

Waitsia Gas Field



Background

AWE discovered the Waitsia gas field in September 2014 while drilling the Senecio-3 appraisal well.

Located on agricultural land in the Shire of Irwin, about 14.5 kilometres east of Dongara, the Waitsia gas field is considered to be the largest onshore conventional gas discovery in Australia for the last 30 years.

The Mid-West region of Western Australia has supplied gas to the Perth market for almost 50 years and is well serviced by pipeline infrastructure, facilities and a highly skilled Mid West workforce. More than 200 wells have been drilled in the region which has hosted nine production facilities since 1971 when the Parmelia Pipeline first started conveying gas to the domestic consumers.

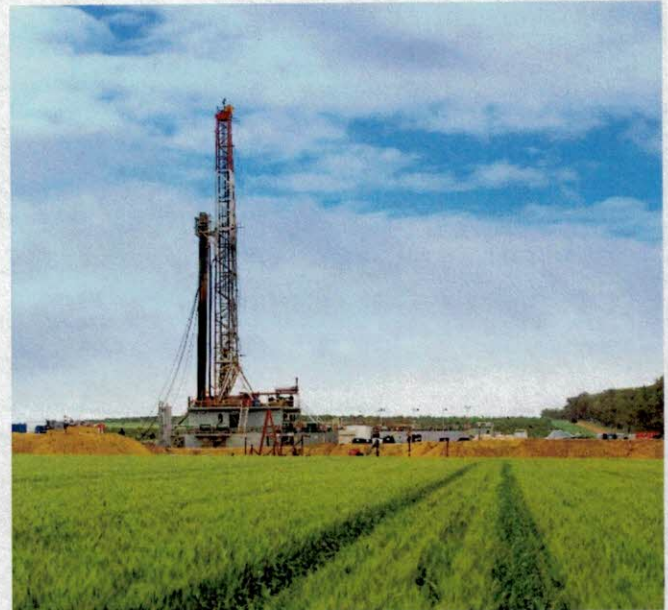


Figure 1. Waitsia Gas Field discovery well, Senecio-3

Waitsia Wells



Figure 2. Waitsia-3 Appraisal Well drilling, July 2017

There are several stages to developing the Waitsia field. Waitsia Stage 1A commenced production in August 2016 from two wells, Senecio-3 and Waitsia-1, via the Xyris Production Facility. Stage 1A is effectively an extended production test that is helping to clarify the reservoir's potential.

The performance from both wells is exceeding expectations, and together they are producing around 10 terajoules of gas daily for Western Australian households and industry.

In 2017 AWE has drilled two new appraisal wells – Waitsia-3 and Waitsia-4 – to further test the extent of the Waitsia gas field.



Waitsia Gas Project (as of July 2017)

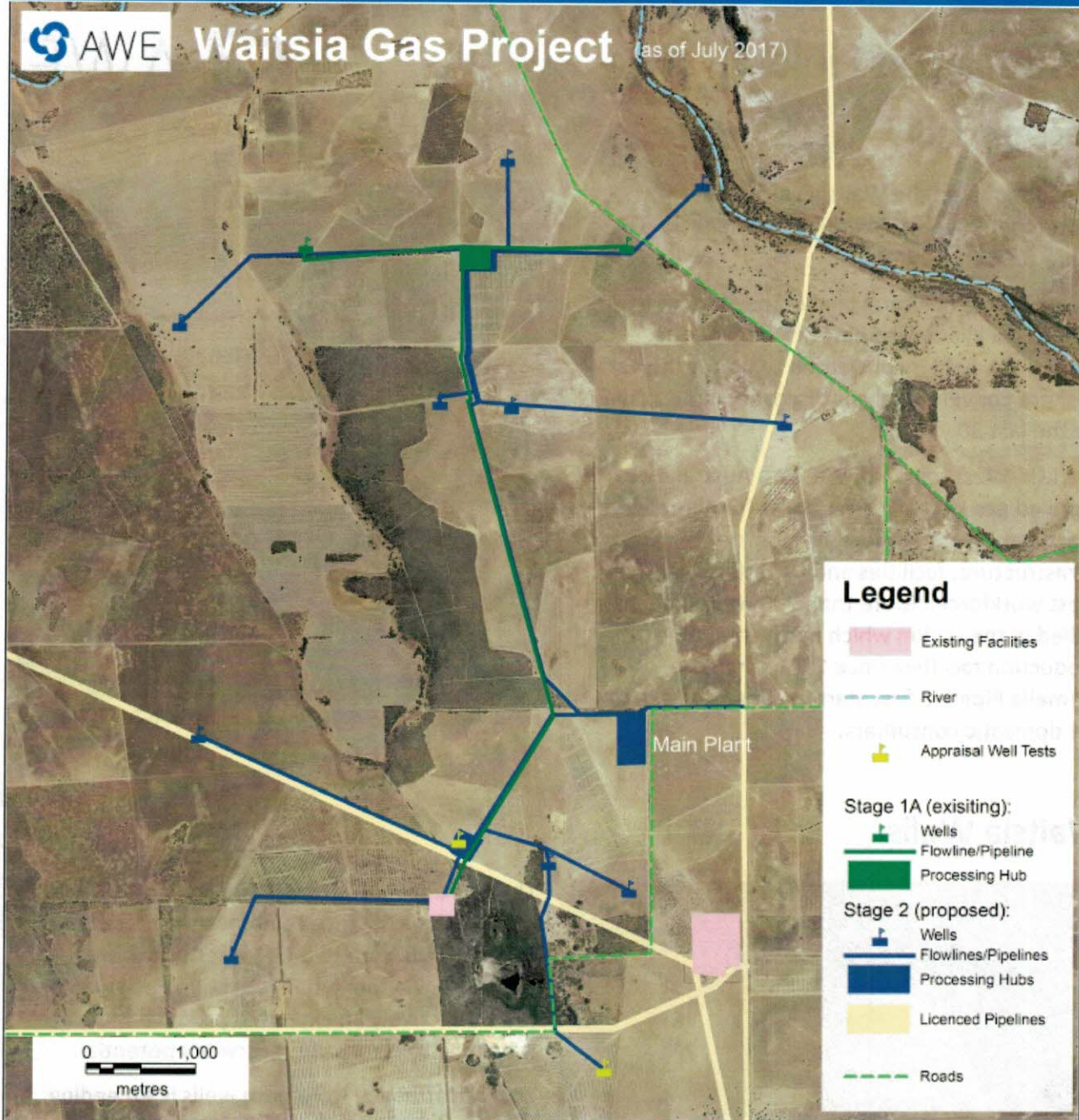


Figure 3. Aerial overview of Waitsia Gas Project showing Stage 1A (existing) and Stage 2 (proposed)

Why is Waitsia so significant?

Information to date shows Waitsia can provide around 10 per cent of Western Australia's gas demand, or approximately 100 terajoules per day of domestic gas supply, for ten years.

Western Australia's economy and standard of living, even more than any other state, relies on gas to heat homes and businesses and power industry.

Gas also fuels over half of the Western Australia's electricity generation, keeping lights, computers, televisions on and mobile technology charged in households and businesses.

Waitsia increases competition, supply diversity, and improves energy security by offering a new and low risk onshore resource.

AWE employs local people to run its gas production facilities and uses local businesses and support services wherever practical. In 2016 we invested \$16 million into the Mid West economy.

The Waitsia Stage 2 gas is conventional (free flowing) and there are no plans to use Hydraulic Fracture Stimulation for this phase of development.



Figure 4. Mid West service providers helped deliver Waitsia Gas Project- Stage 1A on time and under budget.

What's next?

AWE and its Joint Venture Partner have announced a design competition for Waitsia Stage 2 facilities which includes a gas plant capable of processing 100 terajoules per day, carbon dioxide extraction, collection hubs and flow lines.

AWE aims to make a Final Investment Decision for Waitsia Stage 2 by the end of 2017 and is targeting first gas in the first half of calendar year 2020.

There is also further development potential in Waitsia beyond Stage 2 which would see AWE continue to be a part of the Mid West community well beyond the next decade.

AWE will work with the relevant government agencies to acquire all the necessary planning and regulatory approvals and we will continue to engage and consult with local communities and other stakeholders.

FOR FURTHER INFORMATION OR TO CONTACT AWE LIMITED

If you'd like to know more, or have any questions please visit our website (www.awemidwest.com.au) or send us an email (midwest@awexplore.com) so we can respond promptly

