



## AWE updates Perth Basin exploration and appraisal activities

AWE Limited (ASX: AWE) provides the following update in relation to exploration and appraisal activities in permits L1/L2, EP320, EP413 and EP455 in the Perth Basin, onshore Western Australia.

### Permit L1/L2 (AWE 50%, Operator)

AWE continues to make good progress on preparations for conventional flow testing of the Senecio-3 well to further appraise the recently discovered Waitsia gas field. Flow testing is planned to commence in late January 2015, subject to regulatory approvals and the arrival of equipment, and will take approximately six weeks to complete.

Preparations are also under way for drilling additional appraisal wells on the Waitsia gas field in 2015. Depth mapping of the greater Waitsia closure has identified four potential appraisal locations of which two will be selected for drilling. The first appraisal well is planned to commence in the second quarter of calendar year 2015 subject to joint venture, regulatory and stakeholder approvals.

AWE is also preparing a gas marketing strategy for this asset. The Waitsia gas field was discovered in September 2014 and, together with the Senecio gas field, represents a combined gross 2C Contingent Resource of 360 Bcf of gas. AWE's 50% share (180 Bcf) is approximately equivalent to 30 mmboe. The Senecio-3 well is located 7km from the AWE-operated Dongara gas facility.

#### *The Joint Venture partners in L1/L2 are:*

AWE Limited (via subsidiaries) (Operator)	50.0%
Origin Energy Developments P/L	50.0%

### Permit EP320 (AWE 33%)

Preparations are well advanced for the Irwin-1 exploration well which AWE will Operate under an agency agreement with joint venture partner Origin Energy. The Irwin prospect straddles EP320 and L1 (AWE 50%, Operator) and is a tight gas prospect targeting the Dongara/Wagina formations.

Following the success of the Senecio-3 appraisal well and the discovery of the deeper Waitsia gas field, Irwin-1 will be drilled through the target formations to also test the deeper formations in the Caryngina Shale, the Irwin River Coal Measures, and the Kingia and High Cliff Sandstones. Drilling is planned to commence towards the end of the first quarter of calendar year 2015.

The joint venture is also considering drilling an exploration well in the Trapdoor prospect, located near the Beharra Springs gas facility, in financial year 2015-16.

#### *The Joint Venture partners in EP320 are:*

AWE Limited (via subsidiaries)	33.0%
Origin Energy Developments P/L (Operator)	67.0%



### Permit EP413 (AWE 44.25%)

The Operator of EP413, Norwest Energy, is finalising preparations to acquire a 3D seismic survey over an area of approximately 110km<sup>2</sup> around the Arrowsmith-2 well. The Operator anticipates the 3D survey will be undertaken in the first quarter of the 2015 calendar year, subject to receiving all regulatory approvals.

*The Joint Venture partners in EP413 are:*

AWE Limited (via subsidiaries)	44.25%
Norwest Energy NL (Operator)	27.95%
Bharat PetroResources Limited	27.80%

### Permit EP455 (AWE 81.5%, Operator)

The Drover-1 exploration well was drilled in July 2014 and successfully intersected all target formations before reaching its planned total measured depth of 2,356 metres. AWE collected logs and a range of well data in addition to approximately 21.5 metres of core taken from the Kockatea Shale and sidewall cores from the Carynginia Shale, the Irwin River Coal Measures and the High Cliff Sandstone.

While final core analysis results from Drover-1 are not expected until the end of December 2014, initial results from the studies conducted to date have indicated that:

- a 700 metre interval in the Kockatea Shale lies within the optimum wet gas generation window consistent with the elevated gas shows observed when drilling; and
- a 250 metre section of the Beekeeper Limestone and Carynginia Shale is mature for dry gas generation.

The initial interpretation indicates that the Kockatea Shale at this location has good source potential, including condensate, but has high clay content and consequently low rock strength. As a result, the majority of the Kockatea section in Drover-1 is unlikely to have sufficient natural fracturing or propensity for hydraulic fracturing to achieve a commercial flow rate.

However, three Kockatea intervals have been identified to contain lower clay content and these could constitute targets for future exploration or appraisal within the permit. AWE proposes to undertake a Diagnostic Fracture Injection Test (DFIT) over one of these intervals in early 2015 to assess reservoir pressure, permeability, natural fracturing and potential for hydraulic stimulation.

Once the final core analysis and the DFIT are completed, the Joint Venture will make a final decision on whether or not to fracture stimulate the well.

*The Joint Venture partners in EP455 are:*

AWE Limited (via subsidiaries) (Operator)	81.5%
Titan Energy Limited	18.5%

**Reserves and Resources.** The reserves and resources information contained in this announcement is based on information compiled by Neil Tupper, General Manager, Exploration and Geoscience. Mr Tupper is a Geologist with a Masters Degree in Sedimentology and has over 31 years' experience in petroleum exploration. Mr Tupper has consented in writing to the inclusion of this information in the format and context in which it appears.

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

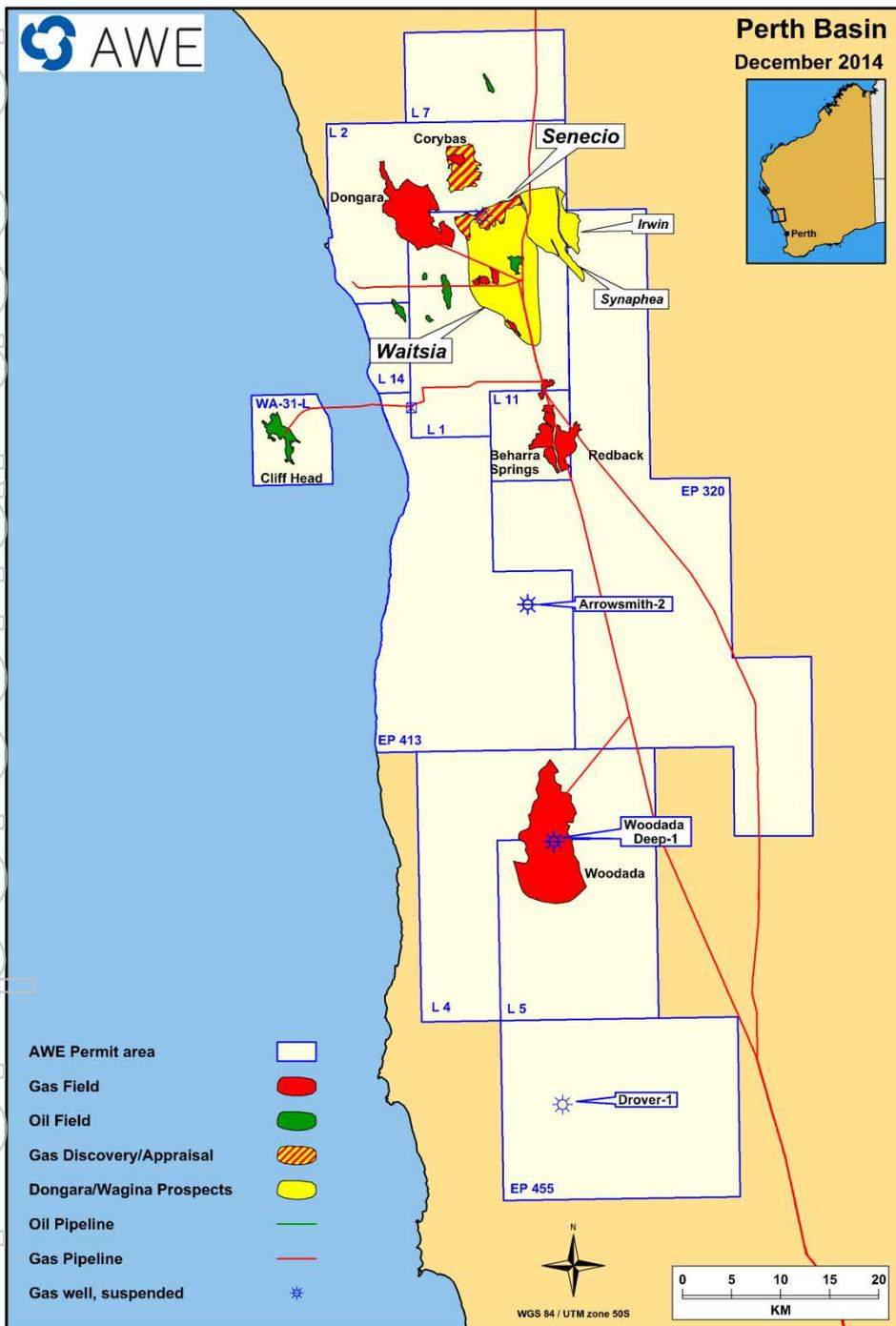
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**About AWE Limited.** AWE Limited is an Australian based energy company focused on upstream oil and gas and related energy opportunities. Established in 1997 and listed on the ASX, the Company is headquartered in Sydney with international operating offices in New Zealand and Indonesia. AWE has built a substantial portfolio of production, development and exploration assets in Australia, New Zealand, USA, Indonesia and China, including four cornerstone growth assets: the Sugarloaf unconventional shale play in the USA, the Ande Ande Lumut oil project in Indonesia, the BassGas project offshore Victoria, and the Waitsia gas field in the onshore Perth Basin, Western Australia. With its strong financial and technical base, AWE will continue to pursue exploration, appraisal and development growth opportunities in Australasia and Asia.



**ENDS**