

OVERVIEW OF CORNERSTONE PROJECTS



BassGas project (AWE 42.5%) Offshore Bass Basin, Australia

Image above: BassGas platform

The BassGas project continued commercial production with gross gas output of 17.6 PJ in the year, with some minor maintenance issues impacting the output levels. Associated liquid recovery rates have improved slightly during the year, with the onshore plant reaching design capacity. Early planning and design work has started for the next phase of development for BassGas, including the drilling of additional wells at Yolla and the potential installation of compression on the Yolla platform. Exploration and appraisal drilling will be conducted in the adjacent T/18 P (AWE 47.5%) permit in the second half of 2009. Success in this exciting program may see further developments in the offshore Bass Basin.



Casino gas project (AWE 25.0%) Offshore Otway Basin, Australia

Image above: Offshore pipelay at Casino

The Casino gas project again generated strong returns, achieving gross gas sales of 33 PJ during the year, slightly below the annual contracted rate. Drilling success was achieved at the nearby Netherby-1 gas discovery and the gas development wells at Netherby and Henry. Despite some delays in the completion of the Henry gas development, activity is expected to restart in early 2010, with first gas sales planned by mid 2010.

Tui fields (AWE 42.5% and Operator) Offshore Taranaki Basin, New Zealand

Image right: Helicopter operations on the FPSO Umuroa

The Tui oil project began commercial production on 30 July 2007. During the past two years the field has produced a total of 23.3 million barrels of oil and contributed revenue in excess of A\$1 billion to AWE.

AWE plans to drill up to five exploration wells in the offshore Taranaki Basin during the year. These wells range from near-field exploration targets at Tui up

to high risk exploration wells at Hoki, where we are targeting potential reserves of up to 300 million barrels of oil. Success in this program will have a material positive impact on AWE. AWE will operate this drilling campaign, which is currently scheduled to start in late 2009.



Cliff Head oil project
(AWE 57.5%)
Offshore Perth Basin, Australia

Image above: Cliff Head oil platform

The Cliff Head oil project averaged 5,250 bopd for the year, lower than the previous year following the natural field decline and exacerbated by some pump problems in the latter part of the year. To date the field has produced in excess of 8 million barrels of oil. Planning for workover operations to replace some pumps is in progress. This work will assist in arresting the production decline rates at Cliff Head.



Onshore Perth Basin operations
(AWE 33-100%)
Onshore Perth Basin, Australia

Image above: Oil pump at Dongara

The Onshore Perth Basin operations were acquired through the merger with Arc Energy Limited. These operations comprise a series of small oil and gas fields to the south of Dongara, with total net oil and gas production of 0.3 million barrels of oil and 2.9 PJ of gas being achieved during the year. A 4-well drilling program was undertaken in the middle of the year to provide additional production and to test some of the undrilled prospects in the region.

