

AWE's Arrowsmith-2 drilling update

AWE Limited reports that at 0600 hours today (WST) the drilling and formation evaluation program for the Arrowsmith-2 exploration well has been completed and the well has been suspended. The Weatherford 826 rig is currently rigging down in preparation for demobilisation. During the week, the well has been deepened to a total measured depth of 3,340 metres having intersected all objective intervals. A full suite of wireline logs have been run to evaluate the target formations. Progress for the week was 238 metres.

Initial log and core review from the Arrowsmith-2 exploration well indicates that a 460 metre section of Kockatea Shale has been intersected overlying a 250 metre section of Carynginia Formation. Beneath the Carynginia Formation a 330 metre section of Irwin River Coal Measures and a 22 metre section of High Cliff Sandstone have been intersected. Elevated gas readings while drilling have been observed throughout the target sections and these will be further analysed as part of the post drilling evaluation. The two lower shale sequences (Carynginia and Irwin River) have been conventionally cored as previously announced and rotary sidewall cores have been acquired throughout the shale sequences including the Kockatea target section. Further sidewall cores have been cut and recovered from the secondary High Cliff Sandstone conventional target.

The conventional and rotary sidewall cores have been transported from the drill site and these will undergo detailed core analysis (tight rock and mechanical rock properties analyses). The results of this work will be used to assist in the design of the hydraulic fracture stimulation program and flow testing of the well which will be undertaken during the third quarter.

The Arrowsmith-2 well is located approximately 25 kilometres from the Woodada Deep-1 well (deepened by AWE in April 2010 to acquire cores over the Carynginia Shale interval), and approximately 500 metres south east of the Arrowsmith-1 well.

The participants in EP 413 are:

AWE Limited (via subsidiaries)	44.252%
Norwest Energy NL (Operator)	27.945%
Bharat PetroResources Ltd	27.803%

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