ASX Announcement
25 November 2013

AWE completes AAL selldown

AWE Limited (ASX: AWE), is pleased to announce that the sale of a 50% participating interest in the Northwest Natuna PSC, including the 101 million barrel (K-Sand) Ande Ande Lumut oil project, to a subsidiary of Santos Limited (ASX: STO) has been successfully completed.

The Indonesian Ministry of Energy and Mineral Resources and the regulator, SKK Migas, have approved the sale of a 50% participating interest and the transfer of Operatorship to Santos.

Further to the company's ASX release dated 22 August 2013, the 50% interest in the Northwest Natuna PSC was sold to a subsidiary of Santos Limited for total consideration of USD188 million. This comprises USD100 million payable on completion and a USD88 million capital expenditure carry, cost recoverable to AWE. The effective date for the sale is 1 July 2013.

AWE acquired 100% of the Northwest Natuna PSC in February 2012 for USD39 million plus USD100 million in debt. The subsequent sale of a 50% interest for USD188 million is expected to generate an estimated unaudited after tax profit of approximately AUD60 million.

AWE has received the cash consideration, less tax payable in Indonesia, of USD93 million. AWE has also received an interim working capital adjustment payment of USD2.9 million. These funds will be used to retire debt, resulting in a net cash position for AWE, a stronger balance sheet and undrawn facilities of AUD300 million.

Managing Director of AWE, Bruce Clement, said that the completion of the sale was a major financial and operational success and would set the stage for a new period of growth for the company.

"The completion of the sale of a 50% participating interest in the Northwest Natuna PSC to Santos is a significant milestone for AWE. The transaction highlights the success of our Asia growth strategy and underlines the technical and commercial strengths of AWE.

"We have introduced an excellent partner in Santos, and we have substantially strengthened our financial position. This will enable AWE to comfortably fund its planned capital expenditure and exploration programs from operating cash flow with enough flexibility and financial capacity to pursue further growth opportunities in Australasia and Asia.

"In addition to the Ande Ande Lumut K-Sand reservoir, we have identified further opportunities in the deeper G-Sand reservoir and a number of exploration prospects within the Northwest Natuna PSC. We look forward to working with Santos to deliver this important and valuable project and progressing these opportunities," he said.

Clement also said that the approval process went very smoothly and praised the Indonesian Government and the regulator, SKK Migas, for their open and responsive approach following the announcement of the sale in late August 2013.

"Working with SKK Migas and the Indonesian Ministry of Energy and Mineral Resources has been a very straightforward process. Their professional approach to both the sale and the optimisation of the Plan of Development reflects their commitment to the ongoing development of the oil and gas industry in Indonesia.

"It continues to be business as usual in Indonesia for AWE and the AAL oil project," Clement said.

Following the sale of the 50% interest in the Northwest Natuna PSC, AWE's 2P Undeveloped Reserves have reduced by approximately 24.84 million barrels and its 2C Contingent Resources have reduced by approximately 7.4 million barrels. Operatorship of the PSC has now transferred to Santos.

The Joint Venture partners in Northwest Natuna PSC are:

AWE Limited (via subsidiaries)	50%
Santos Limited (via subsidiaries) (Operator)	50%

For information please see our website www.awexplore.com or contact:

Investor Relations
Matthew Sullivan
AWE Limited
02 8912 8022
matthew.sullivan@awexplore.com

Media Enquiries
Ian Howarth
Collins St Media
03 9223 2465
ian@collinsstreetmedia.com.au

Reserves and Resources
The reserve and resource 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 have consented in writing to the inclusion of this information in the format and context in which it appears.

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 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.

ENDS