

AWE to acquire majority interest in Vic/P67, offshore Otway Basin

• Includes La Bella gas discovery and surrounding prospects

AWE Limited (ASX: AWE) today announced that it has signed a farm-in agreement to acquire a 60% working interest in permit Vic/P67, offshore Victoria, from WHL Energy Limited (ASX: WHN).

The Vic/P67 permit contains the undeveloped La Bella gas discovery and multiple near-field exploration targets. The permit is adjacent to Vic/P44 in which AWE holds a 25% interest in the producing Casino gas project.

Under the terms of the farm-in agreement, AWE will pay 75% of the total cost, capped at USD9 million, to acquire a state-of-the-art 3D marine seismic survey over the La Bella field and surrounding exploration targets. The 811 km² seismic survey has full environmental approvals and is expected to commence in the 4th quarter of calendar year 2013.

Following review of the new seismic data, AWE has the right to surrender its interest in the permit or to commit to drilling two exploration wells at either 30% or 60% working interest. If AWE elects to enter the drilling phase, AWE will assume Operatorship of Vic/P67 in the first half of calendar year 2014.

The transfer of interest to AWE will be subject to normal regulatory approvals.

Managing Director, Bruce Clement, said that farming-in to the La Bella field was in line with AWE's strategy of identifying early stage appraisal opportunities where the company can add value.

"The La Bella gas and condensate field is located close to existing infrastructure which significantly enhances its development potential.

"Gas prices in South-East Australia are expected to rise over coming years, making the economic case attractive," Clement said.

WHL Energy has previously reported gross 2C Contingent Resources for the La Bella gas and condensate discovery of 114 Petajoules (PJ) of gas and additional exploration prospects within the permit area with total unrisked Prospective Resources of 577 PJ on a P50 basis.

The planned 3D seismic survey will further refine the mapping of the La Bella field and the surrounding prospects, along with development drilling targets.

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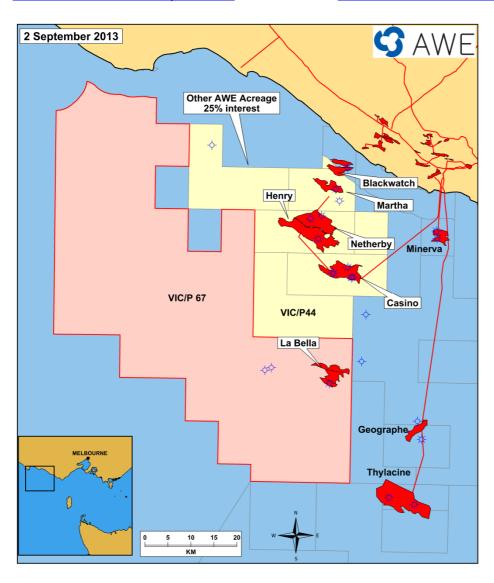
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About AWE Limited

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 recently announced the sell-down of 50% of the Northwest Natuna PSC, including the Ande Ande Lumut oil project offshore Indonesia, to Santos Limited. 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 Asia.

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