

Arrowsmith-2 recommences flow back with initial rate of 3.5 million scf/d

AWE Limited (ASX: AWE) advises that flow back operations at the Arrowsmith-2 well, located in EP413 in the onshore Perth Basin, Western Australia, have recommenced and that the Operator has reported an initial maximum constrained gas flow rate of 3.5 million standard cubic feet per day (mmscf/d).

Flow back operations at Arrowsmith-2 recommenced on 18 September after the well was recompleted with a smaller diameter 2-3/8 inch tubing string to aid flow back and well clean up.

The Operator of EP413, Norwest Energy (ASX: NWE), has reported that the well began unloading significant amounts of stimulation fluid along with strong gas flow immediately after opening.

Gas rates of up to 3.523 mmscf/d and fluid rates of up to 1,100 barrels per day (bpd) respectively were measured while flowing through a 29/64 inch choke setting just prior to making a choke adjustment due to equipment constraints.

The well was flowed back for 18 hours and then a second flow rate test was conducted on 19 September. The Operator advises that the well was flowing at 0.91 mmscf/d of gas and 840 bpd of fluid while flowing through a 32/64 inch choke setting.

The well is currently flowing from three co-mingled zones: the High Cliff Sandstones, Irwin River Coal Measures and the Carynginia formation. It is planned that production logging data will be collected at various times during the flow back process to determine the productivity and contribution from each zone.

AWE's Managing Director, Bruce Clement, said that the plan to recomplete the Arrowsmith-2 well using a smaller diameter tubing string has been a success.

"The strong initial gas rates and the recovery of good volumes of stimulation fluid is a very positive sign for the program. We are looking forward to capturing as much flow rate data as possible from the well and then moving ahead with the acquisition of a 3D seismic survey over the Arrowsmith area.

"Our testing and evaluation program in the onshore Perth Basin has delivered very good results to date, particularly at Arrowsmith and Senecio. We anticipate drilling between two and four wells in the Perth Basin in 2014 including an appraisal/development well at Senecio (L1/L2) and an exploration well at Drover (EP455)," Clement said.

It will take several days or more for fluid flow back volumes to stabilise and during this period gas flow rates at Arrowsmith-2 are expected to be variable. The Operator anticipates that the choke will be opened further as the ratio of gas to fluid stream increases. Testing is expected to continue for the remainder of 2013.



The Joint Venture partners in EP413 are:

AWE Limited (via subsidiaries)	44.25%
Norwest Energy NL (Operator)	27.95%
Bharat PetroResources Ltd	27.80%

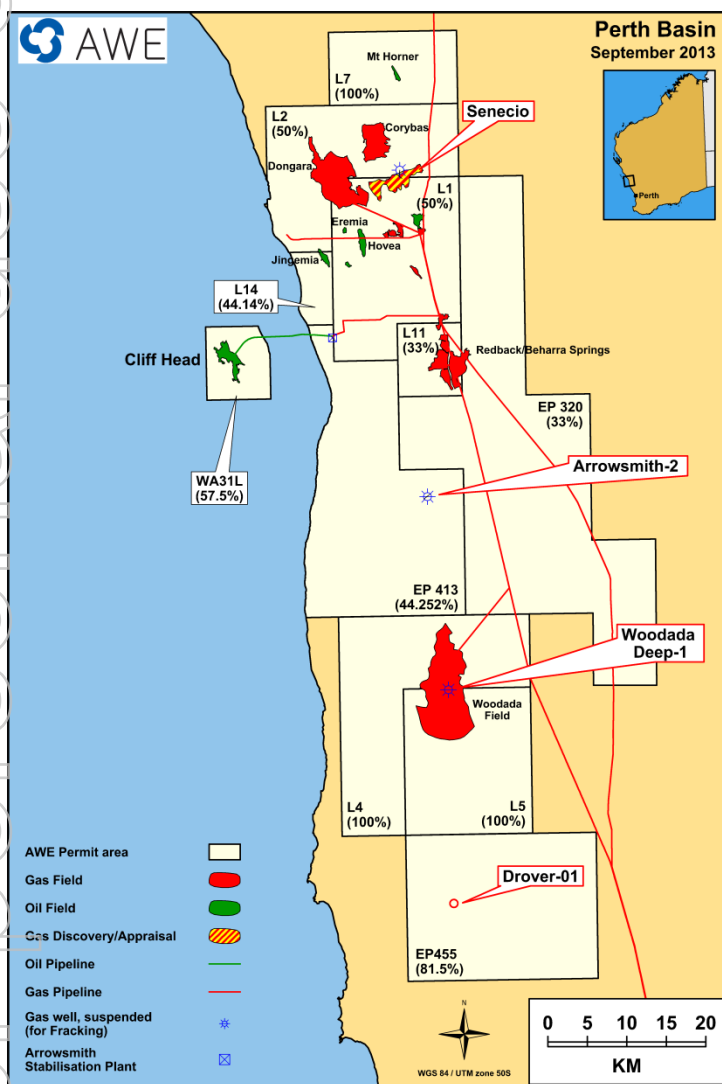
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About AWE Limited

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 recently announced the sell-down of 50% of the Northwest Natuna PSC, including the Ande Ande Lumut oil project offshore Indonesia, to Santos Limited. 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.