

QUARTERLY REPORT

SEPTEMBER 2013



HIGHLIGHTS

FOR THE 3 MONTHS TO 30 SEPTEMBER 2013

PRODUCTION AND OPERATIONS

- Total production up 18% quarter on quarter to 1.54 MMBOE
- BassGas production up 45% on previous quarter
- Safety performance strong - 12 months incident free operation

FINANCIAL PERFORMANCE

- Sales revenue up 14% to \$89 million
- Field operating costs down 9% quarter on quarter
- EBITDAX up 31% to \$59 million

CORPORATE

- Sale of 50% of AAL oil project to Santos for USD188 million
- Farmed-in for 60% of La Bella gas field and Operatorship
- Acquired additional interest in Tui oil project and Oi exploration well

DEVELOPMENT

- Sugarloaf moves to multi-well pad drilling; 101 wells producing at end quarter; 2013 drilling program increased to 40 wells
- BassGas achieves FID for development drilling in 2014, subject to contracting a suitable rig
- Senecio stage 1 development approved, vertical appraisal well to be drilled

EXPLORATION

- Arrowsmith-2 achieves initial gas flow rate of 3.5 mmscf/d and average of 315,000 scf/d
- Drover-1 Environmental Plan submitted, drilling planned for 4Q 2013-14
- Preliminary Plan of Development prepared for Lengo field, offshore Indonesia



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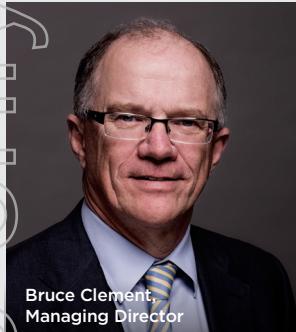
ISSUED BY AWE LIMITED
30 OCTOBER 2013

ABOUT AWE

AWE is an Australian energy company focused on upstream oil and gas and related energy opportunities. The company has built a substantial portfolio of exploration, development and production assets in Australia, New Zealand, the USA and Indonesia that is now providing strong production and cash flow, leading to a period of significant growth.

Established in 1997, the company employs more than 120 people and has its head office in Sydney and regional offices in Perth, New Plymouth and Jakarta. Based on its strong technical and commercial foundations, AWE will continue to pursue exploration and development growth opportunities, primarily in Australasia and Asia.

MANAGING DIRECTOR'S COMMENTS



Bruce Clement,
Managing Director

AWE achieved excellent results across all aspects of our business in the September Quarter. Operational performance continued to improve, positive progress was made on development projects, financial performance was strong and key strategic goals were met. With our substantial

Reserves and Resources base, a pipeline of exploration and development projects and our financial capability, AWE is delivering on its growth initiatives and strategy.

Quarterly production, sales revenue and EBITDAX were all up compared to the previous quarter and are at the upper end of our guidance range year to date.

Importantly, field operating costs were down 9% and development and exploration expenditures are in line with guidance for the full year.

The sale of 50% of the Northwest Natuna PSC, including the AAL oil project, in Indonesia for USD188 million was a key strategic initiative for AWE. The profit on the sale to Santos after less than two years ownership, combined with the potential value of the remaining 50% interest, represents an outstanding outcome for the company.

AWE's farm-in to the Vic/P67 exploration block, containing the undeveloped La Bella gas discovery, was another successful strategic initiative which provides AWE with the opportunity to significantly strengthen its position in the east coast gas market.

Good progress was made on our three major development projects during the quarter. In the Sugarloaf shale gas project, development drilling progressed as planned with drilling durations and costs decreasing further over the period. Early results from reduced well

spacing and initial wells in the Austin Chalk have been positive. In the BassGas project, the final investment decision was made for development drilling in 2014, subject to contracting a drill rig. In the AAL oil project, progress continued on wellhead platform FEED and prequalification for FPSO tendering, while the transition plans for the transfer of operatorship to Santos have been developed.

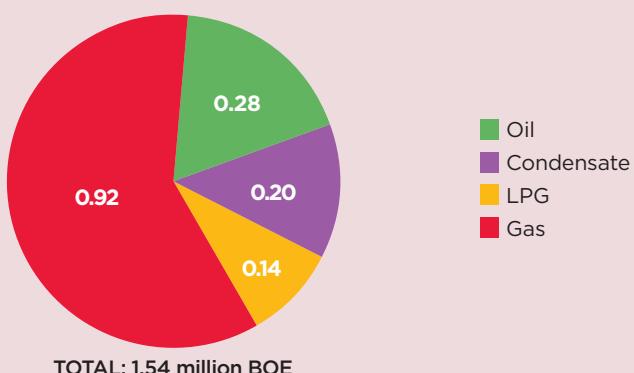
Drilling activity over the remainder of 2013/14 is planned to accelerate, with the two well program in New Zealand scheduled to commence in December, a multi-well program planned for the onshore Perth Basin in the first half of 2014, and additional wells to be drilled in Sugarloaf - bringing its total well program to 40 for this calendar year.

The drilling program in the offshore Taranaki Basin, New Zealand, will target a potential reservoir extension in the producing Pateke field, part of the Tui development, and an exploration well in the 11 million barrel Oi prospect nearby. The Perth Basin program will include the Drover-1 exploration well in EP 455, a Senecio appraisal well in L1/L2, planned as the first stage of the Senecio development, and a geothermal well in the Corybas area, targeting both geothermal and petroleum opportunities.

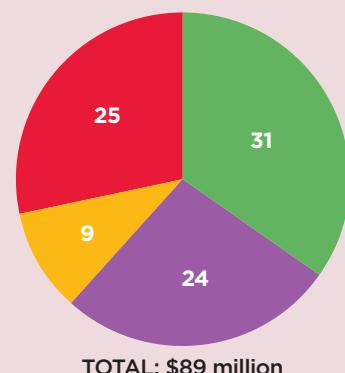
I am pleased to report that our HSE performance continues to improve, with the company achieving a year without a lost time injury during the quarter and with no reportable environmental incidents.

Bruce Clement
Managing Director

PRODUCTION BY PRODUCT MMBOE



SALES REVENUE BY PRODUCT \$ MILLION



FINANCIAL & CORPORATE

FOR THE 3 MONTHS TO 30 SEPTEMBER 2013

FINANCIAL

Production for the September 2013 quarter was 1.54 million BOE, an increase of 18% over the previous quarter. This was due to stronger contributions from BassGas, Casino and Sugarloaf. Production comprised 40% liquids and 60% gas.

Net sales revenue was \$89 million, up 14% over the previous quarter. The average realised oil price for the quarter (in Australian dollars) was higher at \$121.

Field EBITDAX for the period was \$59 million, up 31% compared to the June quarter. Field operating costs, including royalties, were \$30 million, down 9% on the previous quarter.

Development expenditure during the period was \$25 million, up 9%, with activity at Tui and BassGas offsetting reduced costs at Sugarloaf.

Exploration expenditure for the quarter was \$4.6 million, down 64%, following completion of the Lengo-2 exploration well testing program in Indonesia.

At the end of September 2013, AWE had net debt of \$48 million comprising cash of \$30 million and drawn debt of \$78 million. Undrawn facilities at the end of the period totalled \$222 million. Cash payments during the quarter included tax liabilities of \$18 million relating to the 2013 financial year.

FINANCIAL HIGHLIGHTS (UNAUDITED)

	3 months to Sep 2013	3 months to Jun 2013	3 months to Sep 2012
Exploration Expenditure	\$'000	\$'000	\$'000
South East Australia	277	287	(97)
Western Australia	994	2,296	10,824
New Zealand	1,153	54	20
Indonesia	711	8,674	86
Yemen	205	442	65
Other	1,227	964	1,235
Total	4,567	12,717	12,133

Development Expenditure

	\$ million	\$ million	\$ million
Sales Revenue	89	78	68
Field Opex	30	33	25
Field EBITDAX	59	45	43

Financial highlights are preliminary and unaudited.
Numbers may not add due to rounding.



CORPORATE

The sale of a 50% interest in the Northwest Natuna PSC, including the Ande Ande Lumut oil project, to Santos Limited was achieved during August. Total consideration was USD188 million comprising USD100 million payable on sale completion and a USD88 million cost recoverable capex carry. The sale agreement includes the transfer of operatorship to Santos and is subject to Indonesian regulatory approval.

In September, AWE signed a farm-in agreement to acquire a 60% working interest in permit Vic/P67, offshore Victoria, from WHL Energy Limited. 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. Following review of the new seismic data, AWE has the option to participate in a two well exploration program as Operator at either 30% or 60% working interest or surrender its interest at no additional cost.

In October, AWE increased its interest in New Zealand Permit PMP38158, which contains the Tui area oil project, following Mitsui's decision to divest. AWE increased its interest in Tui from 42.5% to 57.5%. Similarly, the company also increased its interest in the Oi exploration well from 25% to 31.25% with the option to increase its interest to 57.5% on success. Total consideration paid by AWE was USD6.4 million.

AWE Limited's Annual General Meeting of Shareholders will take place in Sydney on Wednesday 27 November 2013. Further details can be found on the company's website at www.awexplore.com

PRODUCTION & DEVELOPMENT

SOUTH EAST AUSTRALIA

BassGas (46.25%)

Over the September quarter, gross production was approximately 5 PJ of gas, 204,300 barrels of condensate and 16,746 tonnes of LPG. AWE's share was 2.3 PJ of gas, 94,000 barrels of condensate and 7,745 tonnes of LPG. The average gross daily gas production rate for the quarter was approximately 55 TJ/d.

Following successful workovers of the Yolla-3 and 4 wells, BassGas produced strongly throughout August. Repairs to the onshore sales compressor constrained production which averaged 50 TJ/d in early to mid-September. Production has since been optimised at approximately 55 TJ/d.

In September 2013, the BassGas joint venture reached FID approval for development drilling. Subject to contracting a suitable rig, drilling is planned for calendar year 2014 and the operator is in discussion with a number



of Australian based companies regarding rig sharing opportunities. Rig availability in the region remains tight. Brownfields construction work on the platform is in progress in preparation for drilling the two wells.

Casino/Henry (25%)

Gross quarterly production was 8.5 PJ of sales gas, averaging approximately 92 TJ/d, and 5,515 barrels of condensate. AWE's share of production for the June 2013 quarter was approximately 2.1 PJ of gas and 1,379 barrels of condensate.

Production from Casino and Netherby was up 21% over the previous quarter due to load factor gas sales. The Henry-2 well was shut in for remediation but was back on line in mid-October.

WESTERN AUSTRALIA

Cliff Head Oil Field (57.5%)

Production from Cliff Head was down 7% from the June quarter, due to planned maintenance activities including critical function testing of platform facilities and pipeline pigging operations. Gross production for the quarter was 225,092 barrels of oil, representing an average rate of approximately 2,447 bopd, and AWE's share of production and sales was 129,428 barrels.

Onshore Perth Basin (33-100%, some Operated)

Production was up 6% quarter on quarter. AWE's share of production from the onshore Perth Basin assets was 741 TJ of gas and 1,665 barrels of oil/condensate. Gas production was up 5% and liquids production was up 24% over the June quarter. Further short term gas marketing agreements for the supply of up to 10 TJ of gas have been signed with Alcoa.

In production licence L1/L2 (AWE 50%, Operator), the first stage of development for the Senecio field has been approved. Stage 1 includes undertaking baseline environmental studies and drilling a vertical pilot well on the western flank. Subject to results, stage 2 may involve a horizontal well with a multi-stage frac and stage 3 would potentially see a full field development. AWE will continue to engage openly with the local community, regulators and government and meetings with community groups and landowners are already under way.

NEW ZEALAND

Tui Oil Fields (42.5%, Operator)

Production from the Tui oil fields was down 14% quarter on quarter, largely due to planned maintenance and upgrades to the FPSO vessel, Umuroa. Gross production for the quarter was 347,774 barrels, an average daily rate of 3,780 bopd, and AWE's share was 147,804 barrels.

Tui oil sales for the period totalled 299,771 barrels of which 127,403 barrels were AWE's share. Inventory at 30 September was approximately 114,841 barrels (AWE share 48,807 barrels).

The Pateke-4H infill development well is scheduled to be drilled as part of a two well program commencing in late December 2013, subject to the availability of the drill rig after fulfilling prior commitments (already affected by severe weather off the west coast of New Zealand). Pateke-4H will target a mapped northern extension of the currently producing Pateke field.

USA

Sugarloaf AMI (10%, net ~7.5% after royalties)

Quarterly performance from Sugarloaf, in Texas, USA, remained strong with production up 15% over the previous quarter. AWE's share of production was approximately 106,000 barrels of oil/condensate, 4,361 tonnes of LPG and 338 TJ of gas net after royalties.

At the end of September, 101 wells were producing, 2 wells were being completed, 11 wells were drilled and awaiting completion, and a further 1 well was being drilled. The majority of new wells are now being batch drilled from multi-well pads and subsequently batch completed. This will result in a less linear production profile as new wells come on-line in clusters rather than individually.

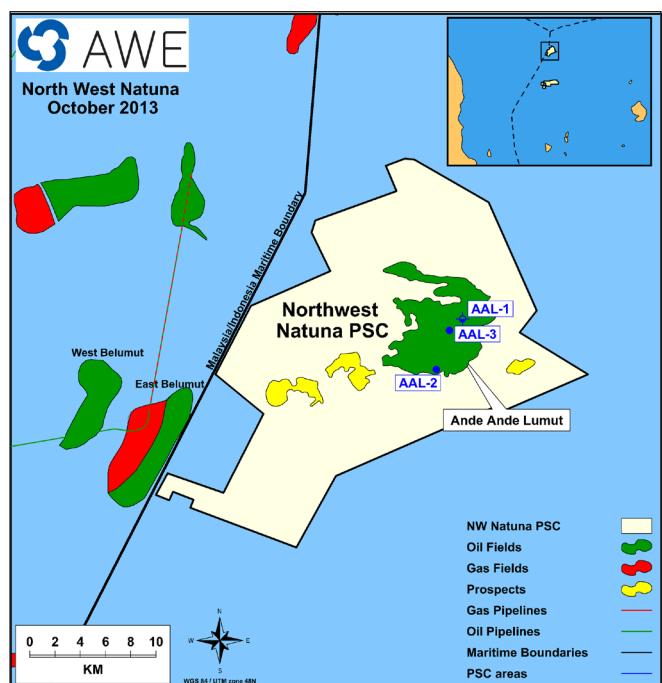
The operator has added additional wells to the drilling schedule in 2013 bringing the total forecast number of wells to be drilled in calendar year 2013 to 40. Downspacing tests at 40 and 60 acres continue as does production testing of the Austin Chalk, which lies above the Eagle Ford Shale. Initial results for both activities have been positive.

INDONESIA

North West Natuna PSC (100%, Operator)

The sale of a 50% interest in the Northwest Natuna PSC, including the AAL oil project, to Santos Limited was announced in August 2013. Since then, AWE has worked closely with Santos to integrate the project and technical teams from both companies to ensure a smooth transition of Operatorship. Regulatory approval for the sale is progressing.

Front End Engineering and Design for the well head platform is progressing to schedule. The prequalification of FPSO contractors is continuing in accordance with SKK Migas procurement guidelines. FID for the project is planned for the first half of calendar year 2014 with first oil scheduled for 2016.



EXPLORATION & APPRAISAL

AUSTRALIA

Bass Basin

In exploration permit T/18P (AWE 44.75%), potential commercialisation options for the Trefoil field continue to be reviewed. A work program for Year 3 is being prepared by the operator.

Otway Basin

In exploration permit VIC/P44 (AWE 25%) a 3D seismic merge and reprocessing project is under way, covering 1,350 km². The improved seismic image is expected to better define the exploration prospects and infill drilling opportunities in the permit. Completion is scheduled for the first quarter of 2014.

The Joint Venture continues to engage with regulators and relevant parties to coordinate how the Blackwatch gas field is developed. The field is covered by State and Federal exploration permits and a co-ordinated approach is required to ensure that the recovery of resources from both permits is optimised.

The farm-in to Vic/P67 (AWE 60%) was completed during the quarter. The acquisition of an 811 km² 3D seismic survey over the La Bella discovery is scheduled to commence in November 2013. All environmental permits are in place.

North Perth Basin

In exploration permit EP413 (AWE 44.25%), operations at the Arrowsmith-2 well resumed in late August and testing is expected to continue for the remainder of calendar year 2013. The well was recompleted using 2 3/8 inch tubing, which greatly enhanced well clean up and flow back.

An initial comingled gas flow rate of 3.5 million scf/d was recorded on 18 September, and the well averaged 315,000 scf/d from 19 September to 17 October. The co-mingled flow back was achieved from the Caryngina formation, the Irwin River Coal Measures and the High Cliff Sandstones and was in line with expectations for a vertical well.

A 3D seismic survey is planned for the area around Arrowsmith-2 following the completion of the current phase of testing. The survey and flow test data will enable selection of the most appropriate zone for the placement of a possible horizontal well.

AWE's evaluation of historic well data and 2D and 3D seismic surveys has identified a further four tight gas prospects in L1/L2 with close proximity to existing infrastructure at Dongara.

In exploration permit EP455 (AWE 81.5%, paying 100% and Operator), the Environmental Plan for the Drover-1



well was submitted to the EPA in September and drilling is currently scheduled for 4Q 2013-14.

The joint venture with Green Rock Energy (AWE 50%) made good progress on preparations to drill up to two geothermal test wells in the north Perth Basin. The wells will test the geothermal potential of the area and will also provide AWE with valuable data on natural gas prospects. As Operator, AWE will leverage its technical expertise and knowledge of the area and work with Green Rock to select the optimal drilling sites. Drilling is scheduled for mid-2014, subject to securing relevant approvals.

NEW ZEALAND

The Oi exploration well in Permit PMP38158 (AWE 42.5%, Operator) is planned to be drilled as part of the two well program commencing in December 2013, subject to weather and rig availability following prior drilling commitments. The Oi prospect is located 12 km to the northeast of the Tui field and represents a Prospective Resource of 11 million barrels of recoverable oil (gross, unrisked P50 estimate). AWE has elected to participate in the Oi exploration well at reduced equity of 25% with the option to increase participation to 42.5% in any development of Oi by paying a promote on drilling costs. Following the acquisition of an additional 6.25% in the Oi well from Mitsui, AWE will have a 31.25% interest in the Oi well with the option to increase to 57.5% on success.

INDONESIA

The operator of the Bulu PSC (AWE 42.5%) has prepared a preliminary Plan of Development (POD) for the Lengo field and several gas commercialisation options are under consideration. A one year extension of the PSC exploration period has been requested.

Farm-out of the North Madura PSC (AWE 50%, Operator) and the Terumbu PSC (AWE 100%, Operator) is under way, with a good level of interest from a number of local and international companies.

In the Titan PSC (AWE 40%, paying 50% and Operator), acquisition of 2D seismic data over 510 km² in the northern part of the PSC area was completed on 1st October 2013.

A market study to evaluate the possible commercialisation of the gas resource located in the Anambas PSC (AWE 100%, Operator) is being completed.

The licence announcement for AWE's proposed shale gas acreage in Central Sumatra is expected in the first half of 2014.

SUMMARY OF ABBREVIATIONS

AAL	Ande Ande Lumut
AMI	Area of Mutual Interest
BOE	Barrels of Oil Equivalent
Bbls	Barrels
Boepd	Barrels of oil equivalent per day
Bopd	Barrels of oil per day
EBITDAX	Earnings before interest, tax, depreciation, amortisation and exploration expenses
EPA	Environmental Protection Authority
Field Opex	Field operating expenses including royalties
FID	Final Investment Decision
FPSO	Floating Production Storage and Offloading
GJ	Gigajoules
LPG	Liquefied Petroleum Gas
MLE	Mid-Life Enhancement
MMscf/d	Million standard cubic feet per day
scf/d	Standard cubic feet per day
PJ	Petajoules
POD	Plan of Development
PSC	Production Sharing Contract
TCF	Trillion Cubic Feet
TJ/d	Terajoules per Day

Except where otherwise noted, all references to "\$" are to Australian dollars



PRODUCTION SUMMARY

		3 months to Sep 2013	3 months to Jun 2013	% Change	3 months to Sep 2013	3 months to Sep 2012	% Change
SOUTH EAST AUSTRALIA							
BassGas	Condensate ('000 Bbls)	94	61	55%	94	0	n/a
	LPG (Tonnes)	7,745	4,261	82%	7,745	0	n/a
	Gas (TJ)	2,322	1,702	36%	2,322	0	n/a
Casino/Henry	Condensate ('000 Bbls)	1	1	22%	1	2	-30%
	Gas (TJ)	2,117	1,743	21%	2,117	2,397	-12%
WESTERN AUSTRALIA							
Cliff Head	Oil ('000 Bbls)	129	140	-7%	129	159	-18%
Onshore Perth Basin	Oil ('000 Bbls)	2	1	24%	2	9	-82%
	Gas (TJ)	741	704	5%	741	673	10%
NEW ZEALAND							
Tui	Oil ('000 Bbls)	148	173	-14%	148	205	-28%
USA							
Sugarloaf	Condensate ('000 Bbls)	106	91	16%	106	66	60%
	LPG (Tonnes) ¹	4,361	3,609	21%	4,361	1,601	172%
	Gas (TJ) ¹	338	317	7%	338	198	70%
TOTAL							
	Oil ('000 Bbls)	279	314	-11%	279	373	-25%
	Condensate ('000 Bbls)	202	153	32%	202	68	196%
	LPG (Tonnes)	12,105	7,870	54%	12,105	1,601	656%
	Gas (TJ)	5,518	4,466	24%	5,518	3,268	69%
Total ('000 BOE)		1,541	1,303	18%	1,541	1,004	53%
PRODUCTION BY PROJECT ('000 BOE)							
Tui		148	173	-14%	148	205	-28%
BassGas		571	394	45%	571	0	n/a
Casino/Henry		354	292	21%	354	401	-12%
Cliff Head		129	140	-7%	129	159	-18%
Onshore Perth Basin		125	119	6%	125	121	3%
Sugarloaf		213	186	15%	213	118	81%
Total ('000 BOE)		1,541	1,303	18%	1,541	1,004	53%

¹ From 1 July 2012 for Sugarloaf AMI, Gas includes dry gas volumes only and LPG volumes are reported in a separate line.

Numbers may not add due to rounding.

RESERVES AND RESOURCES

The Reserves and Resources information contained in this report is based on information compiled by Neil Tupper (General Manager, Exploration and Geoscience) and Ian Palmer (General Manager, Development). Mr Tupper is a Geologist with a Masters Degree in Sedimentology and has over 30 years' experience in petroleum exploration. Mr Palmer holds a Bachelor Degree in Engineering and has 32 years' experience in the practice of petroleum engineering. Both Mr Tupper and Mr Palmer have consented in writing to the inclusion of this information in the form and context in which it appears.