

## ASX Announcement

15 November 2017



# AWE to raise approximately A\$38 million via an Institutional Placement

AWE Limited (ASX: AWE) today announced a fully underwritten institutional share placement to raise approximately A\$38 million (“Institutional Placement”). The Institutional Placement will be followed by an offer to all existing eligible Australian and New Zealand shareholders to participate in a Share Purchase Plan (“SPP”) to raise up to A\$10 million. The SPP is not underwritten.

The proceeds from the Institutional Placement and SPP will be used for a range of purposes:

- Strengthen AWE’s balance sheet
  - Provide greater financial strength in negotiating commercial arrangements for Waitsia Stage 2 project construction, gas term sheets and gas sales agreements
  - Strengthen AWE’s financial position prior to renewal of its corporate debt facility and the financing of the Waitsia Stage 2 project
- Waitsia Stage 2 funding
  - Provide sufficient equity to fund AWE’s share of the Waitsia Stage 2 project if a Build Own Operate (“BOO”) development model is selected, or
  - Part fund AWE’s share if an Engineering Procurement Construction (“EPC”) development model is selected
- Other existing portfolio development and growth opportunities
  - A range of corporate purposes including capital expenditure on other development projects including the next stage of the Casino-Henry gas project

### **AWE’s CEO and Managing Director, David Biggs, said:**

“AWE is firmly focused on delivering its key growth initiatives, particularly Stage 2 of the Waitsia Gas Project and the marketing of our uncontracted east coast gas reserves. The successful Waitsia appraisal program has substantially de-risked the field’s sub-surface modelling and proved up substantial additional reserves.

“This equity raising will provide partial funding for Stage 2 of the Waitsia Gas Project while providing AWE with the flexibility to achieve the best possible outcomes in terms of east and west coast gas sales and the construction options for the Waitsia Stage 2 facilities. It will also strengthen our balance sheet ahead of refinancing our existing debt facility.”



## **Institutional Placement**

The Institutional Placement will comprise an issue of approximately 76.9 million new fully paid ordinary shares at an issue price of A\$0.50 (representing a discount of 10.7% to AWE's last close price of A\$0.56 on 14 November 2017) under AWE's placement capacity in accordance with ASX Listing Rule 7.1 for which shareholder approval is not required.

AWE's shares will remain in trading halt while the Institutional Placement is being conducted. Normal trading in AWE's shares is expected to recommence on 16 November 2017 or such other time as the completion of the Institutional Placement is announced to the market.

The Institutional Placement is fully underwritten by RBC Capital Markets.

Settlement of the Institutional Placement is expected to occur on 20 November 2017, with new shares expected to be allotted and commence trading on 21 November 2017. New AWE shares issued under the Institutional Placement will rank equally with existing AWE shares.

## **Share Purchase Plan**

Following completion of the Institutional Placement, AWE will also provide the opportunity for eligible Australian and New Zealand shareholders to participate in a non-underwritten SPP. The SPP will be capped at \$10 million.

Under the SPP, each eligible Australian and New Zealand shareholder who was on AWE's share register as a holder of fully paid ordinary shares in AWE as at 7:00pm (Sydney time) on 14 November 2017 will have the opportunity to subscribe for up to A\$15,000 of new AWE shares, subject to scale back, without incurring brokerage or transaction costs.

The issue price for the new AWE shares under the SPP will be the lower of the Institutional Placement price and the 5-day Volume Weighted Average Price ("VWAP") ending on the closing date of the SPP offer.

AWE reserves the right to scale back applications under the SPP. Full details of the SPP will be sent to shareholders in the near future. New AWE shares issued under the SPP will rank equally with existing AWE shares.

## **IMPORTANT NOTICES**

This announcement is not financial product or investment advice, a recommendation to acquire new shares or accounting, legal or tax advice. It does not constitute an invitation or offer to apply for shares. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek legal and taxation advice appropriate for their jurisdiction. AWE is not licensed to provide financial product advice in respect of an investment in shares. Investors should also have regard to the Key Risks set out in the presentation headed "AWE Limited – Capital Raising" dated 15 November 2017 and lodged with ASX.

## **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

This announcement may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. Any securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act"), or the securities laws of any state or jurisdiction of the United States. Accordingly, the securities may not be offered or sold directly or indirectly in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable United States state securities laws.

**ENDS**