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Limited Assurance Report to the Management and Directors of AWE Limited

Scope

We have performed a limited assurance engagement in relation to selected sustainability performance data included in AWE Limited's ('AWE') 2012 Sustainability Report (the 'Report') in order to state whether anything has come to our attention that would cause us to believe that the subject matter detailed below has not been presented and calculated in accordance with the criteria described below.

Subject Matter

The subject matter is limited to reviewing selected sustainability performance data disclosed within the Report for the year ended 30 June 2012:

- Total direct greenhouse gas emissions (GHG) under operational control in tonnes of carbon dioxide equivalent (tCO2e)
- Total indirect GHG emissions under operational control (tCO2e)
- Total direct GHG emissions on an equity share basis (tCO2e)
- Community spend (in USD)
- Number of reportable hydrocarbon spills
- Total Reportable Incident Frequency Rate (TRIFR) for all operated sites
- Total Lost Time Injury Frequency Rate (LTIFR) for all operated sites
- Number of fatalities
- Economic performance data (production, revenue and operational cash flow)
- People diversity statistics (age, job position, nationality and gender)

Criteria

Management of AWE have described its approach to sustainability performance within its Report and has determined methods considered appropriate for reporting greenhouse gas emissions, environmental and safety data. There are no prescribed methods within Australia for determining the total greenhouse gas emissions, environmental and safety data for public reporting and the use of different methods can result in materially different amounts. AWE Management have reported the total greenhouse gas emissions on both an equity share and operational control basis. The operational control approach has been delivered by reference to the Australian Government's National Greenhouse and Energy Reporting System (NGERS). Sources for emissions factors were drawn from the Australian Government's National Greenhouse and Energy Reporting (Measurement) Determination 2008; New Zealand Government's Climate Change (Stationary Energy and Industrial Processes) Regulations 2009 and the World Resources Institute and the World Business Council for Sustainable Development's Greenhouse Gas Protocol Initiative – GHG emissions from purchased electricity (Version 4.2) in relation to AWE's Indonesian operations. AWE management has set out its approach for the non-financial data metrics related to environment and safety outlined within the subject matter presented in the 2012 Sustainability Report.

Management Responsibility

The management of AWE ('Management') are responsible for the collation, preparation and presentation of the subject matter in accordance with the criteria and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion as to whether the subject matter is presented in accordance with the criteria. Our limited assurance engagement has been planned and performed in accordance with the Australian Standard for Assurance Engagements: ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Level of Assurance

A limited assurance engagement consists of making enquiries and applying analytical and other limited assurance procedures. Our procedures were designed to provide a limited level of assurance and as such do not provide all the evidence that would be required to provide a reasonable level of assurance. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

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Our Approach

Our procedures included but were not limited to the following:

- Conducting interviews to understand sustainability governance and reporting structures;
- Reviewing underlying sustainability governance documentation and evidence;
- Gaining an understanding of the greenhouse gas, community, occupational health and safety incidents, people and environmental spills data reporting processes supporting the business activities;
- Conducting interviews and collation of evidence to understand the process and controls supporting the data;
- Reviewing incident reports on a sample basis to assess whether the classification of reported incidents were appropriately recorded;
- Undertaking analytical review procedures to support the reasonableness of the data;
- Reviewing assumptions supporting the calculations of incidental emissions for reasonableness;
- Reviewing the Sustainability Report to assess the appropriateness of disclosure.

Inherent Limitations

There are inherent limitations of any assurance engagement arising from the evidence on which the assurance practitioner draws conclusions upon being persuasive, as it relies on selected data to be representative, rather than conclusive. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions that are developed by the reporting entity.

Use of Report

Our responsibility in performing our limited assurance activities is to the Management and Directors of AWE only and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk. No statement is made as to whether the criteria is appropriate for the purposes described above.

Our Independence and Assurance Team

The firm and all professional personnel involved in this engagement have met the independence requirements of the APES 110 Code of Ethics for Professional Accountants. Ernst & Young has provided a range of services to AWE including but not limited to the provision of certain statutory financial audit services. We believe the provision of these services has not impaired our impartiality with respect to this work. Our team has the required competencies and experience for this assurance engagement.

Matters Relating to Electronic Presentation of the Sustainability Report

Our review was conducted on the AWE Sustainability Report that will be published on AWE's website. We provide no assurance over changes to the content of AWE's report after the date of this assurance statement.

Assurance Conclusions

On the basis of our procedures for this limited assurance engagement, nothing has come to our attention that causes us to believe that the subject matter, as presented in AWE's Sustainability Report for the year ended 30 June 2012, was not presented fairly in all material respects, and calculated in accordance with the criteria detailed above.

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Ernst & Young

Trent van Veen
Partner
Sydney
12 October 2012