Future Activities

THE ANDE ANDE LUMUT PROJECT

AWE ANNOUNCED THE PURCHASE OF THE INTERESTS IN JANUARY, 2012 AND COMPLETED THE TRANSACTION PRIOR TO THE END OF FEBRUARY, 2012.

As part of the acquisition of 100% interests in two Indonesian PSCs during 2011-12, AWE acquired the AAL oil field, which contains an estimated 76 million barrels of recoverable oil (43 million barrels net 2C Contingent Resources). The AAL development represents a significant growth opportunity for the Company in South East Asia, with the potential to increase the asset value through improvements to the development plan and oil recovery as well as opportunities to tie in other existing discoveries in the area and exploration prospects within the PSC.

The investment in the AAL project is consistent with the Company's strategy to acquire material growth opportunities at an early stage in the project appraisal/development cycle and to utilise AWE's operating capability and experience in project delivery. The acquisition price of less than $2 per barrel for undeveloped resources ensures there is considerable upside potential for AWE in successful delivery of the project as well as providing substantial additional potential in the exploration/appraisal of the two PSCs. In particular, the Anambas gas discovery and additional gas prospects in the Anambas PSC could provide the basis for a material gas development in an area with existing gas infrastructure.

The Plan of Development for the AAL project was approved by the Indonesian government in 2011, prior to the acquisition by AWE. The POD includes the development of the field with approximately 40 wells producing through a wellhead platform to a leased FPSO, with estimated development costs of approximately US$600 million for the platform and development wells. The majority of this expenditure will be incurred on development drilling currently planned to commence in 2015.

During the year, AWE commenced preliminary engineering on a number of key aspects of the project, including geological modelling and reservoir simulation, horizontal well and completion design, and process and facilities design. This work has confirmed the facilities concept included in the POD and has identified opportunities to improve the commercial outcome of the project. These opportunities include use of longer reach horizontal wells, optimised well placement in the reservoir and improved artificial lift design, all areas in which the Company has significant previous operational and engineering experience. AWE has also engaged with the Indonesian regulator in relation to contracting strategy and project implementation, as well as on the opportunities to improve project outcomes for both parties.

As part of AWE's business strategy to manage financial risk, the Company plans to sell down up to 50% of its share of the project prior to making a final investment decision. This will provide additional financial liquidity for the Company and reduce the future capital commitment required to deliver the project. It will also ensure that a good portfolio balance is maintained within the Company. To maximise value for shareholders, it is planned to undertake the sell down in parallel with the completion of front end engineering and major contract tendering, to benefit from improved technical and commercial definition for the project ahead of the final investment decision. AWE will retain operatorship of the project and plans to use the AAL development as the cornerstone to position the Company for further growth in Indonesia and the region.

PROJECT DELIVERY

Gatot Soedarsono

DRILLING AND
COMPLETIONS MANAGER

Gatot joined AWE in June 2012, having previously worked with Premier Oil and CNOOC in Indonesia. Gatot is responsible for all drilling and completions activities for the AAL project.

Herry Wibiksana

PRESIDENT AND
GENERAL MANAGER AWE
INDONESIA

Herry joined AWE in 2010 having previously worked with ConocoPhillips for 24 years in Indonesia and North America. Herry is President and General Manager of AWE's Indonesian operations.

Sean Middleton

VICE PRESIDENT
ANDE ANDE LUMUT
OIL PROJECT

Sean joined AWE in March of this year, after 35 years experience in the Oil & Gas industry globally and extensive experience in project management within South East Asia. Sean is based in Jakarta and is the Project Manager for the AAL oil field development.