

AWE's operational update on the Perth Basin hydraulic stimulation program

AWE Limited, via subsidiaries, reports that the hydraulic stimulation program of three wells in the Perth Basin continues as planned and the Company is pleased to report that the **Senecio-2 well was successfully hydraulically stimulated and estimated gas flows of approximately 0.5 million cubic feet per day ("mmcfd") have been observed during initial well clean-up.**

To date, two zones in Woodada Deep-1, two zones in Arrowsmith-2 and the planned zone in Senecio-2 have been stimulated. Currently, the Arrowsmith-2 joint venture is now preparing for the stimulation of the two zones in the Carynginia Shale.

Commenting on these results, AWE's Managing Director Bruce Clement said:

"The results from all three wells in the program have been promising. Each of the zones tested have been successfully hydraulically fracture stimulated and gas flows have been recorded from all zones during clean-up.

"The Senecio result, which has seen good gas flows during the initial well clean-up, is positive and is providing us with good data on the tight gas opportunity.

"We anticipate obtaining further valuable data on the performance of the shales and tight reservoirs being tested as we continue with well clean-up and testing."



The hydraulic stimulation campaign has made excellent progress, with gas flows being achieved from all of the zones tested to date across the three wells. Details of the activities are summarised below.

Senecio-2 program

The Senecio-2 well was stimulated over the interval 2,643 metres to 2,685 metres, targeting the Dongara and Wagina tight sandstone reservoir. The well is still in the process of cleaning up. Currently, calculated rates of up to approximately 0.5 mmcfgd are being flared with increasing recorded flowing pressures.

Post fracture stimulation flow potential will be known when the remaining fluid in the well has been recovered. This fluid recovery is anticipated to be completed over the next two weeks.

Joint venture partners in Senecio-2 are:

AWE Limited (via subsidiaries) (Operator)	50.0%
Origin Energy Resources Limited	50.0%

Woodada Deep-1 program

The Woodada Deep-1 well was successfully stimulated from the Middle Carynginia Shale and the Upper Carynginia Shale over intervals of 2,370 to 2,425 metres and 2,283 to 2,314 metres respectively.

Microseismic data were acquired during the stimulation of stage two (Upper Carynginia) using the adjacent Woodada-14 well as an observation point which will assist in the assessment of the fracture type and density.

Initial well clean-up and flow back from the two zones commenced on 10 August with gas recovered and flared during the operation. These operations were assisted by the coil tubing and nitrogen lift until 16 August, with wireline swabbing equipment now planned to be used to complete well clean-up.

AWE holds a 100% interest in the Woodada Deep operations.

Arrowsmith-2 program

The Arrowsmith-2 well has successfully flowed gas from the stimulations over both the High Cliff Sandstone and the Irwin River Coal Measures (“IRCM”) since stimulation activities commenced. The next two zones to be tested in the well will target the Lower and Middle Carynginia shales. AWE has previously reported that the High Cliff Sandstone gas flow rate peaked at 0.78 mmcf/d with an average rate during the initial flow back period of 0.45 mmcf/d.

Flow back operations from the IRCM are being concluded and this zone will be isolated in preparation for stimulation of the Lower and Middle Carynginia Shale.

The Kockatea Shale interval, at a shallower level, is also planned to be tested during the current campaign.

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%

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