



Pateke-4H drilling update

AWE Limited (ASX: AWE) reports that as at 06:00 hours (6.00am NZDT) today preparations are being made to drill a second sidetrack on the Pateke-4H development well. Operations have been unable to drill past an obstruction in the lower portion of the first sidetrack (ST-1) and a second sidetrack (ST-2) will be drilled from a measured depth of 3,587m with an 8 1/2 inch drilling assembly.

The forward work plan requires ST-2 to be drilled to a depth of approximately 4,110m and intersect the F10 reservoir at a horizontal angle of approximately 90 degrees. Drilling will continue through the F10 reservoir section to a planned total measured depth of 5,361m, following which a 6 5/8 inch production liner will be installed.

The Kapuni F10 sandstone objective has already been intersected on prognosis with oil shows and real time logging measurements indicating the likely presence of an oil bearing reservoir. The commercial significance of the oil shows will not be clear until the horizontal drilling is completed and the reservoir size and quality is fully assessed.

Based on the additional work required to mitigate the operational difficulties encountered to date, gross pre-completion well costs have increased beyond the pre-spud estimate of USD 55 million (AWE share USD 32 million). An updated estimate of pre-completion well costs will be issued after the horizontal drilling is completed and the production liner has been installed.

The Pateke-4H development well is in PMP 38158 and AWE is the Operator. Located in the offshore Taranaki Basin, New Zealand, PMP 38158 contains the Tui, Amokura and Pateke fields and has been producing since 2007.

Pateke-4H is targeting a mapped northern extension of the currently producing Pateke field. The well is being drilled in water depth of approximately 124m with a planned total measured depth of 5,361m, including a 1,272m horizontal section. If successful, the well will be completed for subsequent tie-back to the Tui FPSO ("Umuroa") for production in 2015.

The Joint Venture partners in PMP 38158 are:

AWE Limited (via subsidiaries) (Operator)	57.5%
New Zealand Oil & Gas (via subsidiaries)	27.5%
Pan Pacific Petroleum (via subsidiaries)	15.0%

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

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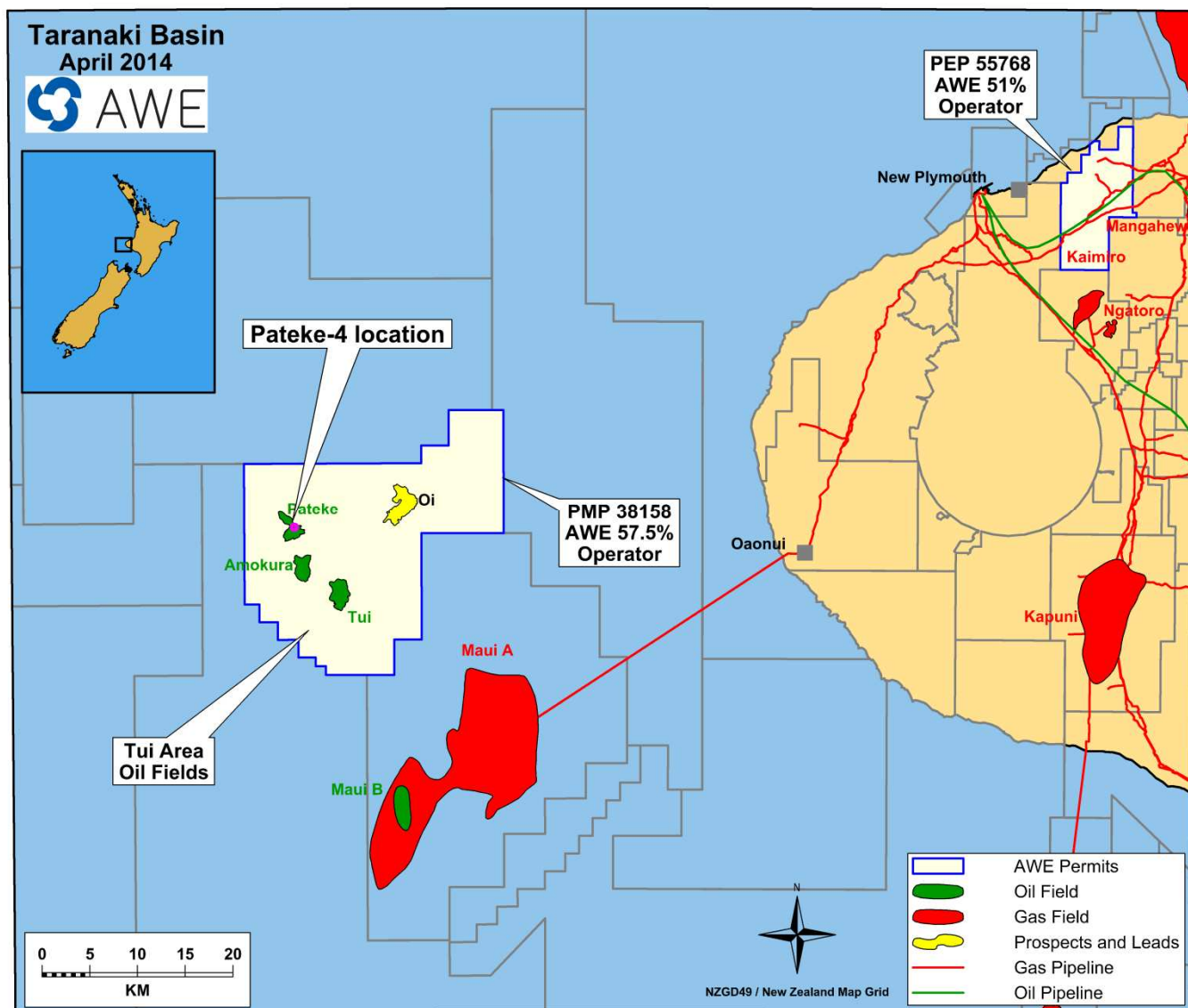
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About AWE Limited. AWE Limited is an Australian based energy company focused on upstream oil and gas and related energy opportunities. Established in 1997 and listed on the ASX, the Company is headquartered in Sydney, Australia, with international operating offices in New Zealand and Indonesia. AWE has built a substantial portfolio of production, development and exploration assets in Australia, New Zealand, USA and Indonesia, including major growth opportunities such as the 100 million barrel Ande Ande Lumut oil project in Indonesia and large unconventional gas resources in Australia. AWE also holds an interest in the Sugarloaf AMI in the Eagle Ford shale play in the USA. With its strong financial and technical base, AWE will continue to pursue exploration, appraisal and development growth opportunities in the greater Asian region.



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