



OPERATIONS

Tracey Phelan COMMERCIAL MANAGER

Tracey joined AWE in 2006 after working in New Zealand and South East Asia with Fletcher Challenge Energy and Shell for fifteen years. Tracey is responsible for the commercial and logistic functions for the Tui operations in New Zealand.

Future Activities

EXPLORATION

AWE HAS STRENGTHENED ITS TECHNICAL AND OPERATING CAPABILITIES AND EXPERIENCE IN UNCONVENTIONAL GAS.

Exploration is a core element of AWE's growth strategy, with the near term focus on unconventional gas in the North Perth Basin and conventional gas exploration and appraisal offshore Indonesia. The Company is maintaining its technical and commercial focus on the evaluation of exploration opportunities, while controlling overall expenditures within annual budget targets of less than \$50 million. AWE has strengthened its technical and operating capabilities and experience in unconventional gas and additional exploration resources have been added to the Company's Jakarta office.

During 2011-12, significant progress was made with the Company's exploration program in the onshore Perth Basin for both conventional and unconventional gas. Preparatory works were completed and all regulatory approvals were received for the extensive shale gas and tight gas testing program, involving the hydraulic fracture stimulation of eight separate zones in three wells. Further, the Redback-Irwin 3D seismic survey (comprising 291 square km) was acquired across the northern section of AWE's exploration acreage in the basin. Importantly, this survey provides 3D seismic coverage of the Senecio and Corybas tight gas fields as well as extending seismic data coverage in the area to target tight gas exploration opportunities. Following success with the Redback and Redback South conventional gas discoveries, the joint venture is evaluating the potential for the northern extension of the play which may involve the drilling of further exploration wells.

In the Bass Basin, processing of the Chappell 3D seismic survey in T/18P was completed and interpretation of the data is in progress. Initial technical evaluation of the Trefoil gas and condensate discovery for future commercialisation commenced, with the tie-in of the field to the existing Yolla platform facility being considered as a potential future development alternative. The BassGas joint venture is also evaluating the potential to drill an additional appraisal/development well into the Upper EVCM reservoir as part of the BassGas MLE, to test the potential for additional recovery of gas and liquids intersected in the Yolla-3 development well.

In Indonesia, AWE is moving forward with plans to drill an appraisal well on the Lengo gas discovery, offshore East Java. If successful, the 200 Bcf gas discovery, located in shallow water approximately 60 kilometres offshore, has the potential to be developed to supply gas into the rapidly growing energy market on the island of Java. During the year, AWE increased its exploration acreage in Indonesia through the acquisition of 100% interests in the North West Natuna and Anambas PSCs, both located in the Natuna Sea. In addition to the AAL oil field, a number of potential exploration opportunities have been identified in the North West Natuna PSC that could be tied back to the AAL development facilities, on exploration success. These opportunities will be evaluated in conjunction with development planning for AAL. In the Anambas PSC, AWE acquired the discovered Anambas gas field, with estimated recoverable Resources of 60 Bcf of gas and six million bbls of liquids, together with a number of other gas exploration prospects, all located close to existing gas infrastructure in the area. During 2012-13 it is planned to complete a full evaluation of these opportunities and develop plans for future exploration and/or appraisal drilling in the PSC.