



## AWE updates reserves and resources

- **Waitsia 2P Reserves increased by 25%**
- **BassGas 2P Reserves up 13% (before production)**
- **AAL 2P Reserves reclassified as 2C Contingent Resources**

AWE Limited (ASX: AWE) provides the following update on the company's 2P Reserves and 2C Contingent Resources as at 30 June 2017.

In the company's June 2017 Quarterly Report (issued 28 July 2017), AWE advised that it was reviewing its Reserves and Resources with particular focus on Waitsia, BassGas and Ande Ande Lumut (AAL). The results of this review are detailed below.

### Waitsia Gas Project

Following the excellent results from the Waitsia-3 appraisal well, drilled in May-June 2017, AWE has increased its share of 2P Reserves for the Waitsia gas field by 25% to 228 PJ of sales gas as at 30 June 2017. The increase in 2P Reserves (undeveloped) reflects the reclassification of a portion of 2C Contingent Resources, previously held for the southern extension of the field, to 2P Reserves.

Waitsia-3 successfully appraised the southern extension of the Waitsia Gas Field. Strong gas shows were observed across a 150 m interval of Kingia and High Cliff Sandstone (HCSS) reservoirs. The Kingia net reservoir interval in Waitsia-3 is approximately double that observed in other wells in the field and better quality than predicted.

Additionally, gas observed in the HCSS was 10 m below the lowest known gas observed in previous wells in the field. The observation of gas below the previously interpreted Gas Water Contact (GWC) may have future positive reserve and resources implications for the rest of the field and provide new appraisal and exploration opportunities within the permits held by AWE.

Table 1. Waitsia 2P Reserves Movements (AWE share)

Waitsia 2P as at 30/6/16			Reserve Movements			Waitsia 2P as at 30/6/17		
Sales Gas (PJ)	Condensate (bbls)	Total MMboe	Revisions MMboe	Transfers MMboe	Production MMboe	Sales Gas (PJ)	Condensate (bbls)	Total MMboe
182.18	0.06	30.43	0.05	7.84	-0.23	228.00	0.08	38.09

These revisions to AWE's share of Waitsia 2P Reserves do not yet reflect the impact of the better than expected reservoir quality and thickness, and gas shows observed at Waitsia-3 below the current interpreted GWC. These results will be evaluated along with results from Waitsia-4 (currently being drilled) and may result in further reserves and resources upgrades.

### BassGas Project

As previously advised, AWE has undertaken a review of the Yolla reservoir following a downgrade to reserves by the Operator in 2016. Subsequent to the downgrade, AWE observed that well performance and production was better than the Operator's forecast.



Following the 2016 reserves downgrade, both the Operator and AWE undertook independent modelling of the Yolla reservoirs. After comparing the Operator's model with AWE's work, AWE revised upwards its share of 2P Reserves for the Yolla field by 13%, or 1 MMboe (referenced to 30 June 2016). After allowing for production (1.22 MMboe) and the reclassification of a small portion of 2P Reserves to 2C Contingent Resources (0.25 MMboe), AWE's share of BassGas 2P Reserves at 30 June 2017 decreased by only 6% (0.48 MMboe), to 6.96 MMboe.

**Table 2. BassGas 2P Reserve Movements (AWE share)**

BassGas 2P as at 30/6/16				Reserve Movements			BassGas 2P as at 30/6/17			
Sales Gas (PJ)	Cond. (bbls)	LPG (tonnes)	Total MMboe	Revisions MMboe	Transfers MMboe	Production MMboe	Sales Gas (PJ)	Cond. (bbls)	LPG (tonnes)	Total MMboe
31.55	1.12	91.51	7.44	0.99	-0.25	-1.22	29.97	0.99	84.00	6.96

### AAL Oil Project

As previously notified to the ASX, the Operator has advised delays to the FID schedule as a result of incorporating the G sand into the existing Plan of Development for the K sand. AWE anticipates the Operator will provide an updated resources estimate for the K & G sands in CY 2017 as part of this process.

Forward oil price curves have continued to flatten and the spot price for Brent crude remains subdued (sub-US\$55/bbl). In addition, AWE has also become aware that the Operator is conducting a sale process for their 50% interest in the project.

Taken together, these factors have led to increased uncertainty in the timing of development. As a result, and in line with SPE-PRMS guidelines, AWE has reclassified its share of AAL 2P Reserves to 2C Contingent Resources.

**Table 3. AAL 2P Reserves Movements (AWE share)**

AAL 2P as at 30/6/16		Reserve Movements			AAL 2P as at 30/6/17	
Oil (bbls)	Total MMboe	Revisions MMboe	Transfers MMboe	Production MMboe	Oil (bbls)	Total MMboe
24.57	24.57	0	-24.57	0	0	0

### AWE Reserves and Resources at 30 June 2017

The net result of these revisions on AWE's total 2P Reserves and 2C Contingent Resources, after taking into account divestments, transfers and production for the 12 months to 30 June 2017, are shown in the following tables:

**Table 4. AWE 2P Reserve Movements (AWE share)**

AWE 2P as at 30/6/16	Reserve Movements				AWE 2P as at 30/6/17
Total MMboe	Revisions MMboe	Transfers MMboe	Divestments MMboe <sup>(1)</sup>	Production MMboe	Total MMboe
71.02	1.35	-17.02	-0.73	-2.75	51.87

(1) Tui divestment

**Table 5. AWE 2C Contingent Resource Movements (AWE share)**

AWE 2C as at 30/6/16	Contingent Resource Movements			AWE 2C as at 30/6/17
Total MMboe	Revisions MMboe	Transfers MMboe	Divestments MMboe <sup>(1)</sup>	Total MMboe
102.47	-0.33	17.73	-10.37	109.5

(1) Tui and Lengo divestments

**Table 6. AWE 2P + 2C (AWE share)**

Units = MMboe	30/06/2016	30/06/2017	% change
AWE 2P Reserves	71.02	51.87	-27%
AWE 2C Contingent Resources	102.47	109.50	7%
AWE 2P + 2C	173.49	161.37	-7%

AWE will release its full year results for FY17 on 25 August 2017. The company's Reserves and Resources Report (as at 30 June 2017) will be published in AWE's 2017 Annual Report.

**The Waitsia Joint Venture partners in production licence L1/L2 are:**

AWE Limited (via subsidiaries, Operator)	50.00%
Origin Energy Limited (via subsidiaries)	50.00%

**The BassGas Joint Venture partners in production licence T/L1 are:**

AWE Limited (via subsidiaries)	35.00%
Origin Energy Limited (via subsidiaries, Operator)	42.50%
Toyota Tsusho Gas E&P Trefoil Limited	11.25%
Prize Petroleum International Pte. Ltd	11.25%

**The AAL Joint Venture partners in the Northwest Natuna PSC are:**

AWE Limited (via subsidiaries)	50.00%
Santos Limited (Operator)	50.00%

**About AWE Limited**

AWE Limited is an independent, Australian energy company focused on upstream oil and gas opportunities. Established in 1997 and listed on the Australian Securities Exchange (ASX: AWE), the company is based in Sydney with a project office in Perth. AWE has a substantial portfolio of production, development and exploration assets in Australia, New Zealand, and Indonesia.

**Reserves Consent**

The Reserves and Contingent Resources in this report are based on and fairly represent information and supporting documentation prepared by and under the supervision of qualified petroleum reserves and resource evaluator Mr Andrew Furniss, AWE General Manager Exploration and Geoscience and Dr. Suzanne Hunt, AWE General Manager WA Assets and Engineering. Mr Furniss, a member of the Society of Petroleum Engineers and the American Association of Petroleum Geologists, holds an MSc in Exploration Geophysics and a BSc (Hons) in Geological Sciences and has over 26 years' of industry experience in strategic planning, portfolio management, prospect evaluation, technical due diligence and peer review, reserves and resource assessment, the application of advanced geophysical technology and business development. Dr. Hunt, a Petroleum Engineer with a Ph.D. in Geomechanics, is a member

of the Society of Petroleum Engineers and has over 20 years' experience in the petroleum sector in geoscience, field development planning, reserves estimation, production and facilities engineering and 30 years in the resource sector generally. Mr Furniss and Dr Hunt have consented in writing to the inclusion of this information in the format and context in which it appears.

AWE reserves and contingent resources are estimated in accordance with the following:

- SPE/AAPG/WPC/SPEE Petroleum Resources Management System guidelines of November 2011;
- SPEE Monograph 3 "Guidelines for the Practical Evaluation of Undeveloped Reserves in Resource Plays";
- ASX Disclosure rules for Oil and Gas Entities, Chapter 5; and
- ASX Listing Rules Guidance Note 32.

AWE applied deterministic methods for reserves and contingent resource estimation for all assets. The reserves were estimated at the lowest aggregation level (reservoir) and aggregated to field, asset, basin and company levels. Estimated contingent resources are un-risked and it is not certain that these resources will be commercially viable to produce.

### Conversion Tables

<p><b>Volume</b>            1 cubic metre = 1 kilolitre = 35.3 cubic feet = 6.29 barrels            1 megalitre = 1,000 cubic metres</p>	<p><b>Barrel of Oil Equivalent (BOE)</b>            Sales Gas: 6PJ = 1 MMBOE            LPG: 1 tonne = 11.6 BOE            Condensate: 1 barrel = 1 BOE            Oil: 1 barrel = 1 BOE</p>
<p><b>Energy Value</b>            1,000 standard cubic feet of sales gas yields about:            1.055 gigajoules (GJ) of heat            1 petajoule (PJ) = 1,000,000 gigajoules (GJ)            1 gigajoule = 947,817 British Thermal Units (BTU)</p>	<p><b>Decimal Number Prefixes</b>            kilo = thousand = <math>10^3</math>            mega = million = <math>10^6</math>            giga = 1,000 million = <math>10^9</math>            tera = million million = <math>10^{12}</math>            peta = 1,000 million million = <math>10^{15}</math></p>

For information please see our website [www.awexplore.com](http://www.awexplore.com) or contact:

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