



Independent review increases Waitsia 2P Reserves by 78% to 811 PJ (gross)

- **An independent review by RISC of the Waitsia gas field estimates gross 2P Reserves of 811 PJ, which is 78% higher than AWE's previous 2P Reserves estimate at 30 June 2017**
- **The increase reflects the significantly better than expected reservoir quality, thickness and well deliverability outcomes from the recent drilling and testing program**
- **The independent assessment is closely aligned with AWE's internal estimates from work completed to date, which will be finalised by year end after incorporating the most recent data from appraisal operations**
- **The new gross 2P Reserves estimate is more than double the amount of gas required for the Waitsia Stage 2 project, providing additional options for both increased near term field production and significantly longer field life**
- **Substantial additional upside is demonstrated by the new gross 3P reserve estimate of 1,220 PJ**

AWE Limited (ASX: AWE) provides the following information relating to 2P Reserves and 2C Contingent Resources for the Waitsia gas field (50% owned, Operator) following completion of an independent review by Perth-based RISC Operations Pty Ltd (RISC). The Waitsia gas field is located in onshore Permit L1/L2, northern Perth Basin, Western Australia.

The review and evaluation undertaken by RISC (see Table 1) concluded that 2P Reserves for the Waitsia gas field were 78% higher than AWE's previous estimate as at 30 June 2017 (see Table 2). The RISC work is consistent with AWE's current internal view of Waitsia Reserves, which will be finalised when the current flow test program and subsequent analysis and evaluation work are complete. AWE anticipates issuing a further update before the end of 2017.

AWE's CEO and Managing Director, Mr David Biggs, said:

"The independent review of the Waitsia gas field, recently undertaken by RISC, highlights substantially higher recoverable hydrocarbons and additional production potential from the excellent quality conventional reservoirs in the Kingia and High Cliff Sandstones.

"The Waitsia Stage 2 development project is planned to deliver 100 TJ/day for at least 10 years. The additional reserves identified by this review are more than double the reserves required for this project and provide opportunities for significantly increased near term field production and longer field life.

"The recent flow tests at Waitsia-3 (50 MMscf/d) and Waitsia-2 (39 MMscf/d) were exceptional and we are aiming to flow test Waitsia-4 before the end of November. The data from the flow tests and the upgraded view of reserves by RISC will provide further information for potential gas buyers," Biggs said.



“Waitsia sub-surface appraisal is virtually complete and the FEED process is targeting final tender submissions at the end of November. AWE is working to be in a position to consider a FID by the end of 2017, subject to securing sufficient gas sales agreements,” he concluded.

RISC’s reserves estimates were calculated for conventional reservoir units in the Kingia and High Cliff Sandstones only and excluded the Dongara, Wagina, Irwin River Coal Measures (IRCM) and the associated Senecio, Synaphea and Irwin fields.

Since RISC’s August 2016 estimate, there have been a number of material changes which have resulted in the increase to the reserve estimates. The Waitsia-3 and Waitsia-4 wells were drilled and encountered substantially thicker sections of high quality Kingia reservoir than previously observed. The Waitsia-3 and Waitsia-4 well results enabled a transfer of contingent resources in the Kingia reservoir to the reserves classification. The 3D seismic data volume has been reprocessed and re-depth converted using the new well data. The observed thicker Kingia reservoir and refined depth conversion also resulted in the estimation of greater thickness, rock volume and improved reservoir properties, resulting in a significant increase to the gas initially in-place and recoverable reserves.

The Joint Venture partners in L1/L2 are:

| | |
|--|-------|
| AWE Limited (via subsidiaries) (Operator) | 50.0% |
| Origin Energy Limited (via Lattice Energy) | 50.0% |

Table 1. Independent (RISC) estimate of Reserves and Contingent Resources for the Waitsia gas field as at 1 November 2017

| RISC estimated Reserves and Contingent Resources for the Waitsia gas field | | | | | |
|--|-------|-------|-------|---------|------|
| Sales Product | Unit | 1P | 2P | 3P | 2C |
| Gross sales gas | PJ | 518.7 | 811.2 | 1,219.6 | 89.9 |
| Gross condensate | MMbbl | 0.10 | 0.16 | 0.25 | 0.02 |
| AWE Net sales gas | PJ | 259.3 | 405.6 | 609.8 | 45.0 |
| AWE Net condensate | MMbbl | 0.05 | 0.08 | 0.12 | 0.01 |

Notes.

1. Includes Developed plus Undeveloped Reserves
2. Net sales gas and net condensate calculated at 50% of gross in line with AWE’s Joint Venture interest
3. Probabilistic methods have been used
4. Reserves include 8.8 PJ gross, 4.4 PJ net, developed reserves anticipated to be produced for the remainder of Stage 1A development project to mid-2020
5. The reference point for reserves and contingent resource determination is the custody transfer point for the products. Reserves are stated as sales quantities net of fuel estimated at 4.8%. Contingent resources are stated as sales quantities net of fuel estimated at 5%. Sales gas conversion factor is 1.04 PJ/Bcf of sales gas.
6. The reserves are in conventional reservoirs and the contingent resources are tight conventional sandstone

Table 2. AWE booked Reserves and Contingent Resources for the Waitsia Gas Field as at 30 June 2017

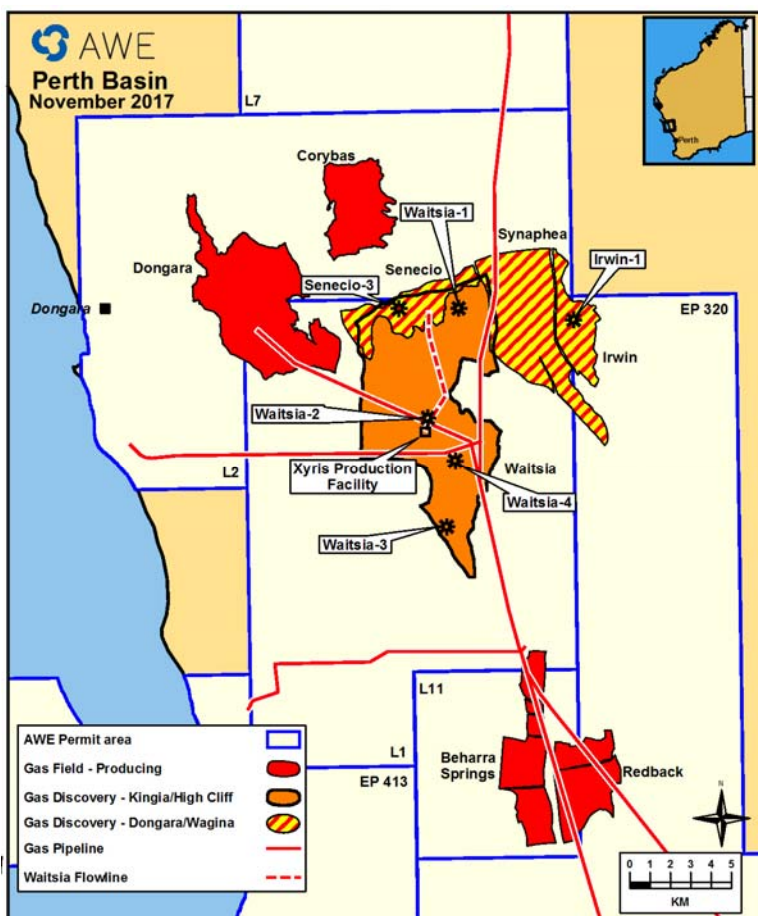
| AWE booked Reserves and Contingent Resources for the Waitsia gas field | | | | | |
|--|-------|-------|--------------|--------|--------------|
| Sales Product | Unit | 1P | 2P | 3P | 2C |
| Gross sales gas | PJ | 240.3 | 456.0 | 784.5 | 211.2 |
| Gross condensate | MMbbl | 0.10 | 0.16 | 0.28 | 0.08 |
| AWE Net sales gas | PJ | 120.2 | 228.0 | 392.25 | 105.6 |
| AWE Net condensate | MMbbl | 0.05 | 0.08 | 0.14 | 0.04 |

About the Waitsia Gas Field

The northern Perth Basin has been one of Western Australia’s major gas producing regions for more than 50 years. Discovered in September 2014, the Waitsia field is regarded as the largest onshore conventional gas discovery in Australia for the last 40 years and has the capability to supply the domestic market with at least 100 TJ/d for more than 10 years from conventional reservoirs.

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 headquartered in Sydney with an office in Perth. AWE has a substantial portfolio of production, development and exploration assets in Australia, New Zealand, and Indonesia.



Summary of Abbreviations

| | |
|---------|-------------------------------------|
| 2C | Contingent Resources |
| 2P | Proved and Probable Reserves |
| FEED | Front End Engineering and Design |
| FID | Final Investment Decision |
| MMbbl | Million barrels |
| MMscf/d | Million standard cubic feet per day |
| PJ | Petajoules |
| TJ | Terajoules |

AWE reserves and resources consent

The AWE Reserves and Contingent Resources referred to in this announcement are based on and fairly represent information and supporting documentation prepared by and under the supervision of qualified petroleum reserves and resource evaluators Dr. Suzanne Hunt, AWE General Manager WA Assets and Engineering. 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, reservoir production and facilities engineering and 30 years in the resource sector generally. Dr Hunt has 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;
- 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.

RISC reserves and resources consent

Information on the Reserves and Contingent Resources in this release is based on an independent review conducted by RISC Operations Pty Ltd (RISC) and fairly represents the information and supporting documentation reviewed. The review was carried out using a combination of probabilistic and deterministic methods in accordance with the SPE Reserves Auditing Standards and the SPE-PRMS standards, definitions and guidelines under the supervision of Mr. Geoffrey Barker, a Partner of RISC. Mr Barker is a Member of the Society of Petroleum Engineers (SPE), and holds a BSc (Chemistry), Melbourne University, 1980 and an M.Eng.Sc (Pet Eng), Sydney University, 1989 and is a qualified petroleum reserves and resources evaluator (QPPRE) as defined by ASX listing rules. Mr. Barker consents to the inclusion of this information in this report.

AWE Conversion Tables

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

For more information please see our website www.awexplore.com or contact:

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