



AWE sells part of Bass Basin portfolio and announces 5 cps special dividend

AWE Limited ("AWE") has agreed to sell an 11.25% interest in T/L1 and 2.75% interest in T/18P in the Bass Basin to Toyota Tsusho Gas E&P Trefoil Pty Ltd ("Toyota Tsusho") for a cash consideration of A\$80.125 million.

The transaction provides AWE with a more balanced asset portfolio, a very strong balance sheet, and considerable flexibility to fund its future growth projects.

As well as injecting cash into the balance sheet, the transaction also reduces the risk-exposure to the capital expenditure requirements for the BassGas Mid-Life Enhancement project (an additional saving of approximately A\$40 million). After completion, AWE will retain a strong cash position (which was \$140 million at end September, 2011), with no debt, and will have excellent long term cash flows from five cornerstone assets.

Based on the Company's strong financial position, AWE is also pleased to announce the payment to shareholders of a fully franked special dividend of 5 cents per share.

Bass Basin Sale

Under the terms of the binding sale and purchase agreement executed by AWE and Toyota Tsusho, AWE will sell an 11.25% interest in T/L1 (which includes the Yolla gas and condensate field and its associated production infrastructure) and a 2.75% interest in T/18P (which includes the Trefoil gas and condensate discovery) for a cash consideration of A\$80.125 million (plus working capital adjustments at completion).

At completion, AWE will hold a 46.25% interest in T/L1 and a 44.75% interest in T/18P. These changes provide a better balance in the joint venture interests, whilst maintaining AWE's strong voting position in the operation of the assets.

The sale price is equivalent to approximately A\$7 million per percentage point interest in T/L1, valuing AWE's remaining 46.25% interest at A\$324 million (62 cents per share) and supporting AWE's carrying value for the asset. The sale will have an effective date of 1 November, 2011, and is subject to standard approvals for a transaction of this type, including joint venture and



governmental approvals. Foreign Investment Review Board approval has already been received for the transaction.

Special Dividend

Given the strong financial position of the Company and after careful consideration of several capital management alternatives, AWE also announces the payment of a 5 cent per share fully franked Special Dividend to shareholders, totalling approximately \$26 million.

The payment of the fully franked dividend utilises the Company's remaining franking credits, which would otherwise diminish in value to shareholders over time.

The dividend will be paid on 20 January, 2012, to shareholders registered at the close of business on 20 December, 2011 (Record Date).

Commenting on the sale, AWE Managing Director Bruce Clement said:

"Following the recently completed strategic review of its assets, the Company made a decision to reduce its equity interest in the Bass Basin to manage near term capital requirements, to better balance its asset portfolio, and to free up capital for investment in future growth projects.

"The resulting sale price agreed with Toyota Tsusho reflects the strength and quality of the Bass Basin portfolio and highlights the significant value of AWE's core business.

"The last two major transactions completed by AWE (the Adelphi takeover and the CalEnergy/Toyota Tsusho purchase and sale) have delivered very positive outcomes for AWE and its shareholders.

"The immediate payment of a 5 cent per share fully franked Special Dividend will be important to many investors in what have been difficult recent global economic times. The payment will be made to shareholders early in 2012 and confirms the board's commitment to the creation of shareholder wealth.

"The BassGas sale proceeds are ear-marked for investment in future growth projects in the event of success in the Company's exciting Tight Gas and Shale Gas opportunities in Western Australia and its conventional gas targets in Indonesia, and in potential selective acquisitions.

"In the meantime, we look forward to working with Toyota Tsusho and Origin Energy to successfully complete the major investment phase of the BassGas Mid Life Enhancement

Project over the next 18 months and to benefitting from the future long term production of gas and condensate from the project.”

The participants in T/L1 after completion of the transaction will be:

AWE Limited (via subsidiaries)	46.25%
Origin Energy (via subsidiaries) (Operator)	42.50%
Toyota Tsusho Gas E&P Trefoil Pty Ltd	11.25%

The participants in T/18P after completion of the transaction will be:

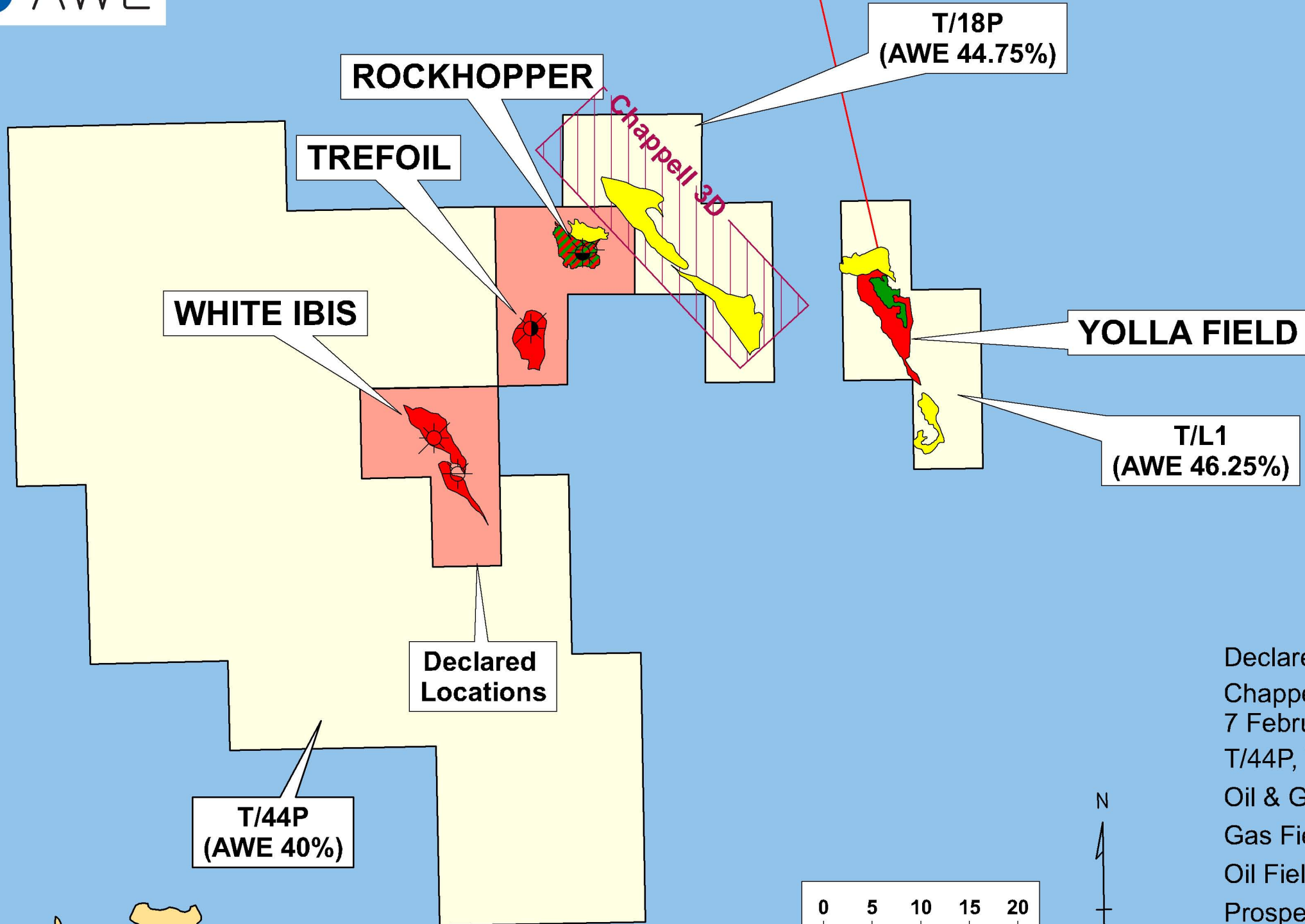
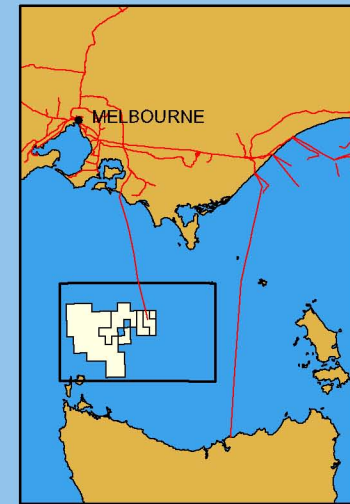
AWE Limited (via subsidiaries)	44.75%
Origin Energy (via subsidiaries) (Operator)	39.00%
Toyota Tsusho Gas E&P Trefoil Pty Ltd	11.25%
Acer Energy Limited	5.00%

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

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WHITE IBIS

ROCKHOPPER

TREFOIL

**T/18P
(AWE 44.75%)**

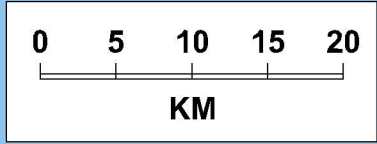
YOLLA FIELD

**T/L1
(AWE 46.25%)**

**T/44P
(AWE 40%)**

Declared Locations

Chappell 3D



- Declared Locations
- Chappell 3D Acquired 7 February 2011
- T/44P, T/L1 & T/18P
- Oil & Gas Field
- Gas Field
- Oil Field
- Prospects and Leads
- Gas Pipeline

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