

AWE plans for future exploration in Taranaki and Canterbury

26 February 2008 - AWE, which now operates the largest number of offshore Taranaki exploration permits, is carrying out a large programme of assessment and interpretation in this acreage and has also become operator of its Canterbury permit.

AWE's December 2007 quarterly report says that its 100% owned PEP 381202 off Taranaki continued a focus on the Paua prospect with geological and geophysical work. Seismic reprocessing has been completed and interpretation is underway.

Interpretation of the Hoki seismic survey has commenced in PEP 38401 in which AWE holds 50%. This work will be integrated into the regional geological understanding of the basin.

AWE says geological assessment is underway in PEP 38481 following the drilling of the West Cape-1 well drilled last year.

In PEP 38482, where AWE says strong oil shows were encountered in the Kopuwai-1 exploration well drilled last year, the oil column was in poor quality reservoir. A review of the well results and the geological prospectivity of the permit are currently being undertaken by AWE and its partners Beach Petroleum and Mitsui.

AWE also says it is now operator of the offshore Canterbury Basin permit PEP 38259 which lies just north of Dunedin. AWE, a 25.0% interest holder in the permit, became operator following the resignation of the previous operator Tap Oil.

A review of the results of the Cutter-1 well drilled in 2006 in PEP 38259 and the implications for the large Barque gas prospect east of Oamaru are being assessed.

AWE said its revenues in the quarter were a record A\$223 million, up 159% on the previous quarter, largely due to the Tui Area oil pools off Taranaki which produced a total of 6.34 million barrels of oil in just over five months since coming online.

The company said it is now also debt-free.