



QUARTERLY REPORT

SEPTEMBER 2003

1. HIGHLIGHTS

- *The BassGas project (AWE 30%) progressed satisfactorily during the quarter, with substantial work being undertaken on the platform construction at Batam in Indonesia and at the gas plant facilities at Lang Lang and the pipeline shore crossing at Kilcunda in south-east Australia. At the end of the quarter, the project was 60% completed.*
- *In early October, the WA286P joint venture (AWE 27.5%) unanimously agreed that the Cliff Head oil field in the Perth Basin is commercially viable to develop. Subsequent to the end of the quarter, the project commenced the Front End Engineering and Design (FEED) for the development of the field.*
- *The EP 413 joint venture (AWE 15.25%) applied for a production licence over the Jingemia oil field in the Perth Basin.*
- *Acquired 25% equity in VIC/P 44, including the Casino gas field, in the Otway Basin, south-east Australia.*
- *In New Zealand, the Tui 3D seismic interpretation was largely completed, with plans advancing for the drilling of 2-3 wells in the first half of 2004 (AWE 20%).*
- *Awarded a new exploration permit (PEP 38259) in the Canterbury Basin, New Zealand (AWE 50%).*

2. OPERATING ACTIVITIES

T/L1 & T/RL1, BassGas Project, Bass Basin, Australia (AWE share 30.0%)

BassGas Project

AWE's key asset under development, the BassGas Project, continued its construction phase in the September quarter. Approximately 59% of the budgeted A\$450 million (gross) had been expended by the end of the September quarter.

Progress during the quarter:

- Continuation of construction of the BassGas facilities, with the goal of achieving first commercial gas production by the end of Q3, 2004. The Yolla production platform is currently being built at Batam in Indonesia. The larger elements of the platform construction have taken shape, as the construction phase nears completion. Construction of the Lang Lang gas plant has also advanced satisfactorily.
- Horizontal drilling activity continued during the quarter to enable the gas pipeline to tunnel under the

environmentally-sensitive coastal strip near Kilcunda. At the end of the quarter, the horizontal drilling aspect of the project was completed.

- The first draw-down of the Company's project financing debt facility took place during the quarter. At the end of September, the Company had contributed all of its equity-capital component and the BassGas debt facilities were drawn to approximately A\$20.9 million (total facility approximately A\$90 million).
- Preparations for the drilling of the Yolla-3 and -4 wells were advanced, with attractive rig tenders being received. These wells are planned for drilling in the second quarter of 2004.

Along with the Operator, AWE will continue to dedicate considerable management time to ensure the project is delivered in line with our expectations. The project operator has recently stated that the project is "on time and on budget". We are pleased with progress to date and look forward to delivering a project that will benefit AWE shareholders for many years to come.

T/18P, Bass Basin, Australia (AWE share 22.6%)

The T/18P joint venture approved Trefoil-1 as the exploration well to be drilled in mid 2004 in conjunction with Yolla field development drilling. The Company will only contribute 10.1% of the costs of drilling this well because of a financial carry by Wandoo Petroleum Pty Limited which resulted from our previously announced farmout of equity.

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L11, Perth Basin, Australia (AWE share 33.0%) Beharra Springs and Beharra Springs North Gas Fields

Gross gas production in the Beharra Springs and Beharra Springs North gas field averaged approximately 10 terrajoules (TJ) per day. AWE's share of production for the quarter was 301 TJ of gas and 510 barrels of condensate.

The L11 joint venture has advanced plans to drill the Red Back prospect, a feature that straddles the boundary between the L11 and EP 320 licences, immediately east of the Beharra Springs gas plant. AWE holds a 33.0% interest in both L11 and EP 320 permits. The Red Back-1 well is planned for drilling in Q4, 2003.

EP 320, Perth Basin, Australia (AWE share 33.0%)

In conjunction with the L11 joint venture, the EP 320 joint venture has advanced plans to drill Red Back-1. The well will target a gas prospect with potential to hold approximately 40 Bcf of sales gas.

EP 413, Perth Basin, Australia (AWE share 15.245%)

Oil production commenced from the Jingemina-1 well on a 3 month Extended Production Test (EPT) in early May and concluded in early August, as scheduled. The EPT produced over 125,000 barrels of oil during the test period, which was trucked to the Kwinana oil refinery. During the September quarter, Jingemina-1 produced approximately 52,000 barrels of oil, with AWE's share being 7,890 barrels.

Following the encouraging results from the EPT, the EP 413 partners drilled Jingemina-2, which was designed to test the southern extremity of the field and be utilised as a water injection well to maintain reservoir pressure in the oil field. The well was unsuccessful and resulted in a joint venture decision to drill the Jingemina-3 well from the same surface location. Jingemina-3 was successful and intersected the Dongara Sandstone objective 30 metres higher than Jingemina-2 and 31 metres lower than Jingemina-1, encountering the oil water contact in the top of the primary target sand, at the same level as in Jingemina-1. Data indicates that reservoir quality is suitable for water injection to maintain reservoir pressure and that the reservoir is in pressure communication with the Jingemina-1 oil producer. The well was completed as a water injection well subsequent to the end of the quarter.

The EP 413 joint venture has applied for a production licence over the Jingemina oil field. The grant of the production licence will enable the establishment of longer-term production from the field. Additionally, a second EPT is expected to commence in early November, following the recent phase of drilling activity at the field.

EP 368, Perth Basin, Australia (AWE share 32.5% and Operator)

Reprocessing of seismic is being undertaken, with a view to upgrading further drilling targets within the permit area.

WA 286 P, Perth Basin, Australia (AWE share 27.5%) and TP/15, Perth Basin, Australia (AWE share 25.0%)

An aeromagnetic survey has been undertaken across the eastern portion of WA 286 P and TP/15 aimed at improving the structural resolution of the subsurface, particularly in the areas where seismic coverage is limited due to the difficulties of acquiring seismic data in shallow water.

A 2D seismic survey totalling approximately 760 kilometres has been approved across both permit areas. The survey is designed to define several prospects and leads mainly to the north of the Cliff Head oil field.

Cliff Head Oil Field (AWE 27.5%)

In early October, the WA 286 P joint venture unanimously agreed that the Cliff Head oil field is commercially viable to develop. Subsequent to the end of the quarter, the project commenced the FEED study,

for the development of the field.

The decision to proceed with the FEED work is based on a proved and probable reserve estimate of 21 million barrels of recoverable oil. Provisional capital expenditure estimates for the development are A\$140 million, although more precise estimates will be defined during the ongoing studies.

Subject to the completion of the FEED study and the receipt of the regulatory and joint venture approvals, a final investment decision for the field is anticipated in the second quarter of 2004 with first oil production in the second half of 2005.

To support the development planning, a 3D seismic survey is to be acquired in Q4, 2003 across the Cliff Head oil field.

**PPL 62 and PPL 168, Otway Basin, Australia (AWE share 24.2857%)
Katnook, Haselgrove, Haselgrove South and Ladbroke Grove gas fields**

Gross gas production from the Katnook, Haselgrove and Ladbroke Grove gas fields averaged approximately 25 TJ per day during the quarter. AWE's share of production for the quarter was 566 TJ of gas and 2,662 barrels of condensate. Following the shutdown of the Port Stanvac oil refinery in South Australia, all condensate from these fields are now being sold to the Shell refinery in Geelong, Victoria.

As previously advised, Ladbroke Grove gas sales were restricted in the June quarter due to the failure of a generator at our gas customer's power station. However, work on the generator was completed during the September quarter and normal sales have resumed.

PEL 32, Otway Basin, Australia (AWE share 24.2857%)

Nothing to report.

VIC/P 44, Otway Basin, Australia (AWE share 25.0%)

AWE acquired a 50% interest in the VIC/P 44 permit from Strike Oil NL during the quarter, and subsequently on-sold 25% interest to Mittwell Energy Resources Pty Ltd, a wholly owned subsidiary of Mitsui & Co. Ltd. As a result of both transactions, for a consideration of A\$0.5 million and partial funding of the Casino-3 well, AWE will earn a minimum 10% interest in VIC/P 44. In the event of success, AWE can pay a further A\$11.25 million and retain a 25% interest in the permit and therefore participate in the development of the Casino gas field. As part of the transactions, Mittwell has undertaken to assist AWE in arranging project financing of any development in VIC/P 44.

AWE also recently signed a major gas contract with TXU Australia conditional on the success of the Casino-3 appraisal well. This contract removes a large part of the commercial risk on the development of the Casino gas field if Casino-3 successfully identifies a commercial-sized gas resource. In addition to the Casino gas field, there is also scope in the gas contract to sell significant additional volumes of gas to TXU if future exploration in the permit area is successful.

The Casino-3 well was in the process of drilling at the time of writing this report. To date the well has intersected gas in good quality sandstone reservoir rocks over a 20 metre gross interval in the primary objective Waarre Sandstone. A 27 metre core was also cut from 2,004 m to 2,031 m in the Waarre Sandstone. Available data indicates that a gas-water contact was encountered near the base of the sand, confirming pre-drill interpretation of the seismic data. Thin sandstones immediately overlying the main gas-bearing Waarre reservoir are also gas bearing and have improved in quality from Casino-2 to Casino-3.

Early indications suggest the three Casino wells could prove-up a gross gas column of approximately 290 metres in the Casino gas field, confirming AWE's pre-drill expectations.

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WA 202 P, Carnarvon Basin, Australia (AWE share 10.0%)

The joint venture drilled the Cerberus-1 well during the quarter. The well was drilled to a total measured depth of 2,182 metres and was plugged and abandoned after no significant hydrocarbon shows were encountered.

* * * * *

Las Bases Exploitation Concession, Neuquen Basin, Argentina (AWE 15.0%)

During the quarter gross production averaged 30 TJ per day. AWE's share of production for the period was 413 TJ of gas and 825 barrels of condensate.

The worst of the Argentine economic crisis appears to be over and the Company is now successfully remitting funds (from our Argentine gas sales) back to Australia.

* * * * *

PEP 38460, Taranaki Basin, New Zealand (AWE 20.0%)

The 352 square kilometre 3D seismic survey over the Tui oil field and the surrounding area was acquired during the June quarter and the data interpretation has been completed with encouraging results. Joint venture meetings during the September quarter have confirmed that 2 to 3 wells will be drilled in the permit area over the coming summer drilling season, with the timing being dependent on rig availability.

The joint venture has formally approved the drilling of the Amokura and Pukeko prospects. Amokura is located 4 kilometres west of the Tui-1 discovery, where the discovery well encountered a 10 metre oil column in the "F" Sands of the Kapuni Formation. Pukeko-1 will be drilled some 70 kilometres south of Tui, on a large seismically defined structure.

In addition to the drilling phase in the permit, initial engineering studies are being accelerated to enable oil to be produced in mid-2005 in the event of success in this drilling phase.

PEP 38746, Taranaki Basin, New Zealand (AWE 25.0%)

The Bluff-1 well was drilled subsequent to the end of the quarter, targeting a shallow Mount Messenger oil prospect adjacent to the McKee oil field. The well was drilled to a total depth of 1,459 metres, but was plugged and abandoned after no significant hydrocarbons were encountered.

PEP 38259, Canterbury Basin, New Zealand (AWE 50.0%)

The Company was granted a 50% interest in the offshore Canterbury Basin Block, PEP 38259 during the quarter. The permit is located offshore of the east coast of the South Island of New Zealand, near Dunedin.

The new permit was acquired in an acreage release with a commitment to a work programme comprising seismic reprocessing and technical studies in the initial 2 years, with an option to drill a well in the third year of the permit term.

* * * * *

PRL 4 & PRL 5, Papuan Basin, PNG (AWE share 15.0%)

Nothing to report.

3. NEW VENTURES

AWE is continually seeking new investment opportunities to grow our asset base in core areas. These new investments must meet strict financial guidelines, add value to our existing shareholders and not dilute the expected strong returns from our suite of existing assets.

AWE has recently acquired interests in new permits in the Otway Basin in south-east Australia (VIC/P 44, AWE 25%) and Canterbury Basin in New Zealand (PEP 38259, AWE 50%). These interests complement our strategy of expanding assets within Australia and New Zealand to increase overall shareholder value.

4. FUTURE OUTLOOK

During the September quarter, AWE management has focussed on maximising short term production from the Perth, Otway and Neuquen Basins, while ensuring that the BassGas project development progressed as planned. This focus will continue in the medium term as we strive to deliver our existing projects on time and on budget.

We have also successfully advanced the development of the Cliff Head oil field, culminating in the announcement of the commercial viability of the field in mid October and the approval of FEED studies. The Cliff Head oil field development will represent a second cornerstone asset for AWE, alongside our development at BassGas.

We have also reviewed a number of potential growth opportunities, culminating in the Casino farmin announcement in mid July and the Canterbury Basin acquisition in mid August. These interests have been acquired with a view to providing growth projects from 2006 and beyond.

The Company remains in a strong position for future growth, based on the existing suite of assets and the likely developments. AWE continues to strengthen as the risks associated with its major development projects diminish.

Bruce J. Phillips
Managing Director
October 2003

AUSTRALIAN WORLDWIDE EXPLORATION LIMITED

ISSUED AND QUOTED SECURITIES AT END OF SEPTEMBER 2003

	Number Issued	Number Quoted
Ordinary securities	218,944,619	218,944,619
Options		Exercise Price Expiry Date
Employee Share Options	140,000	\$0.57 13/06/2006
Employee Share Options	300,000	\$0.39 22/06/2005
Employee Share Options	1,000,000	\$0.43 30/06/2004
Employee Share Options	1,300,000	\$0.59 17/11/2004
Employee Share Options	100,000	\$0.59 31/12/2004
Employee Share Options	2,040,000	\$0.76 20/06/2007
Employee Share Options	500,000	\$0.92 22/12/2007
Employee Share Options	250,000	\$0.81 02/05/2008
	5,630,000	

UNAUDITED STATEMENT OF FINANCIAL PERFORMANCE FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2003

	\$'000
Sales Revenue	2,518
Operating Expenses	(2,009)
	509
Net Administration Expenses	(397)
Exploration & Evaluation Expenses	(233)
	(121)
Net Interest Income	345
Other Income / (Expense)	51
Operating Profit before tax	275

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2003

	\$'000
CURRENT ASSETS	
Cash	35,355
Receivables	2,470
Other	132
Total Current Assets	37,957
NON-CURRENT ASSETS	
Fixed Assets	160
Exploration, Evaluation & Development Expenditure	118,427
Other	6
Total Non-Current Assets	118,593
Total Assets	156,550
CURRENT LIABILITIES	
Payables	15,780
Interest bearing Liabilities	500
Provisions	174
Total Current Liabilities	16,454
NON-CURRENT LIABILITIES	
Provisions	1,026
Interest bearing Liabilities	21,235
Total Non-Current Liabilities	22,261
Total Liabilities	38,715
Net Assets	117,835
EQUITY	
Contributed Equity	117,636
Retained Profits	199
Total Equity	117,835

UNAUDITED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2003

	\$'000
1. Cash flows related to operating activities	
Receipts from: Product and other Sales	2,756
Interest Received	541
Payments for: Administration	(752)
Interest paid	(18)
Borrowing costs paid	(390)
Exploration & Evaluation	(1,273)
Development	(28,832)
Production	(645)
Net GST receipts (payments)	(5)
Other	49
Net operating cash flows	(28,569)
2. Cash flows related to investing activities	
Payments for: Fixed Assets	(1)
Prospects	(1,000)
Proceeds from sale of prospects	500
Net investing cash flows	(501)
3. Cash flows related to financing activities	
Proceeds from borrowings	21,526
Repayment of Borrowings	(200)
Net financing cash flows	21,326
Net decrease in cash held	(7,744)
Exchange rate adjustment	(333)
Cash at beginning of year	43,432
Cash at end of quarter	35,355

Exploration and evaluation cash flows are prior to the allocation of corporate salaries and overheads to these areas.

Cash at the end of the quarter includes restricted cash of A\$1,869,000. Restricted cash represents funds drawn down under the BassGas project financing facility held for the specific purpose of funding BassGas development expenditures.

PRODUCTION FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2003

AWE Share	Sales Gas (TJ)	Oil (Bbl's)	Condensate (Bbl's)	kBOE
Beharra Springs (L11)	301	-	510	50.7
Katnook and Ladbroke Grove (PPL62/PPL168)	566	-	2,662	97.0
Las Bases Exploitation Concession	413	-	825	69.6
Jingemia (EP413)	-	7,890	-	7.9
Total	1,280	7,890	3,997	225.2

NOTE

1. The Statement of Financial Performance and Statement of Financial Position have been prepared prior to directors' assessment of the carrying value of Exploration, Evaluation and Development Expenditure.

For further information contact our Managing Director, Mr Bruce Phillips
 Phone: 02 9460 0165 Facsimile: 02 9460 0176
 Web site: www.awexp.com.au E-mail: awexp@awexp.com.au

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Australian Worldwide Exploration Limited

ABN

70 077 897 440

Quarter ended ("current quarter")

September 2003

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	2,756	2,756
1.2	Payments for (a)exploration and evaluation	(1,273)	(1,273)
	(b)development	(28,832)	(28,832)
	(c)production	(645)	(645)
	(d)administration	(752)	(752)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	541	541
1.5	Interest and other costs of finance paid (Refer Note (a))	(408)	(408)
1.6	Income taxes paid	-	-
1.7	Other - net GST receipts/(payments)	(5)	(5)
	- Other	49	49
Net Operating Cash Flows		(28,569)	(28,569)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects	(1,000)	(1,000)
	(b)royalty interests	-	-
	(c)equity investments	-	-
	(d) other fixed assets	(1)	(1)
1.9	Proceeds from sale of: (a)prospects	500	500
	(b)royalty interests	-	-
	(c)equity investments	-	-
	(d)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
Net investing cash flows		(501)	(501)
1.13	Total operating and investing cash flows (carried forward)	(29,070)	(29,070)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(29,070)	(29,070)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	21,526	21,526
1.17	Repayment of borrowings	(200)	(200)
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	21,326	21,326
	Net increase/(decrease) in cash held	(7,744)	(7,744)
1.20	Cash at beginning of quarter/year to date	43,432	43,432
1.21	Exchange rate adjustments to item 1.20 (Refer Note (b))	(333)	(333)
1.22	Cash at end of quarter *	35,355	35,355

* Cash at the end of the quarter includes restricted cash of A\$1,869,000. Restricted cash represents funds drawn down under the BassGas project financing facility held for the specific purpose of funding BassGas development expenditures (refer Note (c)).

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	104
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- (1) Payment of directors fees for the September 2003 quarter of \$64,000; and
(2) Payment to a related entity of Mr Bruce Phillips for the rental of office equipment and library data of \$40,000.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Payment of A\$500,000 received from Mittwell Energy Resources Pty Ltd for a 25% interest in Vic/P 44 (refer to review of operations for further details).

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities (refer note (c))	89,835	21,735
3.2 Credit standby arrangements (refer note (c))	16,000	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	9,752
4.2 Development (refer note (d))	22,070
Total	31,822

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	9,744	11,253
5.2 Deposits at call	23,742	32,179
5.3 Bank overdraft	-	-
5.4 Other – Restricted cash	1,869	-
Total: cash at end of quarter (item 1.22)	35,355	43,432

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Vic/P 44 *	Working Interest	-	25.0%
6.2 Interests in mining tenements acquired or increased	Vic/P 44 * PEP 38259 NZ	Working Interest Working Interest	- -	25.0% 50.0%

* Refer to review of operations for details.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.


		Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1	Preference securities <i>(description)</i>	-	-	-	-
7.2	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	Ordinary securities	218,944,619	218,944,619	-	-
7.4	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	Convertible debt securities <i>(description)</i>	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	Options <i>(Refer Note (e))</i>	5,630,000	-	<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:


(Director)

Date: 31 October 2003

Print name: BRUCE J PHILLIPS

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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AUSTRALIAN WORLDWIDE EXPLORATION LIMITED
ADDITIONAL NOTES TO BE READ IN CONJUNCTION WITH APPENDIX 5B
QUARTERLY REPORT

+ See chapter 19 for defined terms.

SEPTEMBER 2003

Note a: Includes borrowing costs, commitment fees and interest payments paid on project financing facility.

Note b: Exchange rate adjustments caused by funds in US dollars that are held for specific BassGas project US dollar commitments.

Note c: A loan agreement is in place to provide project financing for the BassGas development. The amount available is A\$47.1 million and US\$28.4 million (A\$41.8 million). The first draw down of the facility took place during the current quarter.

A further A\$16 million cost overrun facility is in place for this development.

In addition there is an amount of A\$0.9 million payable under a separate financing of the Katnook/Ladbroke Grove assets.

Note d: AWE fulfilled its remaining equity requirement under the BassGas financing of approximately A\$8.9 million in July 2003. Future BassGas project capital costs will be funded from the bank facilities referred to in Note (c).

Note e: Details of options on issue under the Company's Share Option plan are as follows:

Total Number	Exercise Price	Expiry Date
140,000	0.57	13/06/06
300,000	0.39	22/06/05
1,000,000	0.43	30/06/04
1,300,000	0.59	17/11/04
100,000	0.59	31/12/04
2,040,000	0.76	20/06/07
500,000	0.92	22/12/07
250,000	0.81	02/05/08
5,630,000		

Note f: Exploration and evaluation cash flows are prior to the allocation of corporate salaries and overheads to these areas.