

AWE reports on initial progress at Arrowsmith-2 well

AWE Limited, via subsidiaries, reports that the hydraulic stimulation program in the Perth Basin commenced on 29 July 2012.

The Operator of the EP413 Joint Venture, Norwest Energy NL, advises that the first hydraulic stimulation in the Arrowsmith-2 well was successfully completed on 29 July and flow back from the well commenced on 30 July. The target for the stimulation was the tight High Cliff sandstone formation between 3,255 metres and 3,295 metres.

Initial flow back from the well included both injection water and small amounts of gas, with water rates declining during the day. At this early stage, it has not been possible to measure the gas flow rate. It is anticipated that flow back and clean-up from the well will continue for approximately a week, at which time testing of the gas flow rate is planned.

Commenting on the gas flow AWE's Managing Director Bruce Clement said:

"It is too early in the programme to draw any firm conclusions about the commercial potential of the High Cliff sandstone being evaluated. However, we are encouraged by the initial flow of gas from well. Following clean-up of the well and stabilising of the gas flow, the Joint Venture plans to measure gas flow rates from the well using testing equipment on site.

Joint venture partners in the Arrowsmith testing program are:

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

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

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