



27 February 2018

The Manager
Company Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Off-market bid by CERCG Aus Gas Pty Ltd to acquire 100% of the shares in AWE Limited

We refer to the Bidder's Statement dated 25 January 2018 in relation to the offer by CERCG Aus Gas Pty Ltd ACN 622 835 894 (**CERCG Aus Gas**), a 100% owned subsidiary of China Energy Reserve and Chemical Group Australia Pty Ltd ACN 615 286 443 (**CERCG Australia**), to acquire 100% of the shares in AWE Limited ACN 077 897 440 (**AWE**), as supplemented by the first supplementary bidder's statement dated 12 February 2018 (**Offer**).

We attach a letter to AWE shareholders and a formal notice of withdrawal in respect of the Offer. The formal notice will today be lodged with the Australian Securities and Investments Commission and served on AWE. The formal notice and the attached letter will be dispatched to AWE shareholders by 2 March 2018.

We request that this announcement is immediately released to the market through AWE's announcements platform page.

Yours faithfully

Ms Liping Xuan

Managing Director
CERCG Australia

Director
CERCG Aus Gas

Mr Jianguo Wang

Director
CERCG Australia

Director
CERCG Aus Gas

27 February 2018

Dear AWE Shareholder

CERCG withdraws its takeover bid for AWE Limited

CERCG Aus Gas Pty Ltd ACN 622 835 894 (**CERCG Aus Gas** or **Bidder**), a 100% owned subsidiary of China Energy Reserve and Chemical Group Australia Pty Ltd ACN 615 286 443 (**CERCG Australia**), made an off-market takeover bid to acquire 100% of the shares in AWE Limited (ACN 077 897 440) (**AWE**) at \$0.73 per share (**CERCG Offer** or **Offer**) under a bidder's stated dated 25 January 2018, as supplemented by the first supplementary bidder's statement dated 12 February 2018 (**Bidder's Statement**). Unless otherwise specified, terms defined in the Bidder's Statement have the same meaning in this letter.

On 5 February 2018, AWE publicly announced and recommended a competing takeover offer from Mitsui & Co Ltd (**Mitsui**) at \$0.95 cash per share, being \$0.22 per share higher than the CERCG Offer (**Mitsui Offer**).

Further, AWE's target's statement dated 21 February 2018 in response to the CERCG Offer states that the following conditions of the CERCG Offer will not be satisfied:

- No change of control provisions in material contracts (Condition (c) of Annexure B of the Bidder's Statement);
- No acceleration of vesting of Cash Share Rights (Condition (g) of Annexure B of the Bidder's Statement); and
- Adviser fees not exceeding \$4 million (Condition (h) of Annexure B of the Bidder's Statement).

Finally, AWE's target's statement dated 21 February 2018 in response to the Mitsui Offer contains an independent expert's report valuing AWE Shares in a range of \$0.78 to \$1.06 cash per share.

After due consideration, the Bidder now wishes to advise AWE shareholders that:

- the Bidder **will not** increase its Offer Price of \$0.73 cash per AWE Share and, accordingly, this Offer Price is final;
- the Bidder **will not** extend the Offer Period, which is scheduled to close at 7.00pm (AEDT) on 13 March 2018; and
- the Bidder **will not** waive any of the Conditions of its Offer.

In light of the above considerations, the Bidder wishes to further advise that it has obtained consent from ASIC to withdraw its Offer under section 652B of the *Corporations Act 2001* (Cth). Enclosed with this letter is a formal notice under which the Bidder withdraws its Offer, effective as at 5.00pm (AEDT) time on 27 February 2018.

Yours faithfully



Ms Liping Xuan

Managing Director
CERCG Australia

Director
CERCG Aus Gas



Mr Jianguo Wang

Director
CERCG Australia

Director
CERCG Aus Gas

Formal Notice

CERCG Aus Gas Pty Ltd ACN 622 835 894

Takeover bid for AWE Limited

Notice of withdrawal of takeover bid

To:

- the Australian Securities and Investments Commission (**ASIC**);
- the Australian Securities Exchange (**ASX**);
- AWE Limited ACN 077 897 440 (**AWE**); and
- each person to whom an offer was made under the bidder's statement dated 25 January 2018, as supplemented by the first supplementary bidder's statement dated 12 February 2018 (**Bidder's Statement**) issued by CERCG Aus Gas Pty Ltd ACN 622 835 894 (**CERCG Aus Gas** or **Bidder**), a 100% owned subsidiary of China Energy Reserve and Chemical Group Australia Pty Ltd ACN 615 286 443 (**CERCG Australia**), in respect of the Bidder's off-market takeover bid to acquire 100% of the shares in AWE.

Pursuant to the Bidder's Statement, the Bidder made a takeover bid to acquire 100% of the shares in AWE (**Offer**).

The Bidder advises that it has obtained consent from ASIC to withdraw its Offer pursuant to section 652B of the *Corporations Act 2001* (Cth) (**Corporations Act**). ASIC's consent is conditional on the Bidder preparing this notice and giving it to AWE, ASIC and ASX before 5.00pm (AEDT) on Wednesday, 28 February 2018 and sending a copy of this notice to each of the persons specified in section 650D(1)(c)(ii) of the Corporations Act (as modified by Class Order 13/521) by no later than 5.00pm (AEDT) on Friday, 2 March 2018.

Accordingly, the Bidder hereby gives notice pursuant to section 652B of the Corporations Act that it withdraws its Offer effective as at 5.00pm (AEDT) time on 27 February 2018.

The effect of the withdrawal of the Offer is that no acceptances will be processed by the Bidder and no consideration will be paid to any AWE Shareholders in connection with the Offer. Accordingly, all AWE Shareholders that have accepted the Offer will be free to deal with their shares in AWE as they see fit moving forward.

Unless otherwise specified, terms defined in the Bidder's Statement have the same meaning in this notice.

A copy of this notice was lodged with ASIC, filed with ASX and served on AWE on 27 February 2018, which is the date of this notice. Neither ASIC, ASX nor AWE take any responsibility for the contents of this notice.

Signed on behalf of CERCG Aus Gas Pty Ltd (ACN 622 835 894)



Ms Liping Xuan

**Managing Director
CERCG Australia**

**Director
CERCG Aus Gas**



Mr Jianguo Wang

**Director
CERCG Australia**

**Director
CERCG Aus Gas**