

ASX Announcement

9 July 2013



Flow back operations at Arrowsmith-2 to recommence in August 2013

AWE Limited (ASX: AWE) reports that the Operator of the EP413 Joint Venture (AWE 44.25%) has today advised that recompletion, flow back and testing operations at the Arrowsmith-2 well located in the onshore Perth Basin, Western Australia, are scheduled to recommence on 1 August 2013.

Operations at Arrowsmith-2 have been on hold pending arrival of long lead-time materials and equipment, including a Coiled Tubing Unit, so that the well can be recompleted using 2 3/8 inch tubing (currently 5 1/2 inch) which is expected to improve the well's ability to clean-up fluids and flow back gas to the surface.

The Operator has also advised that the next stage of the testing program will initially focus on the High Cliff Sandstones followed by the Irwin Rover Coal Measures and the Carynginia Shale Formation. The latter has been shut-in over recent months to monitor well pressure build-up, and a short duration flow back test will be undertaken prior to the commencement of re-completion works.

AWE's Managing Director, Mr Bruce Clement, said, "Recompleting the Arrowsmith-2 well using an optimum tubing string is expected to expedite the clean-up of the fluid column in the well and increase the potential for improved flow back of gas.

"We are keen to complete the Arrowsmith-2 testing program for the targeted shale and tight sand formations in order to prioritise the resource development potential of EP413.

"As previously announced, the Joint Venture is planning to acquire a 3D seismic survey over the Arrowsmith area that, together with the test results, will provide us with the data required to evaluate the next phase of activity. This could include drilling a horizontal, multi-stage hydraulically stimulated production test well in 2014," Mr Clement said.

The Joint Venture partners in EP413 are:

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

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

Investor Relations

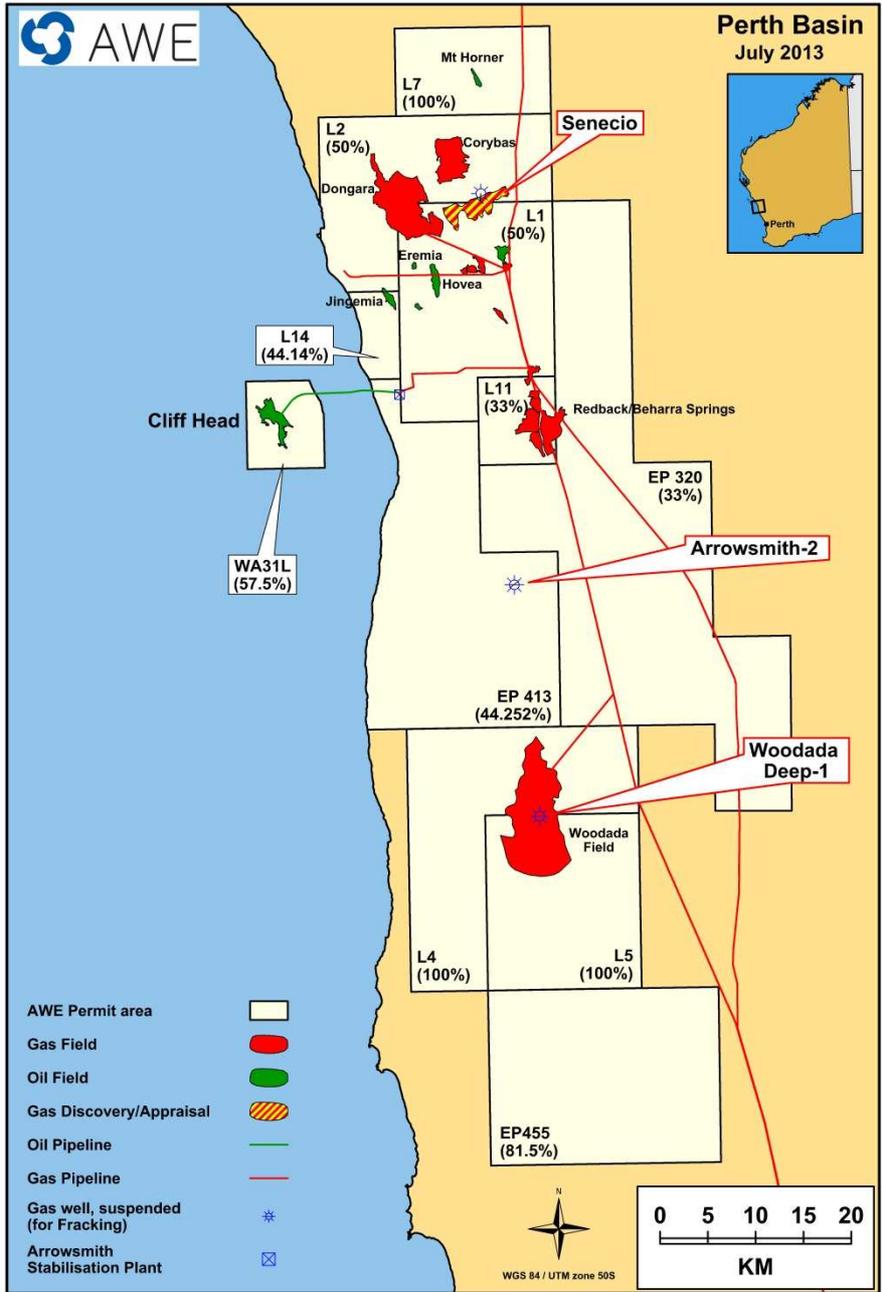
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About AWE Limited

AWE Limited is an upstream oil and gas company with production, development and exploration assets in Australia, New Zealand, USA and Indonesia. Established in 1997, the Company employs over 120 people and has its head office in Sydney and regional offices in Perth, New Plymouth and Jakarta. AWE acquired 100% of the Ande Ande Lumut oil field offshore Indonesia in 2012, with estimated Gross 2P reserves of 101 million barrels of recoverable oil, and is moving forward with development of the field. The Company plans to sell-down up to 50% of its interest in the field during 2013. AWE has also expanded its conventional oil and gas business to include unconventional resources. AWE has a 10% working interest in the Sugarloaf acreage in the Eagle Ford Shale development in the USA, and is progressing a number of tight sands and shale opportunities in the north Perth Basin and Indonesia. With its strong financial and technical base, AWE will continue to pursue conventional and unconventional growth opportunities, primarily in Australasia and South East Asia.