures. Payment of 50% of these STI's deferred for 12 months subject to the Senior Executive Deferral and Clawback Policy.
Long Term Incentive Plan (LTI) **Vesting of Rights – 3 year cycle to June 2015 (Based on 3 year performance to June 2015)** **Award of Rights – 3 year cycle to 30 June 2018 (Based on performance for the June 2015 financial year)**	Managing Director and senior executives: • Relative TSR Rights – 62% vesting based on 3 year performance of 70th percentile of comparator group • Absolute TSR Rights– nil vesting based on 3 year TSR of -9.7% compound • Retention Rights – 100% vesting (1) 60% of maximum entitlement granted to Managing Director Average of 60% of maximum entitlement granted to senior executives
Non-executive directors	• No participation in LTI or STI • Total fee pool increase approved by shareholders at the 2014 Annual General Meeting but fees not increased since July 2014
Remuneration changes implemented with effect from the June 2015 Financial Year	Deferral and clawback provisions apply to LTI and STI for Managing Director and senior executives for awards granted from July 2014 Comparator group used for Relative TSR performance for awards granted from July 2014 changed to only include upstream oil and gas companies in the ASX 300 Energy Index at the end of the 3 year measurement period It is not envisaged that there will be any other significant changes to remuneration practices in the June 2016 financial year.

(1) Retention rights are not granted to the Managing Director.

Contents

Abbreviations used in this report

Act	Corporations Act 2001 (Cth)
ASX	Australian Securities Exchange Limited
AWE	AWE Limited or the Company
HSE	Health safety & environment
KMP	Key management personnel
KPI	Key performance indicator
LTI	Long term incentive
NED	Non-executive director
Plan	Share rights plan
Rights	Share rights
STI	Short term incentive
TSR	Total shareholder return
VWAP	Volume weighted average price

1. Introduction

The directors of AWE Limited ("AWE" or the "Company") present the Remuneration Report prepared in accordance with section 300A of the Corporations Act 2001 ("the Act") for the consolidated entity for the year ended 30 June 2015.

The information provided in this report forms part of the Directors Report and outlines the remuneration arrangements of the consolidated entity in accordance with the requirements of the Act and its regulations. This information has been audited as required by section 308 (3C) of the Act.

This report details remuneration information pertaining to directors and senior executives who are the 'Key Management Personnel' ("KMP") of the consolidated entity. KMP are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of AWE.

The following non-executive directors ("NEDs") and senior executives have been identified as KMP for the purpose of this report:

Non-executive directors		
Bruce J. Phillips	Chairman	
David I. McEvoy	Non-Executive Director	
Kenneth G. Williams	Non-Executive Director	
Vijoleta Braach-Maksvytis	Non-Executive Director	
Raymond J. Betros	Non-Executive Director	
Karen L.C. Penrose	Non-Executive Director	Appointed 28 August 2013
Andy J. Hogendijk	Non-Executive Director	Retired 27 November 2013

Executive director and senior executives		
Bruce F. W. Clement	Managing Director	
Dennis Washer	Chief Operating Officer/General Manager, New Zealand	
Ayten Saridas	Chief Financial Officer	
Neil P. Tupper	General Manager, Exploration and Geoscience	
Neville F. Kelly	Company Secretary/General Manager Corporate	
David R. N. Gaudoin	Vice President, Exploration and Exploitation, Indonesia	Ceased employment 1 November 2013
Michael Drew	Group General Counsel/General Manager Commercial	Ceased employment 30 June 2014

Dates of appointment or resignation are noted in the above tables if the appointment or resignation occurred within the previous two financial years.

2. Remuneration governance framework

The People Committee is responsible for making recommendations to the Board on remuneration policies and employment practices applicable to directors, senior executives and other employees.

The role and responsibilities of the People Committee is documented in a charter approved by the Board and is reviewed as required but in any event at least each two years. A copy of this charter is available on the Company's website.

The People Committee must comprise at least three non-executive directors, the majority of whom shall be independent. No executive can be a member of the Committee. The People Committee currently comprises Vijoleta Braach-Maksvytis (Chair), Kenneth Williams (former committee Chairman), and Bruce Phillips, each of whom are non-executive directors and are considered to be independent.

Role
The role of the People Committee as defined in the charter is to assist the Board in adopting the remuneration policies and employment practices of AWE that are designed to:

- Be consistent with the Company's goals and objectives;
- Deliver outcomes in line with strategic business goals;
- Recognise the scale and complexity of the Company's business activities;
- Encourage directors and senior executives to deliver short term objectives and to pursue the long term growth and success of the Company within an appropriate control framework;
- Deliver a level and composition of remuneration that is appropriate and fair to stakeholders;
- Define the relationship of remuneration to corporate and individual performance; and
- Attract and retain talented and effective directors, management and employees so as to encourage enhanced performance of the Company and to create value for shareholders.

The People Committee also evaluates the appropriateness of remuneration packages given trends in comparable companies, the need to drive a performance-based culture and the objectives of the Company's remuneration strategy.

Responsibilities
The responsibilities of the People Committee as defined in the charter are to review and make recommendations to the Board or its related committees on:

- Policies for employment and remuneration of all AWE employees;
- Recruitment, retention and termination policies, procedures and practices for senior executives;
- The remuneration package of the Managing Director;
- The remuneration packages of senior executives in consultation with the Managing Director;
- Performance schemes including short term and long term incentives;
- Superannuation arrangements;
- The remuneration framework for non-executive directors, within the limit approved by shareholders;
- Ongoing induction and education procedures for new Board appointees and key executives;
- Training and development and continuing education practices for non-executive directors, senior executives and all AWE employees;
- Management succession planning;
- Procedures necessary to comply with employment practices law;
- The appointment of external remuneration consultants and evaluation of advice from remuneration consultants in accordance with the Act;
- The diversity disclosure plan and the Company's progress in achieving measurable diversity objectives;
- The annual Statutory Remuneration Report;
- People related disclosures in the annual Sustainability Report; and
- Other matters as requested by the Board.

Should the Company receive advice from external consultants to assist in making decisions on the amount or structure of the remuneration of one or more KMP:

- The consultant is to be appointed by the People Committee or NED's;
- Advice received from the consultant must be provided directly to the People Committee or NED's;
- Fees paid to the consultant must be disclosed; and
- The consultant must declare their independence.

No remuneration consultants were appointed during the current financial year.

3. Executive remuneration arrangements

3.1. Principles and strategy

Objectives
The key objectives of AWE's remuneration practices are to:

- Align the interests of senior executives, employees and shareholders;
- Attract and retain suitably qualified senior executives and employees; and
- Motivate senior executives and employees to achieve superior performance.

Mix of remuneration
To achieve these objectives remuneration packages consist of:

- Fixed remuneration;
- Short term performance benefits; and
- Long term performance benefits.

The remuneration structures are designed to align the interests of shareholders with remuneration outcomes by taking into account:

- The performance of the consolidated entity including:
    - The growth in total returns to shareholders;
    - The consolidated entity's financial results;
    - Delivery of base business (that is, "business as usual");
    - The results of exploration, development and production activities;
    - Business growth;
    - Delivery of strategic objectives;
    - Adherence to health, safety and environment policies and targets; and
    - Compliance with regulations.
- The capability and experience of senior executives;
- The ability of senior executives to control the performance of their relevant area of responsibility; and
- Current economic and industry circumstances.

The Company has been cognisant of legislative changes relating to the deferral and clawback of performance based remuneration and has implemented appropriate changes from 1 July 2014 to remuneration arrangements for senior executives. These changes are summarised in "Changes to remuneration structures" below.

In respect of the Company's international operations it should be noted that in addition to fixed remuneration and performance related benefits entitlements may include compensation reflecting the assignment location, market conditions and regulatory requirements. The Company compares these benefits and entitlements to ensure they remain in line with market practice.

Market comparatives
In order to attract and retain suitably qualified senior executives and technical personnel and to ensure that salary packages are reasonable and competitive, fixed remuneration levels and at "risk" remuneration structures in the form of short and long term incentive benefits are benchmarked against independently provided data on Australian upstream oil and gas companies. The market for such senior executives and technical professionals in the upstream oil and gas industry is competitive and the Company's remuneration framework is structured accordingly.

To ensure that long term incentive structures are appropriately aligned to the long term interests of shareholders, the vesting of share rights ("rights") are conditional on performance conditions which are tied to the three year total shareholder return of the Company and to the three year total shareholder returns of comparator ASX listed energy companies.

Company performance
The following table identifies the consolidated entity's performance in respect of the current financial year and the previous four financial years:

	2015	2014	2013	2012	2011
Profit/(loss) ($ millions)	(230.2)	62.5	20.0	(66.5)	(117.6)
30 June share price ($)	1.21	1.80	1.24	1.34	1.28
Change in share price ($)	(0.59)	0.56	(0.10)	0.06	(0.50)
Total shareholder return (%)	(33%)	45%	(7%)	9%	(28%)
AWE performance relative to ASX 200 Energy Index	(14%)	26%	(15%)	30%	(35%)
AWE performance relative to ASX 200 Index	(40%)	26%	(30%)	21%	(35%)

Changes to remuneration structures

Additional refinements to remuneration arrangements that were implemented with effect from the June 2015 financial year include:

Deferral and Clawback of Performance – Based Remuneration
Scope
- A deferral and clawback policy has been adopted for performance-based remuneration which applies to the Managing Director and senior executives;
- The policy is to apply on a prospective basis for STI and LTI awards granted from July 2014; and
- The Board (or delegated committee of the Board) has the discretion and authority to make determinations under this policy.

Application
- Clawback can include reduction, clawback or cancellation of awards;
- Clawback applies to both vested awards which have been deferred and awards granted but not yet vested; and
- Once an STI or LTI award is vested, 50% of that award will be deferred for a period of 12 months and will be subject to clawback.

Clawback Circumstances
- Serious misconduct;
- Material misstatement in AWE's financial statements; or
- Material error or miscalculation that results in the award of performance based remuneration that would not have otherwise been awarded.

Relative TSR Comparator Group
AWE acknowledges that an inherent difficulty in determining appropriate peer group companies to be included in the comparator group of companies for Relative TSR purposes is that over the testing period of three years this peer group of companies can change. These changes could be caused by a number of factors including companies no longer being listed on ASX or when companies subsequently gain entry to or exit from the nominated ASX index.

Accordingly for grants of rights for any rolling three year period commencing after 30 June 2014 the board has determined that the comparator group of companies to be used in determining Relative TSR performance will be upstream oil and gas companies in the ASX Energy 300 Index at the end of the relevant three year period. The TSR performance of these comparator companies over the relevant three year period will be measured at the end of that three year period to determine the relative performance of the Company.

3.2. Fixed remuneration

Fixed remuneration consists of base salary calculated on a total cost basis, including fringe benefits tax and superannuation contributions (or equivalent).

Remuneration levels are reviewed at least annually by the People Committee through a process that considers independent externally provided remuneration data and also taking into account the overall performance of the consolidated entity to ensure that remuneration is appropriate and competitive in the market place.

In recognition of the current low oil price environment the board has determined that for the June 2016 financial year, there will be no increases to non-executive director fees, the Managing Director salary or senior executive salaries.

For details of fixed remuneration paid to senior executives and directors refer to section 5 and 6.

3.3. Short term incentives

Short term performance benefits are awarded in the form of cash bonuses. These benefits are "at risk" and are paid for performance during the financial year and are designed to reward senior executives for meeting or exceeding Company and individual Key Performance Indicators ("KPIs").

Managing Director KPIs

Each year, the Board sets corporate KPIs for the Managing Director which are based on overall corporate performance targets.

June 2015 Financial Year

For the June 2015 financial year the corporate KPIs for the Managing Director were based on a balanced scorecard approach which are designed to deliver sustainable shareholder returns both in the short term and long term. These performance measures included:

- Delivery of base business (50%) –includes specific targets with respect to delivery of production, capital expenditure and exploration programs, operating expenditure, reserves replacement, financing activities, team performance, HSE performance and community and regulatory engagement.
- Strategy and growth (30%) – includes targets with respect to portfolio management, business development, exploration new ventures.
- Board discretion (20%) – includes an allowance to cover the potential and inevitable changing company and industry circumstances during the financial year.

On an assessment of actual performance for the June 2015 financial year, under the above measures of delivery of base business and strategy and growth the board has determined that a total of 45% of maximum KPI will be awarded to the Managing Director.

Further, in recognition of the current low oil price environment the board has determined that no STI will be paid under the board discretion component of the performance measures.

For further details refer to section 5.2.

The Board reviews the KPI's for the Managing Director annually and will amend the KPI's to reflect the strategic objectives of the Company, changing circumstances in the upstream oil and gas sector as well as other factors. The Board believes that the KPI's should be aligned to activities that will achieve short and long term sustainable shareholder returns.

Senior Executives KPIs

Corporate KPIs for senior executives are based on the same corporate KPIs as the Managing Director. In addition, the Managing Director sets individual KPIs for the senior executives. These KPIs take into account individual and departmental performance over which the senior executive has responsibility. The board believes that the attainment of these individual and departmental KPIs is essential in delivering overall corporate objectives.

The structure of these short term incentive ("STI") benefits as a percentage of fixed remuneration is as follows:

	Managing Director[(1)]	Senior Executives[(2)]
Target – meets performance objectives	25%	20%
Stretch – exceeds performance objectives	25%	20%
	50%	**40%**

1. 100% of Managing Director KPIs are based on achieving corporate performance measures.
2. 50% of senior executive KPIs are based on the same corporate KPIs as the Managing Director and 50% are subject to individual and departmental KPIs over which the individual senior executive has responsibility.

The maximum STI is only payable if both the Company and individual performance has met or exceeded expectation. In exceptional circumstances where all of the Company performance targets have not been met but an individual has demonstrated outstanding performance, the Board may use its discretion award up to 100% of that individual's short term performance benefit.

3.4. Long term incentive plans

Long term incentive ("LTI") "at risk" performance benefits are awarded in the form of share rights with vesting conditions tied to retention, absolute Total Shareholder Return ("TSR") and relative TSR.

The rationale for the choice of these criteria includes:

- To align employees with the commonly shared goals of delivering high returns for shareholders over the medium to long term;
- To encourage and assist employees to become shareholders of AWE;
- To provide a long term component of remuneration to enable AWE to compete effectively for the calibre of talent required for the Company to be successful; and
- To help retain talented personnel, minimise employee turnover.

Share Rights Plan

The Company has a Share Rights Plan in place for the award of long term performance benefits. The Plan is designed to generate performance-based awards that may be converted, at the Board's discretion, into AWE shares or cash.

The key elements of the Plan include:

- Rights are granted each year with the number of rights granted being determined by the employee's level in the Company, fixed remuneration at the time of grant and taking into account both the Company and employee's performance in the previous financial year.
- There are three tranches of rights with separate vesting criteria:
  - Retention (1);
  - Absolute TSR; and
  - Relative TSR.
- The vesting period is for three years, the rights will lapse after three years if not vested and there will be no retesting.
- Rights granted in any particular financial year are tested for vesting over the three year period commencing 1 July of the grant year.

1. Retention rights are not granted to the Managing Director

The Plan defines TSR as "The percentage change over a period in shareholder value due to share price movement and dividends paid assuming dividends are reinvested into AWE shares".

Early vesting of rights is not permitted other than at the time of change in control of the Company where the extent of any vesting is to be determined at the discretion of the Board. On termination of employment, rights are forfeited unless and to the extent determined by the Board. The Board has discretion whether or not to make a determination and reserves the right to exercise that discretion having regard to the circumstances that might arise from time to time.

The maximum number of rights that can be granted as a percentage of fixed remuneration at the time of grant and converted to a number of rights using the 30 day volume weighted average price ("VWAP") of the AWE share price as at 30 June of the grant year are as follows:

Maximum percentage of Fixed Remuneration on which the number of rights are calculated				
	Retention vesting condition	**Absolute TSR vesting condition**	**Relative TSR vesting condition**	**Total(1)**
Managing Director	**NA**	**50%**	**50%**	**100%**
Senior Executives	**15%**	**30%**	**30%**	**75%**

The above table represents the maximum percentage of fixed remuneration on which the number of rights to be awarded are calculated. These rights will vest only if all performance conditions are satisfied to 100% (and then only if the maximum number of initial rights were granted based on past Company and individual performance).

Vested rights will entitle the senior executive to an award which will vary with the AWE share price at the time of vesting. The board may decide in its absolute discretion the form of payment (cash or issue of shares) to satisfy these vested rights.

Retention grants

- Number of rights calculated using the 30-day VWAP of the AWE share price as at 30 June of grant year.
- Vest after three years if the employee remains employed by AWE.

Absolute TSR grants

- Number of rights calculated using the 30-day VWAP of the AWE share price in June of grant year.
- Vest after three years according to the Company's Absolute TSR for that three year period.
- The vesting scales to apply for Absolute TSR grants are as follows:

AWE TSR	% of rights to vest
< 8% pa compound	-
8% pa compound	25%
>8% and <10% pa compound	Pro rata
10% pa compound	50%
>10% and <12% pa compound	Pro rata
12% pa compound	100%

Relative TSR grants

- Number of rights calculated using the 30-day VWAP of AWE share price in June of grant year.
- Vest after three years according to the Company's TSR relative to comparator group companies in ASX Energy 300 Index.
- The Board determines in advance the appropriate comparator group to apply to Relative TSR grants for the following 3 year period. Refer to section 3.1 for discussion on current comparator group.
- The vesting scales to apply for Relative TSR grants are as follows:

AWE TSR relative to TSR of comparator group companies in S&P/ASX 300 Energy Index	% of rights to vest
< 50%	-
50%	25%
>50% and <90%	Pro rata
90% and above	100%

For an analysis of rights granted, vested and forfeited in the June 2015 financial year, refer to section 5.3.

3.5. Other benefits

The personal needs of directors and senior executives may be taken into account when determining the appropriate remuneration mix and the Company allows salary sacrifice arrangements to the extent that it complies with all applicable laws, and there is no net cost to the Company doing so.

4. Service agreements

Managing Director – Bruce Clement

On 1 February 2011, Mr Bruce Clement commenced as Managing Director and at the time of his formal appointment, the details of the service agreement entered into with Mr Clement were disclosed and are summarised as follows:

Terms of Contract	Contract commenced 1 February 2011 and continues until terminated under the termination provisions of the contract.
Remuneration	Remuneration is made up of the following components: • Fixed remuneration for financial year 2015 was $926,888 per annum inclusive of salary, superannuation and fringe benefits tax which is reviewed annually effective 1 July; • "At risk" short term performance benefits which are summarised in section 3.3 and can represent up to 50% of base salary for the year; and • "At risk" long term performance benefits which are granted on an annual basis in the form of rights under the Company's Cash Share Rights Plan. The board has determined that all awards of rights to Mr Clement are subject to approval of shareholders at the Company's Annual General Meeting. Details of rights currently held by Mr Clement are at section 5.4.
Termination	The service agreement contract may be terminated in the following circumstances: • Voluntary termination by the Company or Mr Bruce Clement on six months' notice. On termination by the Company, a termination payment of 6 months of then base salary is payable in addition to any payment in lieu of notice. On termination by Mr Clement, no such termination payment will be made. Pro-rated short term benefits will be paid according to the achievement of KPIs to the date on which notice is given. Any granted but unvested rights at the date on which notice is given will be forfeited; • Termination by the Company on three months' notice in the event of illness or injury. Pro-rated short term benefits will be paid according to the achievement of KPIs to the date on which notice is given. Any granted but unvested rights at the date on which notice is given will be forfeited; or • Termination by the Company for cause and without notice. Any short term benefits or rights that have not vested at the date on which notice is given will be forfeited

Senior Executives

The key terms and conditions of service agreements for all other senior executives (excluding the Managing Director) are summarised as follows:

Remuneration	Executive Service Contracts standardise the executive's entitlement to: • Fixed remuneration; • "At risk" short term performance benefits; • "At risk" long term performance benefits; and • Any other benefits that may be provided by the Company**.**
Termination	Service agreements may be terminated under the following circumstances: • Resignation on three months' notice by the executive; • Termination on three months' notice by the Company; or • Termination without notice by the Company for cause. In the event of a redundancy or defined change in circumstances for senior executives commencing employment after 1 July 2011 those senior executives are entitled to a six month termination payment. However, in the event of a redundancy or defined change in circumstances for Mr Washer and Mr Kelly the senior executive is entitled to a 12 month termination payment (in the case of Neville Kelly this entitlement is two years under certain defined circumstances) unless not otherwise permitted by law.
Term	The service contracts have no fixed term.

Notes in relation to certain executives:

Neil Tupper

Mr Neil Tupper, General Manager Exploration and Geoscience, was appointed on 20 May 2013. In accordance with the terms of his Executive Services Agreement, he is entitled to receive a retention payment as follows:

- $50,000 gross paid at 30 June 2014 on the basis that he remains employed by the Company; and
- $50,000 gross paid at 30 June 2015 on the basis that he remains employed by the Company at that time.

5. Executive remuneration outcomes

5.1 Remuneration tables

Details of the nature and amount of each major element of remuneration of the managing director of the Company and each of the named senior executives are as follows:

Consolidated entity		Short-term				Post employment				Share based payments		
		Salary package [1]	Cash bonus	Non-monetary benefits/ allowance [2]	Total	Superannuation benefits [3]	Other long-term [4]	Termination benefits [5]	Total cash related	Value of rights [6]	Total	Performance related
Executive director		$	$	$	$	$	$	$	$	$	$	%
B.F.W. Clement	**2015**	**898,025**	**208,550**	**18,881**	**1,125,456**	**28,863**	**6,516**	**-**	**1,160,835**	**217,579**	**1,378,414**	**31%**
	2014	880,862	270,000	15,865	1,166,727	19,029	14,876	-	1,200,632	304,288	1,504,920	38%
Other key management personnel												
D. Washer [7]	**2015**	**636,765**	**95,537**	**13,372**	**745,674**	**57,300**	**-**	**-**	**802,974**	**143,364**	**946,338**	**25%**
	2014	606,899	137,534	4,247	748,680	51,825	-	-	800,505	142,520	943,025	30%
A. Saridas	**2015**	**489,011**	**101,600**	**15,971**	**606,582**	**18,783**	**8,329**	**-**	**633,694**	**131,362**	**765,056**	**30%**
	2014	435,613	119,700	3,122	558,435	16,294	2,103	-	576,832	122,972	699,804	35%
N. Tupper [8]	**2015**	**526,737**	**111,300**	**2,388**	**640,425**	**30,000**	**1,957**	**-**	**672,382**	**111,804**	**784,186**	**28%**
	2014	514,981	183,800	85,355	784,136	20,344	2,071	-	806,551	52,474	859,025	21%
N. F. Kelly	**2015**	**401,317**	**77,600**	**22,974**	**501,891**	**30,000**	**7,580**	**-**	**539,471**	**112,358**	**651,829**	**29%**
	2014	397,228	100,500	13,367	511,095	21,527	11,099	-	543,721	113,827	657,548	33%
M. Drew [9]	**2015**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2014	401,911	60,636	3,025	465,572	23,395	(121)	-	488,846	-	488,846	12%
D.R.N. Gaudoin [10]	**2015**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2014	214,102	-	53,867	267,969	-	24,804	509,117	801,890	(43,078)	758,812	(6%)
Total executive KMP	**2015**	**2,951,855**	**594,587**	**73,586**	**3,620,028**	**164,946**	**24,382**	**-**	**3,809,356**	**716,467**	**4,525,823**	**29%**
	2014	3,451,596	872,170	178,848	4,502,614	152,414	54,832	509,117	5,218,977	693,003	5,911,980	26%

Notes in relation the remuneration table above.

1 - Salary package include amounts salary sacrificed.

2 - Prior year (2014) amounts included in non-monetary benefits for Mr Gaudoin include costs associated with his Indonesian expatriate assignment including housing, motor vehicle and school fees; and for Mr Tupper these costs include relocation costs.

3 - Superannuation benefits include the amount required to be contributed by the consolidated entity and does not include amounts salary sacrificed.

4 - Other long-term benefits comprise the amount of long service leave accrued and adjustments to underlying assumptions therein in the period.

5 - Amounts classified as termination benefits include salaries paid after the senior executive ceased to be classified as key management personnel but continued to be employed by the consolidated entity.

6 - The fair value of rights granted have been calculated at the grant date using a Black-Scholes Pricing Model and assuming an expected share price volatility of 25% and vesting probability of 43.5% for performance related awards. The value disclosed is the portion of the fair value of rights allocated to this reporting period. The value disclosed does not therefore represent cash received.

Notes in relation to key management personnel

7 - Mr Dennis Washer is paid in NZ dollars. Accordingly, Mr Washer's cash related remuneration will vary with exchange rate movements.

8 - Included in both 2014 and 2015 cash bonuses for Mr Tupper is a $50,000 cash retention payment. Refer section 4.

9 - Mr Michael Drew ceased employment on 30 June 2014.

10 - Mr David Gaudoin ceased employment on 1 November 2013 and certain rights valuations previously expensed have been reversed in that financial year.

5.2 Analysis of short term performance benefits included in remuneration

Award of short term performance benefits

Section 3.3 of this report details the consolidated entity's approach to the granting and vesting of short term performance benefits.

The award of short term performance benefits in the form of cash bonuses to the Managing Director and senior executives in recognition of Company performance and individual performance in the June 2015 financial year together with the vesting profile of these bonuses are as follows:

	Included in remuneration (1)	Vested in year (2), (3)	Forfeited in year (4)
	$	%	%
Director			
B.F.W. Clement	208,550	45%	55%
Executives			
D. Washer	95,537	38%	62%
A. Saridas	101,600	50%	50%
N. Tupper	111,300	50%	50%
N. F. Kelly	77,600	45%	55%

1 - Amounts included in remuneration represent the amount that vested in the financial year including superannuation payments applicable. No amounts vest in future financial years.
2 - Refer to section 3.1 for details of deferral and clawback of performance based remuneration introduced with effect from the June 2015 financial year.
3 - 50% paid with the remaining 50% deferred for twelve months subject to the Company's Deferral / Clawback Policy.
4 - The percentage forfeited is due to that component of base and stretch performance criteria not being met in the financial year.

5.3 Analysis of long term performance benefits included in remuneration

Section 3.4 of this report details the consolidated entity's approach to the granting and vesting of long term performance benefits.

The value of rights are allocated to each reporting period over the period from grant date to vesting date. Accordingly, amounts included as remuneration for the financial year represent that amount allocated to the financial year from the grant of rights both in the current financial year and previous financial years.

Granting of Share Rights

The number and value of rights granted during the financial year to the managing director and senior executives is detailed below:

Granted during the year in respect of June 2014 financial year performance and vesting post 30 June 2015					
	Grant date	Number (1)	% of maximum available	Total value $	Fair value per right granted $
Director					
B.F.W. Clement (2)	20 November 2014	365,552	75%	237,738	0.65
Executives					
D. Washer	25 September 2014	178,134	66%	179,616	1.01
A. Saridas	25 September 2014	170,177	83%	171,593	1.01
N. Tupper	25 September 2014	176,685	78%	178,155	1.01
N. F. Kelly	25 September 2014	131,406	75%	132,500	1.01

1 - The number of rights granted is based on past company and individual performance.
2 - The granting of these rights was approved by shareholders at the 2014 Annual General Meeting.

The movement during the financial year in the number of rights held by the managing director and senior executives is detailed below:

Movement in share rights	Opening balance	Granted as remuneration	Exercised	Lapsed unexercised	Net change other	Closing balance
As at 30 June 2015						
Director						
B. F. W. Clement [(1)]	**1,674,978**	**365,552**	**(916,030)**	**(228,717)**	**-**	**895,783**
Executives						
D. Washer	**648,911**	**178,134**	**(296,904)**	**(84,993)**	**-**	**445,148**
A. Saridas	**475,561**	**170,177**	**(162,850)**	**(65,978)**	**-**	**416,910**
N.P. Tupper	**221,174**	**176,685**	**-**	**-**	**-**	**397,859**
N. F. Kelly	**517,044**	**131,406**	**(229,557)**	**(64,481)**	**-**	**354,412**
	3,537,668	**1,021,954**	**(1,605,341)**	**(444,169)**	**-**	**2,510,112**
As at 30 June 2014						
Director						
B. F. W. Clement [(1)]	1,477,565	427,474	(230,061)	-	-	1,674,978
Executives						
D. Washer	497,979	198,034	(47,102)	-	-	648,911
A. Saridas	282,372	193,189	-	-	-	475,561
N.P. Tupper	-	221,174	-	-	-	221,174
N. F. Kelly	381,992	170,674	(35,622)	-	-	517,044
M. Drew [(2)]	-	181,467	-	-	(181,467)	-
D. R. N. Gaudoin [(3)]	461,792	-	(39,988)	-	(421,804)	-
	3,101,700	1,392,012	(352,773)	-	(603,271)	3,537,668

1 - All share rights issued to Mr Clement have been approved by shareholders at previous Annual General Meetings of the Company.
2 - Mr Drew ceased employment on 30 June 2014.
3 - Mr Gaudoin ceased employment on 1 November 2013.

Vesting of Share Rights

The following table describes the actual vesting criteria applying to rights tested for vesting conditions at 30 June 2015 for the managing director and senior executives:

Senior executives rights vesting performance 3 years to June 2015				
Retention rights	**Absolute TSR rights**		**Relative TSR Rights**	
Percentage vested – 100%	**Percentage vested – nil**		**Percentage vested – 62%**	
Vesting criteria	**Vesting criteria**		**Vesting criteria**	
Senior executive employed by the consolidated entity three years subsequent to initial grant.	Minimum annual compound rate required for any vesting:	8.0%	Minimum relative performance required for any vesting:	50th percentile
	Actual AWE annual compound TSR for the three year period to 30 June 2015:	-9.7%	AWE relative performance against ASX 300 Energy Index comparator group for the three year period to 30 June 2015	70th percentile

Refer to section 3.4 for further details

On the application of the vesting criteria described above details of 30 June 2015 vesting rights which were tested for vesting conditions subsequent to the end of the financial year are as follows:

30 June 2015 vesting share rights					
		Retention Rights	Absolute TSR Rights	Relative TSR Rights	Total Rights
Director					
B.F.W. Clement (1)	On Issue	-	165,737	165,737	331,474
	Forfeited	-	(165,737)	(62,980)	(228,717)
	Vested	-	-	102,757	102,757
Executives					
D. Washer	On Issue	30,795	61,589	61,589	153,973
	Forfeited	-	(61,589)	(23,404)	(84,993)
	Vested	30,795	-	38,185	68,980
A. Saridas	On Issue	23,904	47,809	47,809	119,522
	Forfeited	-	(47,809)	(18,167)	(65,976)
	Vested	23,904	-	29,642	53,546
N. F. Kelly	On Issue	23,363	46,725	46,725	116,813
	Forfeited	-	(46,725)	(17,756)	(64,481)
	Vested	23,363	-	28,969	52,332
Total	**On Issue**	**78,062**	**321,860**	**321,860**	**721,782**
	Forfeited	**-**	**(321,860)**	**(122,307)**	**(444,167)**
	Vested	**78,062**	**-**	**199,553**	**277,615**

All the above rights were originally issued in the June 2013 financial year. The board has determined that vested rights for the managing director and senior executives will be settled by the issue of AWE shares.

5.4 Analysis of movements in long term performance benefits

Employee Share Rights

Details of employee rights granted as remuneration to the managing director of the Company and each of the named senior executives and held at the end of the June 2015 financial year are detailed below:

	Grant date	Number (1)		Financial years in which rights vest (2)	Fair value per right granted (3) $
Directors					
B.F.W. Clement (4)	22 November 2012	102,757	5	30-June-2015	0.58
	27 November 2013	427,475		30-June-2016	0.52
	20 November 2014	365,552		30-June-2017	0.65
Executives					
D. Washer	4 December 2012	68,980	5	30-June-2015	0.71
	16 January 2014	198,034		30-June-2016	0.71
	26 September 2014	178,134		30-June-2017	1.01
A. Saridas	4 December 2012	53,546	5	30-June-2015	0.71
	16 January 2014	193,189		30-June-2016	0.71
	26 September 2014	170,177		30-June-2017	1.01
N. F. Kelly	4 December 2012	52,332	5	30-June-2015	0.71
	16 January 2014	170,674		30-June-2016	0.71
	26 September 2014	131,406		30-June-2017	1.01
N. Tupper	16 January 2014	221,174	5	30-June-2016	0.71
	26 September 2014	176,685		30-June-2017	1.01

1 - The vesting of rights is conditional upon satisfaction of vesting conditions as described in section 3.4.

2 - Rights vesting on 30 June 2015 tested for satisfaction of vesting conditions subsequent to the end of the financial year.

3 - The fair value per right granted represents the valuation for rights granted and calculated at grant date.

4 - Grants of rights to Mr Clement have been approved by shareholders at previous Annual General Meetings of the Company.

5 - Satisfied vesting conditions effective 30 June 2015 on the determination of the board subsequent to the end of the financial year. Refer section 5.3 for further details.

6. Non-executive director remuneration

Total remuneration for all non-executive directors, last voted upon by shareholders at the 2014 Annual General Meeting of the Company, is not to exceed $1,200,000 per annum, inclusive of superannuation.

This increase enables the Company in the future, if required, 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.

Total remuneration paid to non-executive directors in the financial year was $872,424 (2014: $875,404). Fees are set based on review of externally provided remuneration data with reference to fees paid to other non-executive directors of comparable companies and to current economic and industry conditions.

In recognition of the current low oil price environment the board has determined that for the June 2016 financial year there will be no increase in fees payable to non-executive directors.

Non-executive directors' fees (including superannuation) for the 2015 financial year were as follows:

	Board	Audit Committee	People Committee	Sustainability Committee
Chair	$232,793	$24,388	$17,737	$17,737
Member	$99,769	$12,194	$8,868	$8,868

Company & consolidated entity		Short-term			Post-employment			
		Fees (1)	Non-monetary benefits	Total	Superannuation benefits (2)	Termination benefits	Total cash related	Total
		$	$	$	$	$	$	$
Non-Executive Directors								
B. J. Phillips	**2015**	**220,696**	**-**	**220,696**	**20,966**	**-**	**241,662**	**241,662**
	2014	214,757	-	214,757	19,865	-	234,622	234,622
D. I. McEvoy	**2015**	**118,447**	**-**	**118,447**	**11,253**	**-**	**129,700**	**129,700**
	2014	115,260	-	115,260	10,662	-	125,922	125,922
K. G. Williams	**2015**	**121,485**	**-**	**121,485**	**11,541**	**-**	**133,026**	**133,026**
	2014	117,757	-	117,757	10,893	-	128,650	128,650
V. Braach-Maksvytis	**2015**	**115,410**	**-**	**115,410**	**10,964**	**-**	**126,374**	**126,374**
	2014	111,082	-	111,082	10,275	-	121,357	121,357
R. J. Betros	**2015**	**110,348**	**-**	**110,348**	**10,483**	**-**	**120,831**	**120,831**
	2014	105,698	-	105,698	9,777	-	115,475	115,475
K. L.C. Penrose (3)	**2015**	**110,348**	**-**	**110,348**	**10,483**	**-**	**120,831**	**120,831**
	2014	91,134	-	91,134	8,430	-	99,564	99,564
A. J. Hogendijk (4)	**2015**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2014	45,596	-	45,596	4,218	-	49,814	49,814
Total	**2015**	**796,734**	**-**	**796,734**	**75,690**	**-**	**872,424**	**872,424**
	2014	801,284	-	710,150	74,120	-	875,404	875,404

1 - Fees include amounts salary sacrificed.
2 - Superannuation benefits include the amount required to be contributed by the consolidated entity and does not include amounts salary sacrificed.
3 - Ms Karen Penrose was appointed as a director on 28 August 2013.
4 - Mr Andy Hogendijk retired as a director on 27 November 2013.

Non-executive directors do not receive incentive-based remuneration and do not receive any retirement benefits other than statutory entitlements.

Consolidated income statement

For the year ended 30 June 2015

	Note	30 June 2015 $'000	30 June 2014 $'000
Revenue	2	**284,930**	329,291
Cost of sales	3	**(259,615)**	(237,015)
Gross profit		**25,315**	92,276
Other income	4	**2,067**	97,609
Exploration and evaluation expenses	15	**(37,582)**	(39,806)
Fair value adjustment on held for sale assets	14	**-**	(12,438)
Impairment	16	**(246,276)**	-
Other expenses	5	**(41,096)**	(31,128)
Results from operating activities		**(297,572)**	106,513
Finance income		**606**	515
Finance costs		**(12,537)**	(10,605)
Net finance costs	6	**(11,931)**	(10,090)
(Loss) / profit before tax		**(309,503)**	96,423
Income tax benefit / (expense)	7	**58,947**	(21,228)
Royalty related taxation benefit / (expense)	7	**20,358**	(12,695)
(Loss) / profit for the year		**(230,198)**	62,500
(Loss) / profit attributable to members of the Company		**(230,198)**	62,500
Basic earnings per ordinary share (cents)	8	**(43.84)**	11.96
Diluted earnings per ordinary share (cents)	8	**(43.84)**	11.73

The above Consolidated income statement is to be read in conjunction with the notes to the financial statements.

Consolidated statement of comprehensive income

For the year ended 30 June 2015

	30 June 2015 $'000	30 June 2014 $'000
(Loss) /profit for the year	**(230,198)**	62,500
Items that may be reclassified subsequently to profit and loss		
Foreign currency translation differences for foreign operations	**92,893**	(12,089)
Income tax relating to other comprehensive income	**-**	-
Other comprehensive Income / (loss) (net of income tax)	**92,893**	(12,089)
Total comprehensive (loss) / income for the year	**(137,305)**	50,411
Total comprehensive (loss) / income attributable to owners of the company	**(137,305)**	50,411

The above Consolidated statement of comprehensive income is to be read in conjunction with the notes to the financial statements.

Consolidated statement of financial position

As at 30 June 2015

	Note	30 June 2015 $'000	30 June 2014 $'000
Current assets			
Cash and cash equivalents	11	**46,559**	42,144
Trade and other receivables	12	**58,591**	33,101
Inventory	13	**7,103**	18,747
Held for sale assets	14	**-**	84,301
Total current assets		**112,253**	178,293
Non-current assets			
Trade and other receivables	12	**111,395**	88,003
Exploration and evaluation assets	15	**69,119**	109,284
Oil and gas assets	16	**882,857**	802,054
Land and building	17	**12,190**	-
Other plant and equipment	18	**2,350**	1,601
Intangible assets	19	**1,110**	348
Deferred tax assets	25	**105,043**	22,960
Total non-current assets		**1,184,064**	1,024,250
Total assets		**1,296,317**	1,202,543
Current liabilities			
Trade and other payables	20	**97,920**	90,904
Employee benefits	22	**1,727**	2,331
Liabilities associated with assets held for sale	14	**-**	11,702
Provisions	23	**13,038**	17,127
Taxation payable	24	**1,572**	(209)
Total current liabilities		**114,257**	121,855
Non-current liabilities			
Interest bearing liabilities	21	**169,802**	-
Employee benefits	22	**656**	614
Provisions	23	**205,451**	138,899
Total non-current liabilities		**375,909**	139,513
Total liabilities		**490,166**	261,368
Net assets		**806,151**	941,175
Equity			
Issued capital	26	**772,172**	772,172
Reserves		**107,723**	12,549
Retained (losses) / profits		**(73,744)**	156,454
Total equity		**806,151**	941,175

The above Consolidated statement of financial position is to be read in conjunction with the notes to the financial statements.

Consolidated statement of cash flows

For the year ended 30 June 2015

	Note	30 June 2015 $'000	30 June 2014 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		**288,333**	375,558
Cash payments in the course of operations		**(172,173)**	(176,303)
Payments for exploration and evaluation expenses		**(37,542)**	(30,583)
Interest received		**606**	530
Borrowing costs paid		**(9,500)**	(7,711)
Income tax received / (paid)		**(149)**	(6,157)
Royalty related taxation paid		**(7,377)**	(31,648)
Net cash provided by operating activities	30	**62,198**	123,686
Cash flows from investing activities			
Exploration and evaluation assets initially capitalised		**(26,406)**	(9,754)
Payments in relation to oil and gas assets		**(239,051)**	(130,200)
Other plant and equipment and intangibles		**(2,435)**	(1,168)
Purchase of land and buildings		**(12,190)**	-
Payments for investments		**-**	(7,184)
Net proceeds from sale of oil and gas assets		**56,307**	86,751
Deposit received in relation to proposed sale of oil and gas assets		**-**	16,000
Net cash used in investing activities		**(223,775)**	(45,555)
Cash flows from financing activities			
Proceeds from borrowings		**241,445**	5,000
Repayment of borrowings		**(76,907)**	(82,834)
Net cash provided / (used in) by financing activities		**164,538**	(77,834)
Net increase in cash held		**2,961**	297
Cash at the beginning of the year		**42,144**	41,131
Effect of exchange rate fluctuations on the balances of cash held in foreign currencies	32	**1,454**	716
Cash at the end of the year	11	**46,559**	42,144

The above Consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements.

Consolidated statement of changes in equity

For the year ended 30 June 2015

	Share capital $'000	Equity compensation reserve $'000	Translation reserve $'000	Retained earnings / (losses) $'000	Total Equity $'000
Balance at 1 July 2013	772,172	13,303	9,542	93,954	888,971
Profit for the year ended 30 June 2014	-	-	-	62,500	62,500
Other comprehensive income					
Foreign currency translation differences for foreign operations	-	-	(12,089)	-	(12,089)
Total other comprehensive income	-	-	(12,089)	-	(12,089)
Total comprehensive income for the year	-	-	(12,089)	62,500	50,411
Transactions with owners in their capacity as owners					
Share Rights Plan	-	1,793	-	-	1,793
Balance at 30 June 2014	**772,172**	**15,096**	**(2,547)**	**156,454**	**941,175**
Loss for the year ended 30 June 2015	**-**	**-**	**-**	**(230,198)**	**(230,198)**
Other comprehensive income					
Foreign currency translation differences for foreign operations	**-**	**-**	**92,893**	**-**	**92,893**
Total other comprehensive income	**-**	**-**	**92,893**	**-**	**92,893**
Total comprehensive income for the year	**-**	**-**	**92,893**	**(230,198)**	**(137,305)**
Transactions with owners in their capacity as owners					
Share Rights Plan	**-**	**2,281**	**-**	**-**	**2,281**
Balance at 30 June 2015	**772,172**	**17,377**	**90,346**	**(73,744)**	**806,151**

The above Consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

Notes to the consolidated financial statements

1. Statement of significant accounting policies

AWE Limited (the "Company") is a for profit company domiciled in Australia. The consolidated financial statements of the Company for the financial year ended 30 June 2015 comprises the Company and its controlled entities (together referred to as the "consolidated entity").

(a) Basis of preparation

(i) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ("AASBs") (including Australian Interpretations) adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The consolidated financial statements also comply with IFRSs and interpretations issued but not yet adopted by the International Accounting Standards Board.

The accounting policies set out in this note have been applied consistently to all periods presented in these consolidated financial statements. Certain comparative amounts have been reclassified to conform with the current year's presentation.

The consolidated financial statements were authorised for issue by the directors on 24 August 2015.

(ii) Functional and presentation currency

The financial statements are presented in Australian Dollars, which is the Company's functional currency and the functional currency of the majority of controlled entities within the consolidated entity.

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission ("ASIC"), relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(iii) Basis of measurement

The financial statements are prepared on the historical cost basis except that derivative financial instruments and available for sale financial assets are stated at their fair value.

(iv) Use of estimates and judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The most significant estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to:

Exploration and evaluation assets

The consolidated entity's accounting policy for exploration and evaluation expenditure is set out at Note 1 (l). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves have been found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under this policy, management concludes that the capitalised expenditure is unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement. Changes in assumptions may result in a material adjustment to the carrying amount of exploration and evaluation assets.

Restoration obligations

The consolidated entity estimates the future removal costs of production facilities and wells at the time of installation of the assets. In most instances, removal of assets occurs many years into the future. This requires judgemental assumptions regarding removal date, future environmental legislation, the extent of reclamation activities required, the engineering methodology for estimating cost, future removal technologies in determining the removal cost, and asset specific discount rates to determine the present value of these cash flows. The consolidated entity's accounting policy for restoration obligations is set out at Note 1(r).

Reserve estimates

Estimates of recoverable quantities of proven and probable reserves reported include assumptions regarding commodity prices, exchange rates, discount rates, production and transportation costs for future cash flows. It also requires interpretation of geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact asset carrying values, the provision for restoration and the recognition of deferred tax assets, due to changes in expected future cash flows. Reserves are integral to the calculation of depreciation and amortisation charged to the income statement.

Oil and gas price forecast

Future oil and gas price forecasts are a combination of contracted gas prices, forward market prices at 30 June 2015 and longer term observable price forecasts.

Impairment of oil and gas assets

The consolidated entity assesses whether oil and gas assets are impaired when preparing its annual and interim financial statements. Estimates of the recoverable amount of oil and gas assets are made based on the present value of future cash flows.

Income taxes

The consolidated entity is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity estimates its tax liabilities based on the application of the relevant tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity investments at the date on which they are granted.

(v) New and amended standards and interpretations

The following standards and interpretations which became effective and were applied for the first time during the year ended 30 June 2015 were assessed to have no material impact on the Company:

AASB 2012–13	Amendments to AASB136 – Recoverable Amount disclosures for Non-Financial Assets
Interpretation 21	Levies
AASB 2013-3	Amendments to AASB136 – Recoverable Amount disclosures for Non-Financial Assets, additional information has been disclosed about fair value measurements as a consequence of impairment
AASB 2013-4	Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting (AAS139)
AASB 2013-5	Amendments to Australian Accounting Standards – Investment Entities Annual Improvements
AASB 2013-9	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
AASB 1031	Materiality
2011-2013 Cycle	Annual Improvements to IFRSs 2011-2013 Cycle
AASB 1053	Amendments to AASB 1053 – Transactions to and between Tiers and related Tier 2 disclosure requirements

The following recently issued standards and interpretations which are not yet effective and have not been applied, however the Company is in the process of assessing their impact:.

AASB 9	Financial Instruments
AASB 2104–3	Amendments to Australian Accounting standards – Accounting for Acquisitions of Interests in Joint Operations
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation
AASB 15	Revenue from Contracts with Customers
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
AASB 2015-1	Annual Improvements to IFRSs 2012-2014 Cycle
AASB 2015-2	Amendments to Australian Accounting Standards- Disclosure Initiatives: Amendments to AASB 101
AASB 2015-3	Amendments to Australian Accounting Standards- Arising from Withdrawal of AASB 1031 Materiality
AASB 2015-5	Amendments to Australian Accounting Standards- Investment Companies: Applying the Consolidation Exemption

(b) Basis of consolidation

(i) Controlled entities

Controlled entities are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Jointly controlled operations and assets

The Group has interests in joint operations. For the purpose of this financial report the joint operations have been denominated as "Joint Ventures" in accordance with Oil and Gas companies market practice.

The interests of the Company and of the consolidated entity in unincorporated joint ventures and jointly controlled assets are brought to account by recognising in the financial statements the proportionate share of the assets they control, the liabilities and expenses they incur, and their share of the income that they earn from the sale of goods or services by the joint venture.

(iii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(iv) Changes in ownership interests

The consolidated entity treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the consolidated entity. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of AWE Limited.

When the consolidated entity ceases to have control, joint control or significant influence, any retained interest in the entity is adjusted to fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the consolidated entity had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the income statement where appropriate.

(c) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the consolidated entity. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the consolidated entity recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of total consideration transferred over the fair value of the consolidated entity's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in the income statement. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

(ii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates at the end of the reporting period. The revenues and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised directly in a separate component of equity.

(iii) Presentation of foreign exchange gains and losses in the income statement

The consolidated entity presents its foreign exchange gains and losses within net financing income/expense in the income statement.

(e) Impairment

The carrying amounts of the Company's and the consolidated entity's assets, other than inventories (refer note 1(h)) and deferred tax assets (refer note 1(u)), are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(g) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement between 14 and 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(h) Inventory

Oil inventory is recorded at the lower of cost and net realisable value. Cost is determined on an average basis and includes production costs and amortisation of producing oil and gas assets. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Other inventories are recorded at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(i) Investments and other financial assets

(i) Classification

The consolidated entity classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

Financial assets at fair value through profit or loss

A financial asset is classified as fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

(ii) Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the consolidated entity's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

Details on how the fair value of financial instruments is determined are disclosed in note 31.

(iii) Impairment

The consolidated entity assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement - is reclassified from equity and recognised in the income statement as a reclassification adjustment. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through the income statement.

If there is evidence of impairment for any of the consolidated entity's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at an appropriate rate. The loss is recognised in the income statement.

(j) Asset held for sale

The Company classifies non-current assets as held for sale if the carrying amounts will be recovered principally through a sale rather than through continuing use. Such assets are measured at the lower of their carrying value and fair value less costs to sell. The criteria for held for sale classification is regarded as met when the sale is highly probable and the asset or disposal group is available for immediate sale and management must be sufficiently committed to the sale such that it will occur within 1 year.

(k) Property, plant and equipment

(i) Oil and gas assets

The cost of oil and gas producing assets and capitalised expenditure on oil and gas assets under development are accounted for separately and are stated at cost less accumulated depreciation and impairment losses. Costs include expenditure that is directly attributable to the acquisition or construction of the item as well as past exploration and evaluation costs. In addition, costs include:

(i) the initial estimate at the time of installation and during the period of use, when relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and

(ii) changes in the measurement of existing liabilities recognised for these costs resulting from changes in the timing or outflow of resources required to settle the obligation or from changes in the discount rate.

When an oil and gas asset commences production, costs carried forward will be amortised on a units of production basis over the life of the economically recoverable reserves. Changes in factors such as estimates of economically recoverable reserves that affect amortisation calculations do not give rise to prior financial period adjustments and are dealt with on a prospective basis.

Expenditure on major maintenance refits or overhauls comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset that was separately depreciated and is now written off is replaced and it is probable that future economic benefits associated will result, the expenditure is capitalised. Where part of the asset was not separately considered as a component, the replacement value is used to estimate the carrying amount of the replaced assets which is immediately written off. All other maintenance costs are expensed as incurred.

(ii) Land and buildings

Land and Buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

(iii) Other plant and equipment

The cost of other plant and equipment is stated at cost less accumulated depreciation and impairment losses. Costs include:

(i) the initial estimate at the time of installation and during the period of use, when relevant, of the costs of dismantling and removing the items, and

(ii) changes in the measurement of existing liabilities recognised for these costs resulting from changes in the timing or outflow of resources required to settle the obligation or from changes in the discount rate.

Other plant and equipment is depreciated using the straight line method over its estimated useful life. The depreciation rates used for other plant and equipment are in the range 5% to 27% (2014: 5% to 27%).

(l) Exploration and evaluation

Exploration and evaluation costs are accumulated in respect of each separate area of interest and are accounted for using the successful efforts method of accounting. An area of interest is usually represented by an individual oil or gas field.

The cost of acquisition of joint venture interests, successful drilling costs and costs incurred in relation to feasibility studies and the technical evaluation of a potential development are carried forward where right to tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or where the assessment to determine the existence of economically recoverable reserves for a potential development in an area of interest is not yet complete. Exploration and evaluation assets are reviewed for impairment indicators annually. When an indicator is identified, assessment is performed for each area of interest to which the exploration and evaluation expenditure is attributed. To the extent that capitalised expenditure is not expected to be recovered it is charged to the income statement.

All other exploration and evaluation costs, including pre-licence costs are expensed as incurred.

(m) Capitalised borrowing costs

Borrowing costs relating to oil and gas assets under development up to the date of commencement of operations are capitalised as a cost of the development. Where funds are borrowed specifically for qualifying projects the actual borrowing costs incurred are capitalised. Where the projects are funded through general borrowings the borrowing costs are capitalised based on the weighted average borrowing rate. Other borrowing costs are expensed.

(n) Intangible assets

The costs of computer software are stated at cost less accumulated depreciation. Amortisation on computer software is calculated on a straight-line basis over 2.5 years.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 14 days of recognition.

(p) Interest-bearing borrowings

Interest-bearing borrowings are recognised at fair value.

Fees paid on the establishment of loan facilities are treated as a prepayment and are recognised as such to the extent that it is probable that the facility will be drawn down. These fees are recognised as transaction costs relating to the loan and are amortised over the period of the facility.

(q) Employee benefits

(i) Wages, salaries and annual leave

The provisions for employee entitlements to wages, salaries and annual leave represents the amount which the consolidated entity has a present obligation to pay resulting from employees' services provided up to the end of each reporting period. The provisions have been calculated at undiscounted amounts based on wage and salary rates that the consolidated entity expects to pay and include related on-costs.

(ii) Long-term service benefits

Long service leave represents the present value of the estimated future cash outflows to be made resulting from an employee's services provided to the end of each reporting period. The provision is calculated using estimated future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government securities at balance date which most closely match the terms of maturity of the related liabilities.

(iii) Share-based payment transactions

Share-based compensation benefits are provided to employees via the long-term Employee Share Rights Plan. Information relating to these schemes is set out in the remuneration report as well note 21 of this report.

The fair value of the rights granted is measured using the Black-Scholes Option Pricing model. In valuing the equity settled transactions no account is taken of any performance conditions other than conditions linked to market performance. The fair value of rights granted is recognised as an employee expense with a corresponding increase in equity or to the extent the share rights are expected to be cash settled, with a corresponding increase in liabilities. The Board has discretion regarding the settlement of share rights into either AWE shares or cash.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of rights and options that are expected to vest based on the non-market and service related vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

(iv) Superannuation plans

Obligations for contributions to accumulation type superannuation plans are recognised as an expense in the income statement as incurred.

(r) Provisions

A provision is recognised in the statement of financial position when the consolidated entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Site restoration

Provisions made for decommissioning, restoration and environmental rehabilitation are recognised where there is a present obligation as a result of exploration, development or production activities having been undertaken, and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning wells and restoring the affected areas. The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the obligation at the end of each reporting period, based on current legal requirements and technology. The ultimate costs are uncertain and cost estimates can vary in response to many factors including changes to relevant legal requirements, the emergence of new techniques or experience at other production sites. Future restoration costs are reviewed annually and any changes are reflected in the present value of the restoration provision at the end of the reporting period. The amount of the provision for future restoration costs relating to exploration and development activities is capitalised as a cost of those activities. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate the risks specific to the liability. The unwinding of discounting on the provision is recognised as a finance cost.

(s) Revenue recognition

(i) Sales revenue

Revenue from the sale of oil and gas is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue received during the commissioning phase of oil and gas assets is recorded, together with the related costs of production, against the capitalised carrying value of the asset.
Revenues received under take or pay sales contracts in respect of undelivered volumes are accounted for as deferred revenue.

(ii) Other revenues

Other revenues are recognised on an accrual basis and include royalty receipts and equipment rental income.

(t) Leased assets

Leases of property, plant and equipment where the consolidated entity, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the consolidated entity as lessee are classified as operating leases and are not recognised on the consolidated entity's statement of financial position. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(u) Taxation

(i) Income tax

Income tax on the income statement comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in controlled entities to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

(ii) Petroleum Resource Rent Tax ("PRRT") and other government royalties

In addition to corporate income taxes, the consolidated financial statements also include and disclose certain taxes determined from oil and gas production and levied on net income.

Resource rent taxes and government royalties are treated as taxation arrangements when they are imposed under Government authority and when the calculation of the amount payable falls within the definition of "taxable profit" for the purposes of AASB 112. Current and deferred tax is then provided on the same basis as described in (i) above.

Royalty arrangements that do not meet the criteria for treatment as a tax are recognised on an accruals basis.

The Australian Government enacted legislation to extend the PRRT regime to all onshore oil and gas projects, from 1 July 2012. PRRT is applied to onshore and offshore oil and gas projects at a rate of 40%. State petroleum royalties will continue to apply to projects within state jurisdictions; however these royalties are fully creditable against PRRT liabilities. The extended PRRT applies to AWE's onshore Perth basin operations.

Disclosures in relation to PRRT for the year ended 30 June 2015 in the consolidated financial statements are in relation to both onshore and offshore oil and gas projects.

(iii) Tax consolidation

The Company and its wholly-owned Australian resident entities have formed a tax consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is AWE Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using a modified stand-alone tax allocation methodology.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the controlled entities are assumed by the head entity in the tax-consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax-consolidated group in conjunction with any tax funding arrangements.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised. Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head company only.

(iv) Nature of tax funding and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability (asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable (payable) equal in amount to the tax liability (asset) assumed. The inter-entity receivable (payable) is at call.

(v) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office ("ATO") is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(w) Segment reporting

An operating segment is a component of the consolidated entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the consolidated entity's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment assets include both oil and gas assets, exploration assets and other assets, such as cash, receivables and inventory, which are directly attributable to the segment.

Unallocated items comprise mainly head office income and expenses, foreign exchange gains and losses and corporate assets.

(X) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares, share rights or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares, share rights or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example, as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(y) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(z) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	2015 $'000	2014 $'000

2. Revenue

	2015 $'000	2014 $'000
Sales revenue - oil and gas	**283,715**	328,250
Other revenue	**1,215**	1,041
	284,930	329,291

3. Cost of sales

	2015 $'000	2014 $'000
Production costs	**113,733**	105,307
Royalties	**21,849**	20,137
Amortisation	**111,983**	125,378
Movement in oil inventory:		
Production costs	**4,931**	(6,004)
Amortisation	**7,119**	(7,803)
	259,615	237,015
Made up of:		
Production costs (net of movement in oil inventory)	**118,664**	99,303
Royalties	**21,849**	20,137
Amortisation (net of movement in oil inventory)	**119,102**	117,575
	259,615	237,015

4. Other income

	2015 $'000	2014 $'000
Net gain on BassGas completion	**2,031**	-
Net gain on disposal of 50% of the Northwest Natuna PSC	**-**	96,683
Other income	**36**	926
	2,067	97,609

On 4th November 2014 AWE completed the sale of an 11.25 % interest in the BassGas project including a 9.75% interest in the exploration permit T/18P. At 30 June 2014 the assets were treated as held for sale because the negotiated sale terms were subject to a number of conditions precedent. The completion of the sale generated a gain on completion of $0.6 million (pre-tax gain $2 million, taxation expense $1.4 million) for the 2015 financial year. For further information on the net gain on BassGas completion refer note 14, Held for sale assets.

On the 22nd of November 2013 AWE completed the sale of a 50% participating interest in the Northwest Natuna PSC to a subsidiary of Santos Limited for USD$188 million which comprised upfront consideration of USD$100M and deferred consideration of USD$88 million through a capital expenditure carry. The sale generated a profit after tax of $75.5 million (pre-tax profit $96.7 million, taxation expense $21.2 million) during the year ended 30 June 2014.

5. Other expenses

	2015 $'000	2014 $'000
General and administrative expenses	**17,201**	17,794
Share-based payments	**2,008**	2,549
Restoration expense non-producing fields	**12,330**	3,645
Business development and other project costs	**-**	2,868
Restructuring costs	**-**	4,272
Relinquishment costs - Indonesia	**9,557**	-
	41,096	31,128

The Company reassessed its restoration and rehabilitation provisions in respect of non-producing fields resulting in a charge of $12.3 million in the current year.

Relinquishment costs relate to the estimated cost of cessation of activities in respect of certain Indonesia Production Sharing Contracts (PSCs).

	2015 $'000	2014 $'000

6. Net financing (expense)/ income

Interest income	**606**	515
Finance income	**606**	515
Borrowing costs	**(7,716)**	(7,378)
Unwinding of discount – restoration provisions (refer note 23)	**(2,787)**	(2,189)
Adjustment of discount - non-current receivables (refer note 12)	**(1,035)**	(460)
Net foreign exchange loss	**(999)**	(578)
Finance costs	**(12,537)**	(10,605)
Net finance expense	**(11,931)**	(10,090)

7. Taxation benefit / (expense)

Tax expense comprises:		
Income tax		
Current tax expense	**(21,884)**	(11,851)
Adjustments from prior years	**(4,104)**	714
Tax benefit / (expense) related to movements in deferred tax balances	**84,935**	(10,091)
	58,947	(21,228)
PRRT / APR[1]		
Current tax expense	**(5,209)**	(19,477)
Tax benefit related to movements in deferred tax balances	**25,567**	6,782
	20,358	(12,695)
Tax benefit / (expense) reported in the consolidated income statement	**79,305**	(33,923)

Numerical reconciliation between loss before tax and tax benefit / (expense):

Profit/(loss) before tax	**(309,503)**	96,423
Prima facie taxation benefit / (expense) at 30% (2014: 30%)	**92,851**	(28,927)
(Increase)/decrease in income tax benefit / (expense) due to:		
Differences in tax rates	**(6,459)**	12,053
Non-deductible expenses	**(7,046)**	(7,044)
Overseas tax losses not recognised as a deferred tax asset	**(8,249)**	(2,619)
Foreign exchange and other translation adjustments	**(9,858)**	(1,229)
Other	**1,812**	5,823
Adjustments for prior years	**(4,104)**	715
Income tax benefit / (expense)	**58,947**	(21,228)
PRRT[1]	**12,912**	(10,178)
APR[1]	**7,446**	(2,517)
Total royalty-related tax benefit / (expense)	**20,358**	(12,695)
Total tax benefit / (expense)	**79,305**	(33,923)

For information in relation to taxation payments made during the financial year refer to the Consolidated statement of cash flows. For further information in relation to tax payable and deferred tax assets and liabilities refer to note 24 and 25.

(1) As a producer of oil and gas in Australia and New Zealand, the consolidated entity is subject to, government taxes in the form of PRRT in Australia and APR in New Zealand. PRRT is levied on Australian oil and gas production operations at a rate of 40% of project profits after allowing for the recoupment of past deductible project costs and after appropriate compounding of these past costs. Further, subject to the satisfaction of certain tests, exploration costs incurred by the consolidated entity in Australia can be transferred to PRRT payable projects thereby reducing the liability to PRRT. Similarly, APR is levied on the Tui production operation in New Zealand at a rate of 20% of project profits after allowing for the recoupment of past deductible project costs. These past project costs are not compounded and exploration costs incurred outside of the Tui project cannot be transferred to the Tui project. PRRT and APR are deductible for income tax purposes in Australia and New Zealand respectively.

	2015 $'000	2014 $'000

8. Earnings per share

	2015	2014
Earnings used in calculating earnings per share		
Basic & diluted earnings - from continuing operations	**(230,198)**	62,500

Weighted average number of ordinary shares used as the denominator	2015 Number	2014 Number
Issued ordinary shares - opening balance	**522,696,385**	522,116,985
Effect of shares issued	**2,436,359**	261,921
Weighted average number of ordinary shares	**525,132,744**	522,378,906
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares at 30 June	**525,132,744**	522,378,906
Effect of employee rights on issue	**9,435,008**	10,605,205
Weighted average number of ordinary shares adjusted for effect of dilution	**534,567,752**	532,984,111

	2015 Cents	2014 Cents
Basic earnings per share from continuing operations attributable to the ordinary equity holders of the company	**(43.84)**	11.96
Diluted earnings per share from continuing operations attributable to the ordinary equity holders of the company	**(43.84)**	11.73

9. Auditors' remuneration

	2015 $	2014 $
Audit services		
Ernst & Young Australia		
Audit and review of financial reports	**472,348**	398,151
Other Services		
Taxation compliance services	**93,733**	95,000
Taxation advisory services	**5,000**	-
Other	**16,480**	63,357
	115,213	158,357
Total remuneration of Ernst & Young	**587,561**	556,508

10. Segment reporting

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. The chief operating decision maker considers the business from both a product and a geographic perspective and on this basis has identified six reportable segments. For each reportable segment, the chief operating decision maker reviews internal management reports on at least a monthly basis. The following summary describes the operations in each of the consolidated entity's reportable segments:

South East Australia	Production and sale of gas, condensate and LPG from the BassGas (T/L1, Bass Basin, offshore southern Australia) and Casino gas (VIC/L 24, Otway Basin, offshore southern Australia) projects.
Western Australia	Production and sale of crude oil, gas and condensate from the Cliff Head oil project (WA 31L, Perth Basin, offshore Western Australia) and oil and gas fields in the Perth Basin, onshore, Western Australia.
New Zealand	Production and sale of crude oil from the Tui Area oil project (PMP 38158, offshore Taranaki Basin, New Zealand).
USA	Production and sale of gas, LNG and condensate from the Sugarloaf AMI (Texas, United States of America).
Indonesia	Predominantly comprising the development asset comprising a 50% in the Ande Ande Lumut (AAL) oil field.
Exploration Activities	Exploration and evaluation activities within the production licences and exploration permits held by AWE.

10 Segment reporting (continued)

(b) Segment information provided to the chief operating decision maker for the year ending 30 June

	South East Australia		Western Australia		New Zealand		USA		Indonesia		Exploration Activities		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Sales revenue	**70,812**	124,537	**47,379**	68,303	**80,891**	61,561	**84,633**	73,849	**-**	-	**-**	-	**283,715**	328,250
Production costs	**(32,618)**	(39,129)	**(31,592)**	(29,719)	**(39,429)**	(20,172)	**(15,025)**	(10,283)	**-**	-	**-**	-	**(118,664)**	(99,303)
Royalties	**(63)**	(102)	**(866)**	(730)	**-**	(511)	**(20,920)**	(18,794)	**-**	-	**-**	-	**(21,849)**	(20,137)
Segment result before amortisation	**38,131**	85,306	**14,921**	37,854	**41,462**	40,878	**48,688**	44,772	**-**	-	**-**	-	**143,202**	208,810
Exploration and evaluation expenses	-	-	-	-	-	-	-	-	-	-	**(37,582)**	(39,806)	**(37,582)**	(39,806)
Amortisation	**(37,519)**	(59,293)	**(13,780)**	(13,008)	**(33,279)**	(22,607)	**(34,524)**	(22,667)	**-**	-	**-**	-	**(119,102)**	(117,575)
Fair value adjustment	**-**	(12,438)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	(12,438)
Impairment	**(150,733)**	-	**(26,949)**	-	**(67,399)**	-	**-**	-	**-**	-	**(1,195)**	-	**(246,276)**	-
Reportable segment profit / (loss)	**(150,121)**	13,575	**(25,808)**	24,846	**(59,216)**	18,271	**14,164**	22,105	**-**	-	**(38,777)**	(39,806)	**(259,758)**	38,991
Unallocated income / (expenses)														
Other revenue													**1,215**	1,041
Other income													**2,067**	97,609
Net financing income expense													**(11,931)**	(10,090)
Other expense													**(41,096)**	(31,128)
Net (loss) / profit before income tax													**(309,503)**	96,423
Segment assets														
Oil and gas assets	**256,041**	348,247	**97,819**	76,540	**71,755**	122,602	**272,453**	163,852	**184,789**	90,813	**-**	-	**882,857**	802,054
Exploration assets	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**69,118**	109,284	**69,118**	109,284
Assets held for sale	**-**	84,301	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	84,301
Other assets	**29,371**	8,756	**8,968**	3,900	**39,394**	23,654	**4,542**	-	**4,036**	4,312	**-**	-	**86,311**	40,622
	285,412	441,304	**106,787**	80,440	**111,149**	146,256	**276,995**	163,852	**188,825**	95,125	**69,118**	109,284	**1,038,286**	1,036,261
Corporate and unallocated assets													**258,031**	166,282
Total assets													**1,296,317**	1,202,543

	2015 $'000	2014 $'000

10. Segment reporting (continued)

(c) Major customers

The consolidated entity had revenues from four external customers that each represents greater than 10% of total sales revenue, and when combined represent 70% of total sales revenue (2014: four external customers; 78%):

	2015 $'000	2014 $'000
Revenues from major customers by segment		
New Zealand	**80,891**	61,561
South East Australia	**70,812**	124,537
Western Australia	**47,379**	68,303
	199,082	254,401

11. Cash and cash equivalents

	2015 $'000	2014 $'000
Bank balances	**13,447**	13,053
Call deposits	**2,327**	13,759
Cash held by joint ventures	**30,785**	15,332
	46,559	42,144

12. Trade and other receivables

	2015 $'000	2014 $'000
Current		
Trade debtors	**43,576**	22,039
Less: Provision for doubtful debts	**-**	-
Net trade debtors	**43,576**	22,039
Joint venture debtors	**10,050**	6,945
Other debtors	**2,779**	2,076
Prepayments	**2,186**	2,041
Total other receivables	**15,015**	11,062
Total current trade and other receivables	**58,591**	33,101
Non-current		
Prepayments	**2,967**	1,520
Other receivables	**108,428**	86,483
Total non-current trade and other receivables	**111,395**	88,003

Trade receivables are non–interest bearing and are generally on terms of 30 days. All trade and other receivable are carried at values approximating fair value. Refer note 32 for further details regarding how the Company manages credit risk.

Included within non-current receivables is $97 million related to the capital expenditure carry from Santos Limited in connection with the sale of 50% interest in the Northwest Natuna PSC (refer note 4) and VAT recoverable related to Indonesian development assets. The carrying value of the USD denominated capital expenditure carry is the discounted value of the carry based on the expected timing of project delivery. Changes to the carrying value are disclosed at note 6.

13. Inventory

	2015 $'000	2014 $'000
Oil (at cost)	**3,267**	14,996
Spares and consumables	**3,836**	3,751
	7,103	18,747

	2015 $'000	2014 $'000

14. Held for sale assets

Assets classified as held for sale		
Exploration assets	-	5,881
Oil and gas assets	-	89,626
Fair value adjustment on held for sale assets	-	(12,438)
Other	-	1,232
	-	84,301
Liabilities directly associated with assets classified as held for sale		
Restoration and abandonment provision	-	(11,702)
Other	-	-
	-	(11,702)
Net asset held for sale	-	72,599

Completion of sale of 11.25% interest in T/L1 and 9.75% interest in T/18P
During the year ended 30 June 2015, AWE completed the sale of an 11.25% interest in T/L1 (Production asset associated with BassGas) and a 9.75% interest in T/18P (Exploration asset associated with BassGas) to Prize Petroleum Company Limited, a wholly owned subsidiary of Hindustan Petroleum Corporation Limited. The assets and associated liabilities were recognised as held for sale as at 30 June 2014.

The sale generated cash consideration of $80 million, comprising a $16 million non-refundable deposit which was received during FY 2014 and a completion payment of $64 million which was received during the current financial year. The completion of the sale resulted in a gain of $0.6 million (pre-tax $2 million) (refer note 4).

15. Exploration and evaluation assets

Exploration and evaluation assets	**69,119**	109,284
Reconciliation of movement:		
Opening balance	**109,284**	111,034
Impairment of exploration assets	**(1,195)**	-
Additions (net of amount recovered from joint ventures)	**63,398**	44,277
Exploration costs incurred and expensed during the year	**(37,582)**	(39,806)
Transfer to asset held for sale (note 14)	**-**	(5,881)
Transfer to oil and gas assets (note 16)	**(71,003)**	-
Increase in restoration and abandonment provision	**5,822**	-
Foreign exchange translation difference	**395**	(340)
Carrying amount at the end of the financial year	**69,119**	109,284

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest.

As a consequence of the Government of Indonesia's approval of the Plan of Development (POD) in connection with the Lengo gas project, $22 million of previously capitalised exploration costs has been transferred to oil and gas assets. In addition, following the successful appraisal of the Waitsia gas field and subsequent recognition of 2P Reserves of 16 mmboe, $49 million of previously capitalised exploration costs have been transferred to oil and gas assets (refer note 16).

	2015 $'000	2014 $'000

16. Oil and gas assets

Oil and gas assets at cost	**1,891,915**	1,646,921
Less amortisation and impairment	**(1,009,058)**	(844,867)
	882,857	802,054

Reconciliation of movement:		
Opening balance	**802,054**	926,782
Transfer from exploration and evaluation assets (note 15)	**71,003**	-
Acquired (PMP 38158)	**-**	7,184
Additions	**242,497**	143,851
Disposals	**-**	(79,140)
Transfer to asset held for sale (note 14)	**-**	(89,626)
Increase in restoration and abandonment provision	**24,805**	22,168
Impairment of oil and gas assets	**(243,481)**	-
Foreign exchange translation difference	**97,962**	(3,787)
Amortisation	**(111,983)**	(125,378)
Carrying amount at the end of the financial year	**882,857**	802,054

Impairment
Individual oil and gas producing assets are considered as separate cash-generating units. Recoverable amounts are determined based on the higher of value in use or fair value less costs of disposal.

Impairment testing in connection with oil and gas assets is performed to determine whether there is an indication of impairment. Each year the consolidated entity performs an internal review of asset values using cash flow projections. Where there are indicators of impairment these asset values are then tested for impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the income statement with a corresponding reduction in the carrying value of the asset.

The asset valuations are based on a proved and probable (2P) reserve production profile against various estimates and assumptions. The key assumptions used in the cash flow projections include the following:

(a) Oil and gas prices – a combination of contracted gas prices, forward market prices at 30 June 2015 and longer term observable price forecasts. The forecast oil prices used are set out in the table below.
(b) Exchange rates – a combination of current spot AUD/USD exchange rate prevailing at 30 June and long term observable forecasts,
(c) Discount rates – the post-tax discount rate applied to cash flow projections is 10%.

Nominal oil price and exchange rate forecasts applied

Oil price and exchange rate forecast assumptions (FY)	2016	2017	2018	2019	2020+
Nominal oil price	US$65	US$68	US$81	(i)	(i)
AUD/USD exchange rate	0.76	0.75	0.74	(i)	(i)

(i) From financial year 2019 an independent oil price forecast and an exchange rate of AUD/USD 0.73 is used.

For the year ended 30 June 2015 the following oil and gas projects have been impaired to their estimated recoverable amount, based on value in use. For the Tui and Cliff Head oil projects, the recoverable amount is reduced due to a decline in observable oil prices and changes in exchange rate forecasts impacting cash flow projections over the life of the assets. For BassGas, the recoverable amount is reduced due to a reassessment of the remaining 2P Reserves impacting cash flow projections over the life of the asset. The impairment charged to the income statement is set out in the following table.

Impairment charge for the year ended 30 June 2015	Gross	Taxation benefit	Net impairment
Oil and gas assets			
BassGas	**150,733**	**(45,220)**	**105,513**
Tui	**65,799**	**(27,899)**	**37,900**
Cliff Head	**26,949**	**(15,630)**	**11,319**
	243,481	**(88,749)**	**154,732**
Exploration			
Indonesia	**1,195**	**-**	**1,195**
Inventory			
Tui	**1,600**	**-**	**1,600**
Total impairment	**246,276**	**(88,749)**	**157,527**

Sensitivity analysis

Asset valuations, based on cash flow projections rely on a range of assumptions that are subject to change. Accordingly, asset values are sensitive to changes in key assumptions. The impairment that would arise from a possible change in key assumptions (all other assumptions remaining the same) is shown below:

- A 10% decrease in oil prices would result in additional impairment of $36.5 million;
- A 10% decrease in the gas price would result in additional impairment of $10.2 million
- A 10% increase in exchange rate would result in additional impairment of $15.8 million; and
- A 1% increase in the post-tax discount rate would result in additional impairment of $7.7 million.

Disposals

As described in note 14, Held for sale assets, AWE completed the disposal of an 11.25% interest in T/L1 (oil and gas asset) and a 9.75% interest in T/18P (exploration asset) during the year ended 30 June 2015.

During the year ended 30 June 2014 the Company completed the sale of a 50% participating interest in the North West Natuna PSC. (refer note 4 for further details).

	2015 $'000	2014 $'000

17. Land and buildings

Land and buildings (at cost)	**12,190**	-

During the year ended 30 June 2015, the Company acquired land in the onshore Perth Basin within the L1/L2 licence area.

	2015 $'000	2014 $'000

18. Other plant and equipment

Other plant and equipment (at cost)	**6,778**	5,410
Less accumulated depreciation	**(4,428)**	(3,809)
	2,350	1,601

Reconciliation of the movement in other plant and equipment:		
Opening balance	**1,601**	1,611
Additions	**1,411**	605
Depreciation	**(662)**	(615)
Carrying amount at the end of the financial year	**2,350**	1,601

19. Intangible assets

Intangible assets (at cost)	**4,335**	3,082
Less accumulated amortisation	**(3,225)**	(2,734)
	1,110	348

Reconciliation of the movement in intangible assets:		
Computer software		
Opening balance	**348**	52
Additions	**1,230**	398
Amortisation	**(468)**	(102)
Carrying amount at the end of the financial year	**1,110**	348

20. Trade and other payables

Current		
Trade payables	**718**	197
Joint venture creditors	**52,599**	48,128
Other payables and accrued expenses	**44,603**	26,579
Deposit received in connection with asset held for sale	**-**	16,000
	97,920	90,904

21. Interest-bearing liabilities

Non-current		
Bank loans - unsecured	**169,802**	-
	169,802	-

The consolidated entity has access to the following lines of credit:

Bank loans - unsecured	**400,000**	300,000
Facilities utilised at balance date	**169,802**	-
Facilities not utilised at balance date	**230,198**	300,000
	400,000	300,000

During May 2015 AWE replaced its existing $300 million loan facility with a new $400 million secured multicurrency syndicated bank loan facility. The facility is for general corporate purposes and bears interest at the applicable base rate plus a margin. The new facility expires in May 2019. At 30 June 2015 borrowings of $169.8 million had been drawn under the facility.

Unamortised loan establishment fees of $4 million associated with the new facility are classified as an asset and have been included in current and non-current prepayments. These fees are amortised over the life of the facility. During the period unamortised loan establishment fees of $1.6 million associated with the previous facility were written off in full.

	2015 $'000	2014 $'000

22. Employee benefits

Current		
Provision for employee benefits	**1,727**	2,331
Non-current		
Provision for employee benefits	**656**	614

(a) Superannuation plans

The consolidated entity makes contributions to complying accumulation type superannuation plans nominated by individual employees. The consolidated entity contributes at least the amount required by law. The amount recognised as an expense was $1,546,571 for the financial year ended 30 June 2015 (2014: $978,001).

(b) Employee benefits expensed

Salaries and wages and other associated personnel costs are allocated to various income statement categories based on the function of the expenditure.

Salaries and wages	**23,582**	26,732
Share-based payments	**2,008**	2,549
Other associated personnel costs	**5,359**	8,472
	30,949	37,753

(c) Share-based payments – Share Rights Plan

The employee Share Rights Plan is designed to generate performance-based cash awards that may be converted, at the Board's discretion, into AWE shares or cash. The key elements of the plan include:

- Rights are granted each year and the number of rights granted will be determined by the employee's level in the Company, fixed remuneration at the time of grant and both the Company and employee's performance in the previous financial year;
- There are three tranches of rights with separate vesting criteria:
  - Retention(1);
  - Absolute TSR(2); and
  - Relative TSR.
- The vesting period is for three years, the rights will lapse after three years and there will be no retesting.
- Rights granted in any particular financial year are tested for vesting over the three year period commencing 1 July of grant year.

(1) Retention rights are not granted to the Managing Director.
(2) TSR refers to 'Total Shareholder Return' and is defined as the percentage change over a period in shareholder value due to share price movement and dividends paid assuming dividends are reinvested into AWE shares.

The conditions for the award of rights and the criteria for vesting are:

Retention Grants

- Number of rights calculated using the 30-day VWAP of the AWE share price in June of grant year.
- Vest after three years if the employee remains employed by AWE.

Absolute TSR Grants

- Number of rights calculated using the 30-day VWAP of the AWE share price in June of grant year.
- Vest after three years according to the Company's Absolute TSR for that three year period.
- The vesting scales to apply for Absolute TSR grants are as follows:

AWE TSR	% of rights to vest
< 8% pa compound	-
8% pa compound	25%
>8% and <10% pa compound	Pro rata
10% pa compound	50%
>10% and <12% pa compound	Pro rata
12% pa compound	100%

22. Employee benefits (Continued)

(c) Share-based payments – Share Rights Plan (continued)

Relative TSR Grants

- Number of rights calculated using the 30-day VWAP of AWE share price in June of grant year.
- Vest after three years according to the Company's TSR relative to comparator group companies in ASX Energy 300 Index
- The Board determines in advance the appropriate comparator group to apply to Relative TSR grants for the following 3 year period. The vesting scales to apply for Relative TSR grants are as follows:

AAWE TSR relative to TSR of comparator group companies in S&P/ASX 300 Energy Index	% of rights to vest
< 50%	-
50%	25%
>50% and <90%	Pro rata
90% and above	100%

The Board determines annually in advance the appropriate comparator group to apply to Relative TSR grants for the following 3 year period.

A summary of rights in the consolidated entity and the Company is as follows:

Grant date	Vesting date	Opening balance	Granted	Vested	Lapsed	Closing balance (1)	AWE share price at date of issue
As at 30 June 2015							
16-Sep-11	**30-Jun-14**	**2,685,612**	**-**	**(2,460,016)**	**(225,596)**	**-**	$1.04
31-Oct-11	**30-Jun-14**	**162,850**	**-**	**(162,850)**	**-**	**-**	$1.39
24-Nov-11	**30-Jun-14**	**916,032**	**-**	**(916,032)**	**-**	**-**	$1.25
22-Nov-12	**30-Jun-15**	**331,474**	**-**	**-**	**(228,717)**	**102,757**	$1.34
4-Dec-12	**30-Jun-15**	**2,054,456**	**-**	**-**	**(1,178,592)**	**875,864**	$1.30
28-Jun-13	**30-Jun-15**	**42,323**	**-**	**-**	**(24,538)**	**17,785**	$1.24
27-Nov-13	**30-Jun-16**	**427,474**	**-**	**-**	**-**	**427,474**	$1.20
16-Jan-14	**30-Jun-16**	**3,435,318**	**-**	**-**	**(95,775)**	**3,339,543**	$1.30
20-Jun-14	**30-Jun-16**	**115,437**	**-**	**-**	**-**	**115,437**	$1.86
25-Sep-14	**30-Jun-17**	**-**	**3,032,526**	**-**	**(36,271)**	**2,996,255**	$1.84
20-Nov-14	**30-Jun-17**	**-**	**365,552**	**-**	**-**	**365,552**	$1.50
30-Jun-15	**30-Jun-17**	**-**	**126,553**	**-**	**-**	**126,553**	$1.21
		10,170,976	**3,524,631**	**(3,538,898)**	**(1,789,489)**	**8,367,220**	
As at 30 June 2014							
3-Dec-10	30-Jun-13	344,645	-	(344,645)	-	-	$1.74
25-Jun-11	30-Jun-13	82,006	-	(82,006)	-	-	$1.21
30-Jun-11	30-Jun-13	230,062	-	(227,987)	(2,075)	-	$1.28
16-Sep-11	30-Jun-14	2,947,111	-	-	(261,499)	2,685,612	$1.04
31-Oct-11	30-Jun-14	162,850	-	-	-	162,850	$1.39
24-Nov-11	30-Jun-14	916,032	-	-	-	916,032	$1.25
22-Nov-12	30-Jun-15	331,474	-	-	-	331,474	$1.34
4-Dec-12	30-Jun-15	2,241,677	-	-	(187,221)	2,054,456	$1.30
28-Jun-13	30-Jun-15	44,738	-	-	(2,415)	42,323	$1.24
27-Nov-13	30-Jun-16	-	427,474	-	-	427,474	$1.20
16-Jan-14	30-Jun-16	-	3,723,695	-	(288,377)	3,435,318	$1.30
20-Jun-14	30-Jun-16	-	115,437	-	-	115,437	$1.86
		7,300,595	4,266,606	(654,638)	(741,587)	10,170,976	

(1) In respect of Cash Share Rights vesting 30 June 2015, the satisfaction of vesting conditions is determined by the board subsequent to the end of financial year.

For grants of rights, the fair value has been calculated at the grant date using a Black-Scholes Pricing Model and assuming a vesting probability of 43.5% for performance related awards and a 10% staff turnover rate for retention awards.

The fair value of rights has been calculated at the grant date and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the rights allocated to this reporting period. The value disclosed does not therefore represent cash received.

The share rights outstanding at 30 June 2015 have fair value in the range of $0.52 to $1.86, and a weighted average remaining contractual life of 1.3 years (2014: 1.0 years).

22. Employee benefits (Continued)

(c) Share-based payments – Share Rights Plan (continued)

The fair value of services rendered in return for share rights granted is measured by reference to the fair value of share rights granted. The inputs into the model are shown in the following table:

Grant date	Fair value at measurement date	Weighted average share price	Expected volatility	Expected dividends	Vesting probability	Assumed staff turnover
As at 30 June 2015						
25-Sep-14	**$0.80 to $1.84**	**1.840**	**25%**	**0% to 3%**	**43.5%**	**10%**
20-Nov-14	**$0.65**	**1.495**	**25%**	**0% to 3%**	**43.5%**	**10%**
30-Jun-15	**$0.53 to $1.21**	**1.210**	**25%**	**0% to 3%**	**43.5%**	**10%**
As at 30 June 2014						
27-Nov-13	$0.52	$1.195	25%	0% to 3%	43.5%	10%
16-Jan-14	$0.57 to $1.30	$1.30	25%	0% to 3%	43.5%	10%
20-Jun-14	$0.81 to $1.86	$1.86	25%	0% to 3%	43.5%	10%

(d) Share-based payments – Employee share option plan

Under the Company's legacy Employee Share Option Plan, options to subscribe for ordinary shares in the Company were issued to employees at the discretion of the directors and the exercise price and exercise period were determined to reward employees if the Company's share price achieves significant long-term growth. Options were unlisted and were granted with exercise prices not less than the average market price of the Company's shares for the five days prior to grant.

The Company no longer issues employee share options. No employee share options have been issued since June 2009 and all remaining employee share options expired unexercised during the financial year.

A summary of outstanding options to acquire ordinary shares in the Company is as follows:

Grant date	Expiry date	Exercise price	Opening balance	Granted	Exercised	Lapsed	Closing balance	Value of shares at exercise date
As at 30 June 2015								
All options lapsed in the 2014 financial year.								
As at 30 June 2014								
15-Aug-08	14-Aug-13	3.28	1,466,000	-	-	(1,466,000)	-	-
16-Jan-09	15-Jan-14	2.60	75,000	-	-	(75,000)	-	-
16-Jun-09	15-Jun-14	2.75	437,500	-	-	(437,500)	-	-
			1,978,500	-	-	(1,978,500)	-	-

	2015 $'000	2014 $'000

23. Provisions

	2015 $'000	2014 $'000
Current		
Restoration and abandonment	**1,725**	16,228
Deferred revenue	**896**	896
Other	**10,417**	3
	13,038	17,127
Non-current		
Restoration and abandonment	**205,451**	138,899
	205,451	138,899
Total provisions	**218,489**	156,026
Reconciliation of movement:		
Restoration and abandonment:		
Carrying amount at the beginning of the financial year	**155,127**	141,468
Write back in provisions due to assets classified as held for sale	**-**	(11,702)
Provisions made during the year	**42,957**	22,168
Payments made during the year	**(4,535)**	-
Foreign exchange translation difference	**10,840**	1,004
Unwind of discount	**2,787**	2,189
Carrying amount at the end of the financial year	**207,176**	155,127
Deferred revenue and other:		
Carrying amount at the beginning of the financial year	**899**	1,884
Provisions reversed during the year	**-**	(985)
Provisions made during the year	**10,414**	-
Carrying amount at the end of the financial year	**11,313**	899

Provisions made for environmental rehabilitation are recognised where there is a present obligation as a result of exploration, development or production activities having been undertaken and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning wells and restoring the affected areas. Due to the long-term nature of the liability, there is some uncertainty in estimating the provision of the costs that will be incurred. In particular, the consolidated entity has assumed that restoration will use technology and materials that are available currently. The basis for accounting is set out in note 1(r).

24. Taxation payable / (receivable)

	2015 $'000	2014 $'000
Income tax - New Zealand	**1,469**	(2,071)
Accounting Profits Royalty (APR) – New Zealand	**1,910**	34
Petroleum Resource Rent Tax (PRRT) - Australia	**(1,836)**	1,828
Other	**29**	-
	1,572	(209)

	2015 $'000	2014 $'000

25. Deferred tax assets and liabilities

Deferred tax asset		
Tax benefit attributable to tax losses	**112,604**	94,256
Provisions and accruals	**46,421**	47,852
Arising from PRRT and APR	**11,286**	-
Other	**414**	437
	170,725	142,545
Deferred tax liability		
Exploration and evaluation assets	**(34,515)**	(26,112)
Oil and gas assets	**(16,267)**	(66,223)
Arising from PRRT and APR	**-**	(15,279)
Other receivables - non-current	**(14,900)**	(11,971)
	(65,682)	(119,585)
Net deferred tax assets	**105,043**	22,960
Unrecognised deferred tax assets		
Tax value of Australian income tax losses (calculated at 30%)	**105,481**	84,941
Deferred tax asset recognised	**(76,071)**	(55,531)
Tax value of Australian income tax losses not recognised as an asset (calculated at 30%)	**29,410**	29,410

Australian Petroleum Resource Rent Tax (PRRT) and New Zealand Accounting Profits Royalty (APR)
The consolidated entity applies tax effect accounting to both PRRT and APR for all of the consolidated entity's onshore and offshore Australian and offshore New Zealand producing operations. Applying tax effect accounting principles to both PRRT and APR causes the tax effect of the difference between the PRRT/APR tax base and the accounting base of these assets to be recognised as a deferred tax asset or deferred tax liability on the balance sheet. The PRRT/APR tax base represents the remaining deductible project costs of the relevant projects. The accounting base represents the written down net balance sheet value of the project which is amortised over the life of reserves. Where the remaining deductible project costs for a project exceed the accounting base and the excess cannot be transferred to a PRRT payable project then no deferred tax asset is recorded. The application of tax effect accounting to both PRRT and APR may impact the reported income tax expense whether or not a current tax liability to pay PRRT or APR arises.

Deferred tax assets in relation to carried forward losses
Total Australian income tax losses incurred prior to forming a tax consolidated group amount to $29.4 million calculated at 30% are not recognised as a deferred tax asset.

All Australian income tax losses incurred after 30 June 2008 and that remain unutilised at 30 June 2015 have been recorded as a deferred tax asset $76.1 million calculated at 30%.

All US income tax losses as at 30 June 2015 have been recorded as a deferred tax asset $36.5 million calculated at 35%.

Tax losses on Production Sharing Contract's (PSC's) unrecovered costs incurred in other jurisdictions have been treated as permanently not deductible due to uncertainty of future usage.

	2015 $'000	2014 $'000

26. Capital and reserves

(a) Share capital

525,861,050 (2014: 522,696,385) ordinary shares, fully paid	**772,172**	772,172

There were no movements in share capital during the year.

The movement in number of shares is a result of the issue of 3,164,665 fully paid ordinary shares as a result of the vesting of June 2014 employee cash share rights.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

(b) Equity compensation reserve

The equity compensation reserve represents the fair value of options expensed by the Company to 30 June 2015.

(c) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where the functional currency is different to the presentation currency of the reporting entity.

(d) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

(e) Dividends paid

No dividends were paid during the year (2014: nil).

(f) Dividend franking account

Dividend franking account		
30% franking credits available at 30 June	**311**	311
30% franking credits available to shareholders for subsequent financial years	**311**	311

27. Interests in oil and gas permits

At the end of the financial year the consolidated entity held the following oil and gas production, exploration and appraisal permits:

Permit	Country and geographical area	Consolidated percentage interest 2015 %	2014 %
T/L1 Yolla	Australia, Bass basin	**35.00**	46.25
T/18P	Australia, Bass basin	**40.00**	44.75
VIC/L 24 Casino	Australia, Otway basin	**25.00**	25.00
VIC/L 30 Henry, Netherby	Australia, Otway basin	**25.00**	25.00
VIC/P 44	Australia, Otway basin	**25.00**	25.00
VICRL11 Martha	Australia, Otway basin	**25.00**	25.00
VICRL12 Blackwatch	Australia, Otway basin	**25.00**	25.00
VIC / P67 La Bella	Australia, Otway basin	**-**	60.00
WA 31 L Cliff Head	Australia, North Perth basin, Offshore	**57.50**	57.50
WA 497P	Australia, Carnarvon basin	**100.00**	100.00
WA 511 P	Australia, Offshore North Carnarvan Basin	**100.00**	-
WA 512 P	Australia, Offshore Perth Basin	**100.00**	-
L1/L2 Dongara, Yardarino	Australia, North Perth basin, Onshore	**100.00**	100.00
L1/L2 Hovea and Eremia	Australia, North Perth basin, Onshore	**50.00**	50.00
L1/L2 Corybas	Australia, North Perth basin, Onshore	**50.00**	50.00
L4/L5 Woodada	Australia, North Perth basin, Onshore	**100.00**	100.00
L7 Mt Horner	Australia, North Perth basin, Onshore	**100.00**	100.00
L11 Beharra Springs, Redback Terrace	Australia, North Perth basin, Onshore	**33.00**	33.00
L14 Jingemia	Australia, North Perth basin, Onshore	**44.14**	44.14
EP 320	Australia, North Perth basin, Onshore	**33.00**	33.00
EP 413	Australia, North Perth basin, Onshore	**44.25**	44.25
EP 455	Australia, North Perth basin, Onshore	**81.50**	81.50
PMP 38158 Tui, Amokura,Pateke	New Zealand, Taranaki Basin, Offshore	**57.50**	57.50
PEP 55768	New Zealand, Taranaki Basin, Onshore	**51.00**	51.00
Bulu PSC	Indonesia, Java Sea	**42.50**	42.50
East Muriah PSC	Indonesia, Java Sea	**50.00**	50.00
Terumbu PSC	Indonesia, Java Sea	**100.00**	100.00
North Madura PSC	Indonesia, Java Sea	**50.00**	50.00
Titan PSC	Indonesia, Java Sea	**40.00**	40.00
North West Natuna PSC	Indonesia, Natuna Sea	**50.00**	50.00
Anambas PSC	Indonesia, Natuna Sea	**100.00**	100.00
Block 09/05	China, Bohai basin	**40.00**	-
Yemen Block no. 7	Yemen, Shabwa basin	**19.25**	19.25
Yemen Block no. 74	Yemen, Masilah basin	**29.75**	29.75
Sugarloaf Area of Mutual Interest	United States of America, Karnes County, Texas	**10.00**	10.00

Refer to notes 28 and 29 for details of commitments and contingent liabilities.

	2015 $'000	2014 $'000

28. Capital and other commitments

(a) Capital expenditure commitments

Contracted but not provided for or payable:		
Not later than one year	**117,823**	140,743

AWE participates in a number of development projects that were in progress at the end of the period. These projects require AWE, either directly or through joint venture arrangements, to enter into contractual commitments for future expenditures.

(b) Exploration and evaluation expenditure commitments

Total exploration and evaluation expenditure contracted for but not provided for in the financial statements, payable:		
Not later than one year	**23,100**	23,300
Later than one year but not later than five years	**6,000**	14,700
	29,100	38,000

AWE participates in a number of licences, permits and production sharing contracts for which the Company has made commitments with relevant governments to complete minimum work programmes. In addition, the Company, directly or through joint venture arrangements, has made contractual commitments at year end in relation to exploration activities to be undertaken in the 2015-16 year.

Commitments later than one year include $6 million related to the North Madura PSC in Indonesia.

(c) Time charter commitments

Floating Production Storage and Offtake vessel ("FPSO") time charter contracted for but not provided for in the financial statements, payable:		
Not later than one year	**24,455**	19,680
Later than one year but not later than five years	**12,244**	11,476
	36,699	31,156

The Operator of the Tui Area oil project (PMP 38158, offshore Taranaki Basin, New Zealand) has entered into a USD denominated charter contract for the provision of an FPSO for the Tui Field development. The Charter Contractor owns and operates the FPSO as part of the charter arrangement. The contract is for a fixed initial term to 31 December 2016 with options exercisable by the joint venture for seven one-year extensions.

(d) Non-cancellable operating lease commitments

Future operating lease rentals, not provided for in the financial statements, payable:		
Not later than one year	**11,816**	10,677
Later than one year but not later than five years	**9,908**	10,652
	21,724	21,329

Operating lease commitments include office premises and site service agreements.

29. Contingencies

In accordance with normal industry practice, the consolidated entity has entered into joint venture operations with other parties for the purpose of exploring and developing its permit interests. If a party to a joint venture operation defaults and does not contribute its share of joint venture operation obligations, then the other joint venturers are liable to meet those obligations. In this event, the permit interest held by the defaulting party may be redistributed to the remaining joint venturers.

In accordance with normal industry practice and under the terms of various joint venture operating and product sales agreements, the consolidated entity may have provided performance guarantees to third parties on behalf of wholly-owned controlled entities to fulfil its permit obligations in various jurisdictions where it conducts its operations.

As described in note 28(c) the Company as operator of the Tui Area oil project (PMP 38158, offshore Taranaki Basin, New Zealand) has entered into a charter contract for the provision of an FPSO for the Tui Field development. The Charter Contractor own and operates the FPSO as part of the charter arrangement. The consolidated entity has provided a letter of credit in favour of the Charter Contractor amounting to US$3.2 million (2014: US$7.5 million) in respect of this charter contract.

The Company is responsible for taxes payable in respect of earlier years by entities acquired from Genting (Oil and Gas) in connection with the acquisition of a participating interest in the Northwest Natuna and Anambas PSC's. The entities are subject to claims by the Indonesian Tax Office in respect of VAT and withholding taxes in respect of the 2005 to 2011 years totalling US1.4 million. The potential liability to earlier years' taxes is also the subject of arbitration proceedings against Genting that are in progress at the report date.

The consolidated entity has made an accounting provision for all known environmental liabilities. There can be no assurance that as a result of new information or regulatory requirements with respect to the consolidated entity's assets that provisions will not be increased at a future date.

The Native Title Act ("NTA") may impact on the consolidated entity's ability to gain access to new prospective exploration areas or obtain production titles. Some of the consolidated entity's onshore petroleum tenements now include land which may become the subject of a Native Title claim under the NTA.

30. Reconciliation of cash flows from operating activities

	2015 $'000	2014 $'000
Cash flows from operating activities		
(Loss) / profit for the period	**(230,198)**	62,500
Adjustments for:		
Amortisation of oil and gas assets	**111,983**	125,378
Amortisation of intangible assets	**446**	103
Depreciation	**435**	616
Gain on disposal of oil and gas assets	**(2,031)**	(96,690)
Branch profits tax on disposal of oil and gas assets	**-**	9,662
(Gain)/loss on disposal of other assets	**-**	-
Fair value adjustment related	**-**	12,438
Impairment	**246,276**	-
Loan establishment fees written off and amortised	**(2,308)**	2,282
Unwinding of discount – restoration provisions	**2,787**	2,190
Fair value adjustment in relation to NWN carry (& adjust for discount unwind)	**1,035**	459
Relinquishment costs - Indonesia	**9,557**	
Share-based payments	**2,277**	2,549
Net foreign currency losses	**1,060**	225
Other	**(993)**	-
Change in assets and liabilities during the financial year:		
(Increase)/decrease in trade and other receivables	**(17,728)**	20,635
Decrease/(increase) in oil inventory	**12,108**	(13,807)
Decrease / (increase) in income taxes payable	**1,311**	(18,722)
(Increase) / decrease in deferred tax assets	**(88,144)**	2,469
Increase in provisions and employee benefits	**11,710**	1,580
Increase in accounts payable	**2,615**	9,819
Net cash from operating activities	**62,198**	123,686

31. Controlled entities

Name	Note	Country of incorporation	Equity holding 2015 %	Equity holding 2014 %
Parent entity				
AWE Limited				
Controlled entities				
AWE Administration Pty Limited	1	Australia	**100**	100
AWE Finance Pty Limited	1	Australia	**100**	100
AWE Overseas Pty Limited	1	Australia	**100**	100
AWE Offshore Pty Limited	1	Australia	**100**	100
AWE Argentina Pty Limited	1 & 2	Australia	**100**	100
AWE New Zealand Pty Limited	1 & 2	Australia	**100**	100
AWE Australia Pty Limited	1	Australia	**100**	100
Omega Oil Pty Ltd	1	Australia	**100**	100
AWE Petroleum Pty Ltd	1	Australia	**100**	100
Peedamullah Petroleum Pty Ltd	1	Australia	**100**	100
AWE (Carnarvon) Pty Ltd	1	Australia	**100**	100
AWE Resources (Western Australia) Pty Ltd	1	Australia	**100**	100
AWE Oil (Western Australia) Pty Ltd	1	Australia	**100**	100
AWE Perth Pty Ltd	1	Australia	**100**	100
AWE (Beharra Springs) Pty Ltd	1	Australia	**100**	100
AWE Energy Holdings Pty Limited	1	Australia	**100**	100
AWE (WA) Trading Pty Ltd	1	Australia	**100**	100
AWE (WA) Investment Company Pty Ltd	1	Australia	**100**	100
AWE (Bass Gas) Pty Ltd	1	Australia	**100**	100
AWE (Offshore PB) Pty Limited	1	Australia	**100**	100
Adelphi Energy Pty Limited	1	Australia	**100**	100
Adelphi Holdings (Australia) Pty Limited	1	Australia	**100**	100
Adelphi Energy Texas Inc.		USA	**100**	100
AWE Finance US Inc.		USA	**100**	100
AWE Holdings NZ Limited		New Zealand	**100**	100
AWE Taranaki Limited		New Zealand	**100**	100
AWE (Satria) NZ Limited		New Zealand	**100**	100
AWE (East Muriah) NZ Limited		New Zealand	**100**	100
AWE (Terumbu) NZ Limited		New Zealand	**100**	100
AWE (North Madura) NZ Limited		New Zealand	**100**	100
AWE (Titan) NZ Limited		New Zealand	**100**	100
AWE Finance NZ Limited		New Zealand	**100**	100
AWE (AAL) NZ Limited		New Zealand	**100**	100
AWE (Sugarloaf) NZ Limited		New Zealand	**100**	100
AWE Holdings Singapore Pte. Ltd.		Singapore	**100**	100
AWE (Northwest Natuna) Pte. Ltd.		Singapore	**100**	100
AWE (Anambas) Pte. Ltd.		Singapore	**100**	100
Greenslopes Limited		Papua New Guinea	**100**	100
AWE UK Pty Limited	3	Australia	**100**	100
Wells Fargo Resources Pty Ltd	3	Australia	**100**	100
Perthshire Petroleum Pty Ltd	3	Australia	**100**	100
Tepstew Pty Ltd	3	Australia	**100**	100
Western Petroleum Management Pty Ltd	3	Australia	**100**	100
AWE (NSW) Pty Ltd	3	Australia	**100**	100
AWE (Australia) Energy Pty Ltd	3	Australia	**100**	100
AWE Energy (Australasia) Pty Ltd	3	Australia	**100**	100
AWE (Wandoo) Pty Ltd	3	Australia	**100**	100
Adelphi Energy (Yemen) Pty Ltd	3	Australia	**100**	100
AWE Malaysia Pty Limited	3	Australia	**100**	100
Adelphi Energy Yemen (B74) Limited	3	British Virgin Islands	**100**	100
AWE Singapore Pte. Ltd.	3	Singapore	**100**	100
AWE Vietnam Pte. Ltd.	3	Singapore	**100**	100
AWE Offshore UK Limited	3	UK	**100**	100

1 - These controlled entities are a party to a Deed of Cross Guarantee between those group entities and the Company pursuant to ASIC Class Order 98/1418 and are not required to prepare and lodge financial statements and directors' reports (refer note 35). The Company and those group entities are the "Closed Group".
2 - AWE New Zealand Pty Limited and AWE Argentina Pty Limited are Australian companies with branches in New Zealand and Argentina respectively.
3 - In liquidation

32. Financial risk management

The consolidated entity has exposure to foreign currency, interest rate, commodity price, credit and liquidity risks that arise in the normal course of its business. In accordance with Board approved policies financial instruments may be used to hedge the exposure to fluctuations in exchange rates, interest rates and commodity prices.

The Board of Directors has overall responsibility for the establishment and oversight of the financial risk management framework of the consolidated entity. The Board has delegated to the Audit and Governance Committee the responsibility for developing and monitoring financial risk management policies across the Company. The Audit and Governance Committee's primary role is to advise and assist the Board of Directors in assessing the management of key financial risks of the Company. The financial risk management policies and systems are reviewed annually by the Audit and Governance Committee to reflect changes in market conditions and the entity's business activities.

Management of financial risks is carried out by a centralised treasury function which operates under Board approved policies. The Board approved Treasury and Risk Management Guidelines provide clear guidelines to management in respect of the management of financial risks of the Company and are designed to ensure that it adequately reflects the strategic risk management objectives of the Board.

The objective of AWE's financial risk management strategy is to minimise the impact of volatility in financial markets on the financial performance, cash flows and shareholder returns of AWE. This includes the need to ensure that sufficient liquidity is available to fund its strategic business plans. Identification and analysis of relevant financial risks and its impact on the achievement of the Company's objectives forms the basis for determining how such risks should be managed. The forecast financial position of the consolidated entity is regularly monitored and financial instruments may be used within approved guidelines to hedge exposure to fluctuations in interest rates, exchange rates and commodity prices.

(a) Market risk

(i) Commodity price risk

The consolidated entity is exposed to commodity price risk through its revenue from the sale of hydrocarbons – gas, crude oil, condensate and LPG. Australian gas sales are not subject to commodity price risk as the product is sold in Australian Dollars under long-term contracts with CPI escalators in place. However, crude oil, condensate and LPG are priced against world benchmark commodity prices and the consolidated entity is therefore subject to commodity price risk for these products.

Subject to approval of the Board, the consolidated entity may enter into certain derivative instruments to manage its commodity price risk. As at the end of the financial year, the consolidated entity has no commodity price hedging or derivatives in place.

(ii) Interest rate risk

The Company has available a secured multi-currency syndicated bank loan facility of A$400 million. The facility utilised at 30 June 2015 was $169.8 million (2014: $ nil) (refer note 21). When drawn, the Australian Dollar portion of the facility bears interest at the bank bill swap rate plus a margin, the United States Dollar portion of the facility bears interest at LIBOR plus a margin and the New Zealand portion of the facility bears interest at BKBM plus a margin. Borrowings under the facility are at floating rates and when the facility is drawn the consolidated entity would be subject to interest rate risk from movements in the Australian dollar bank bill swap rate, United States dollar LIBOR and New Zealand BKBM. Similarly, the consolidated entity is subject to interest rate risk from movements in the Australian, United States and New Zealand cash deposits.

In accordance with Board approved policies, the consolidated entity may enter into certain derivative instruments to manage its interest rate risk. As at the end of the financial year, the consolidated entity has no interest rate hedging or derivatives in place.

(iii) Foreign exchange risk

The consolidated entity operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States and New Zealand dollars. The consolidated entity is subject to foreign exchange risk through the sale of products denominated is US dollars, borrowings denominated in US and NZ dollars and foreign currency capital and operating expenditure.

The Company manages its foreign exchange exposures on a net basis and may use forward foreign exchange contracts or cross currency swaps to manage its exposures. As at the end of the financial year, the consolidated entity has no foreign exchange hedging or derivatives in place.

32. Financial risk management (continued)

(a) Market risk (continued)

(iii) Foreign exchange risk (continued)

The following significant exchange rates applied during the year:

	Average rate		Spot rate at the end of the reporting period	
	2015	2014	2015	2014
AUD/USD	**0.8371**	0.9183	**0.7680**	0.9420
AUD/NZD	**1.0755**	1.1063	**1.1294**	1.0761

The financial instruments denominated in United States dollars and New Zealand dollars are as follows:	2015 A$'000	2014 A$'000
United States dollars:		
Financial assets		
Cash	**17,466**	18,467
Trade and other receivables	**41,262**	22,252
Financial liabilities		
Trade and other payables	**(59,351)**	(34,947)
Bank loans	**(63,802)**	-
New Zealand dollars:		
Financial assets		
Cash	**126**	1,371
Financial liabilities		
Trade and other payables	**-**	-
Bank loans	**-**	-

The effects of exchange rate fluctuations on the balances of cash held in foreign currencies shown in the Consolidated statement of cash flows is as follows:

Effect of exchange rate fluctuations on the balances of cash held in foreign currencies	**1,454**	716

32. Financial risk management (continued)

(a) Market risk (continued)

(iv) Foreign exchange risk (continued)

Summarised sensitivity analysis
The following table summarises the sensitivity of the consolidated entity's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

	Carrying amount	Commodity & other price risk				Interest rate risk				Foreign exchange risk			
		-10%		10%		-1%		1%		-10%		10%	
		Profit	Other equity	Profit	Other equity	Profit	Other equity	Profit	Other equity	Profit	Other equity	Profit	Other equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2015													
Financial assets													
Cash and cash equivalents	**46,559**	**-**	**-**	**-**	**-**	**(327)**	**-**	**327**	**-**	**1,235**	**-**	**(1,235)**	**-**
Trade and other receivables	**56,405**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,888**	**-**	**(2,888)**	**-**
Prepayments	**2,186**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities													
Trade and other payables	**97,920**	**-**	**-**	**-**	**-**		**-**		**-**	**(4,154)**	**-**	**4,154**	**-**
Bank loans	**169,802**	**-**	**-**	**-**	**-**	**1,189**	**-**	**(1,189)**	**-**	**(4,466)**	**-**	**4,466**	
Total increase / (decrease)		**-**	**-**	**-**	**-**	**862**	**-**	**(862)**	**-**	**(4,497)**	**-**	**4,497**	**-**
30 June 2014													
Financial assets													
Cash and cash equivalents	42,144	-	-	-	-	(296)	-	296	-	1,392	-	(1,392)	-
Trade and other receivables	31,060	-	-	-	-	-	-	-	-	1,090	-	(1,090)	-
Prepayments	2,041					-		-		-		-	
Financial liabilities													
Trade and other payables	90,904	-	-	-	-	-	-	-	-	(2,446)	-	2,446	-
Bank loans		-	-	-	-	-	-	-	-	-	-	-	
Total increase / (decrease)		**-**	**-**	**-**	**-**	**(296)**	**-**	**296**	**-**	**36**	**-**	**(36)**	**-**

(b) Credit risk

Credit risk is the risk of sustaining a financial loss as a result of the default by a counterparty to make full and timely payments on transactions which have been executed, after allowing for set-offs which are legally enforceable. The credit risk on financial assets of the consolidated entity which have been recognised on the statement of financial position is the carrying amount, net of any provision for doubtful debts.

Credit risk arises from investments in cash and cash equivalents with bank, derivative financial instruments and credit exposure to customers and/or suppliers. Credit risk also arises from bank facilities which offer committed lines of credit, overdraft facilities, transaction banking services and financial guarantees, which may not be honoured when relied upon. The Board approved Treasury Risk Management Guidelines outline how credit risk exposure will be managed by Treasury.

Receivables and cash and cash equivalents represent the Company's and the consolidated entity's maximum exposure to credit risk:

	2015 $'000	2014 $'000
Cash	**46,559**	42,144
Trade and other receivables	**169,986**	121,104

The consolidated entity does not hold any credit derivatives to offset its credit exposure. With the exception of the capital expenditure carry of $97 million due from Santos in connection with the sale of a 50% interest in the Northwest Natuna PSC (refer note 12) there is no concentration of credit risk to a single party.

The ageing of trade receivables at the end of each reporting period was as follows:		
Less than 1 month	**43,576**	22,039
1 month to 3 months	**-**	-
Greater than 3 months	**-**	-
	43,576	22,039

There are no trade receivables past due or impaired at the end of the reporting period (2014: Nil).

32. Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the consolidated entity will not have sufficient liquidity to meet its financial obligations as they fall due.

The Board approved Treasury Risk Management Guidelines provide an appropriate framework for the management of the consolidated entity's short, medium and long-term funding and liquidity management requirements.

The consolidated entity manages liquidity risk by continually monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities. Short and long-term cash flow projections are prepared periodically and submitted to the Board at each board meeting of the Company. In addition corporate debt facilities are required to be refinanced well in advance of its maturity date.

Contractual cash flows	Note	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
		$'000	$'000	$'000	$'000	$'000
30 June 2015						
Consolidated						
Trade and other payables	**20**	**97,920**	**97,920**	**-**	**-**	**-**
Bank loans	**21**	**169,802**	**-**	**-**	**169,802**	**-**
30 June 2014						
Consolidated						
Trade and other payables	20	90,904	90,904	-	-	-
Bank loans	21	-	-	-	-	-

(d) Fair values of financial assets and liabilities

Financial instruments as at 30 June 2015 include short term maturity instruments and long term financial instruments measured based on interest rate in accordance with market conditions. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Management has assessed that the carrying values of financial assets and liabilities of the consolidated entity approximate their fair value using the following methods and assumptions to estimate the fair values:

- The fair value of financial assets and liabilities with standard terms and conditions and traded on an active liquid market is determined with reference to the quoted price.
- AWE Limited has adopted the amendment to AASB 13 *Fair Value Measurement* which includes the requirement to disclose the fair value measurements by level of the following fair value measurement hierarchy.
- Long-term fixed-rate and variable-rate receivables are evaluated by AWE based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Fair values of the AWEs interest-bearing borrowings and loans and are determined by using the DCF method using discount rates that reflect the issuer's borrowing rate as at the end of the reporting period.
- The fair value of long term financial assets is based on DCF determined on market conditions interest rates.

Based on the level 2 inputs for determination of fair value the carrying value of financial instruments have been deemed to materially approximates their respective fair value. There were no available-for-sale financial assets during the year.

(e) Capital management

The consolidated entity maintains an ongoing review of its capital management strategy to ensure it maintains an appropriate capital structure.

The overriding objective of the Company's capital management strategy is to increase shareholder returns whilst maintaining the flexibility to pursue the strategic initiatives of the Company within a prudent capital structure.

The ability of the Company to make future dividends or conduct any form of capital return to shareholders is regularly reviewed by the Board. This is considered against the Company's future funding requirements and ability to access capital and where there is surplus capital available for distribution. The Board will endeavour to optimise the return to AWE shareholders via capital management initiatives where it can do so.

33. Related party disclosures

(a) Key management personnel

(i) Key management personnel compensation

The key management personnel compensation included in note 22 is as follows:

	2015 $'000	2014 $'000
Salaries and wages	**3,546**	4,320
Share-based payments	**716**	736
Other associated personnel costs	**74**	179
	4,336	5,235

(ii) Individual directors' and executives' compensation disclosures

Apart from the details disclosed in this note, no director or executive has entered into a material contract with the consolidated entity since the end of the previous financial year and there were no material contracts involving directors' or executives' interests existing at year-end.

(iii) Shares

The movement during the financial year in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Movements in shares	Opening balance	Granted as remuneration	Received on exercise of rights	Net change other	Closing balance
As at 30 June 2015					
Directors					
B. J. Phillips	**2,900,914**	**-**	**-**	**277,500**	**3,178,414**
B. F. W. Clement	**260,061**	**-**	**916,030**	**(475,000)**	**701,091**
D. I. McEvoy	**30,000**	**-**	**-**	**-**	**30,000**
K. G. Williams	**20,000**	**-**	**-**	**-**	**20,000**
V. Braach-Maksvytis	**-**	**-**	**-**	**3,000**	**3,000**
R. J. Betros	**70,000**	**-**	**-**	**-**	**70,000**
K. Penrose (2)	**17,935**	**-**	**-**	**7,065**	**25,000**
Executives					
D. Washer	**90,356**	**-**	**296,904**	**(337,240)**	**50,020**
A. Saridas	**-**	**-**	**162,850**	**(55,000)**	**107,850**
N .P. Tupper (3)	**-**	**-**	**-**	**-**	**-**
N. F. Kelly	**187,001**	**-**	**229,557**	**(150,000)**	**266,558**
As at 30 June 2014					
Directors					
B. J. Phillips	2,900,914	-	-	-	2,900,914
B. F. W. Clement	30,000	-	230,061		260,061
D. I. McEvoy	30,000	-	-	-	30,000
A. J. Hogendijk (1)	10,000	-	-	(10,000)	0
K. G. Williams	20,000	-	-	-	20,000
V. Braach-Maksvytis	-	-	-	-	-
R. J. Betros	20,000	-	-	50,000	70,000
K. Penrose (2)	-	-	-	17,935	17,935
Executives					
D. Washer	43,254	-	47,102	-	90,356
A. Saridas	-	-	-	-	-
N .P. Tupper (3)	-		-	-	-
M. Drew (4)	-		-	-	-
N. F. Kelly	151,379	-	35,622	-	187,001
D. R. N. Gaudoin (5)	29,077	-	39,988	(69,065)	-

1 - Mr Hogendijk retired as a director on 27 November 2013.

2 - Ms Penrose was appointed a director on 28 August 2013.

3 - Mr Tupper commenced employment on 20 May 2013.

4 - Mr Drew commenced employment on 1 May 2013 and ceased employment 30 June 2014.

5 - Mr Gaudoin ceased employment on 1 November 2013.

33. Related party disclosures (continued)

(a) Key management personnel (continued)

(iii) Shares (continued)

Changes in shareholdings classified as "Net change other" in the table above do not necessarily reflect purchases or disposals of shares but may include movements relating to changes in key management personnel during the period.

No shares were granted to key management personnel during the financial year as remuneration.

The disclosures above may not be consistent with the disclosure in the Directors' Report as the basis of calculation differs due to the differing requirements of the Corporations Act 2001 and the Accounting Standards

(iv) Share rights

The movement during the financial year in the number of share rights in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Movement in share rights	Opening balance	Granted as remuneration	Exercised	Lapsed unexercised	Net change other	Closing balance
As at 30 June 2015						
Directors						
B. F. W. Clement [(1)]	**1,674,978**	**365,552**	**(916,030)**	**(228,717)**	**-**	**895,783**
Executives						
D. Washer	**648,911**	**178,134**	**(296,904)**	**(84,993)**	**-**	**445,148**
A. Saridas	**475,561**	**170,177**	**(162,850)**	**(65,978)**	**-**	**416,910**
N.P. Tupper	**221,174**	**176,685**	**-**	**-**	**-**	**397,859**
N. F. Kelly	**517,044**	**131,406**	**(229,557)**	**(64,481)**	**-**	**354,412**
As at 30 June 2014						
Directors						
B. F. W. Clement [(1)]	1,477,565	427,474	(230,061)	-	-	1,674,978
Executives						
D. Washer	497,979	198,034	(47,102)	-	-	648,911
A. Saridas	282,372	193,189	-	-	-	475,561
N.P. Tupper	-	221,174	-	-	-	221,174
M. Drew [(2)]	-	181,467	-	-	(181,467)	-
N. F. Kelly	381,992	170,674	(35,622)	-	-	517,044
D. R. N. Gaudoin [(3)]	461,792	-	(39,988)	-	(421,804)	-

1 - All share rights issued to Mr Clement have been approved by shareholders at previous Annual General Meetings of the Company.

2 - Mr Drew ceased employment on 30 June 2014.

3 - Mr Gaudoin ceased employment on 1 November 2013.

(v) Key management personnel transactions with the Company or its controlled entities

No loans have been made to key management personnel. The Company has entered into Indemnity Deeds to indemnify executives of the Company against certain liabilities incurred in the course of performing their duties.

(b) Non-key management personnel disclosures

The consolidated entity has a related party relationship with its controlled entities (note 31), joint ventures (note 27) and with its key management personnel. The Company and its controlled entities engage in a variety of related party transactions in the ordinary course of business. These transactions are generally conducted on normal terms and conditions.

34. Parent entity disclosures

As at, and throughout the year ended 30 June 2015 the parent company of the consolidated entity was AWE Limited.

		The Company	
	Note	2015 $'000	2014 $'000
Result of the parent entity			
Profit / (Loss) for the period		**(160,677)**	399
Other comprehensive income		**-**	-
Total comprehensive income for the period		**(160,677)**	399
Financial position of the parent entity at year end			
Current assets		**315,872**	337,876
Total assets		**721,785**	880,541
Current liabilities		**704**	376
Total liabilities		**1,002**	1,412
Net assets		**720,783**	879,129
Total equity of the parent entity			
Share capital	26	**772,172**	772,172
Reserves		**17,374**	15,097
Retained earnings		**(68,762)**	91,860
Total equity		**720,783**	879,129

Parent entity contingencies and commitments

The contingent liabilities of the parent entity as at the end of the reporting period are disclosed in note 29. The directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement

The parent entity did not have any capital or expenditure commitments as at end of the reporting period.

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of its subsidiaries. Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed, are disclosed in note 35.

35. Deed of cross guarantee

	Closed group 2015 $'000	Closed group 2014 $'000
Summarised statement of financial position		
Current assets		
Cash and cash equivalents	**37,863**	29,700
Trade and other receivables	**235,859**	239,756
Held for sale assets	**351**	84,301
Inventory	**3,310**	8,710
Total current assets	**277,383**	362,467
Non-current assets		
Investments	**64,448**	64,448
Exploration and evaluation assets	**66,108**	87,039
Oil and gas assets	**377,410**	465,565
Other property, plant and equipment	**2,350**	1,601
Intangible assets	**1,099**	348
Land and Building	**12,190**	-
Deferred tax assets	**153,182**	66,019
Total non-current assets	**676,787**	685,020
Total assets	**954,170**	1,047,487
Current liabilities		
Trade and other payables	**40,134**	48,910
Employee benefits	**1,400**	2,079
Liabilities associated re: asset held for sale	**-**	11,702
Provisions	**15,307**	16,229
Taxation payable	**1,627**	1,180
Total current liabilities	**58,468**	80,100
Non-current liabilities		
Interest bearing liabilities	**106,000**	-
Employee benefits	**656**	614
Provisions	**142,076**	104,639
Total non-current liabilities	**248,732**	105,253
Total liabilities	**307,200**	185,353
Net assets	**646,970**	862,134
Equity		
Issued capital	**772,172**	772,172
Reserves	**65,055**	14,862
Retained earnings	**(190,257)**	75,100
Total equity	**646,970**	862,134
Summarised consolidated income statement		
Profit / (loss) before tax	**(330,271)**	52,117
Income tax (expense)/benefit	**64,914**	9,995
Net profit /(loss) after tax for the year	**(265,357)**	62,112
Retained earnings at the beginning of the year	**75,100**	12,988
Dividends provided for or paid	**-**	-
Retained earnings at the end of the year	**(190,257)**	75,100

36. Events subsequent to balance date

In the opinion of the directors, no other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect:

a) the consolidated entity's operations in future financial years, or
b) the results of those operations in future financial years, or
c) the consolidated entity's state of affairs in future financial years.

Directors' declaration

In the opinion of the directors of AWE Limited:

(a) the financial statements and accompanying notes, and the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2015 and of its performance for the financial year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial statements also comply with International Financial Reporting Standards as disclosed in note 1(a); and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(d) there are reasonable grounds to believe that the Company and the group entities identified in Note 31 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Class Order 98/1418.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and Chief Financial Officer for the financial year ended 30 June 2015.

Signed in accordance with a resolution of the directors:

Dated at Sydney this twenty-fourth day of August 2015.

B. J. PHILLIPS	**B. F. W. CLEMENT**
Chairman	**Managing Director**

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Independent auditor's report to the members of Australian Worldwide Exploration (AWE) Limited

Report on the financial report

We have audited the accompanying financial report of Australian Worldwide Exploration (AWE) Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements,* that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of Australian Worldwide Exploration (AWE) Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of AWE Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Scott Jarrett
Partner
Sydney
24 August 2015