

AWE's Arrowsmith-2 testing update

The Operator of the EP413 Joint Venture has released a report on the Arrowsmith-2 testing program. The report is as follows.

"The Arrowsmith-2 well is continuing to produce gas during the flow back and clean up of Stage 1, the High Cliff Sandstone (HCSS) target of the fracture stimulation program.

"The gas flow rate is now steadily increasing as the water production rate drops, and overnight the well was diverted through the Expro separator in order to measure rates. Over a period of 40 minutes, Expro reported that the gas rate peaked at 777Mscf/d, with an average rate over that period of 446Mscf/d.

"These reported rates are extremely pleasing, particularly as the well is still in the clean up phase of the program. Once the well has produced back the majority of the injected fluid, it is expected that the gas flow rate will further stabilize, and a more established rate of flow will be determined.

"Norwest is now preparing for Stage 2 of the hydraulic fracture stimulation program – the Irwin River Coal Measures (IRCM) target. The IRCM is at a depth of 2949m and approximately 330m thick in the vicinity of Arrowsmith-2, and is a hybrid shale/sandstone interval."

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:

Bruce Clement
Managing Director
AWE Limited
Phone: +61 2 8912 8000

Garry Marsden
Corporate Development Manager
Mobile: 0400 040 106
garry.marsden@awexplore.com

