

Half-Year Report

Australian Worldwide Exploration Limited

Results for announcement to the market for the half-year ended 31 December 2003

	2003 \$'000	2002 \$'000	Change \$'000	Change %
Revenues from ordinary activities	15,562	5,845	9,717	166
Net profit for the period attributable to members	8,050	325	7,725	2,376
The increase in profit in 2003 was due to the sale of onshore Perth Basin permits to Arc Energy NL for A\$9.25 million. This transaction resulted in a profit of approximately A\$7.1 million.				
Dividends	Amount per security		Franked amount per security	
Final dividend	N/A		N/A	
Interim dividend	N/A		N/A	
Previous corresponding period	N/A		N/A	
Record date for determining entitlements to the dividend	N/A			

This Half-Year Report is to be read in conjunction with the June 2003 Annual Financial Report

Australian Worldwide Exploration Limited

Commentary for the 6 months to December 31, 2003

Highlights

Financial

- AWE reported a net profit of A\$8.05 million for the 6 months to December 2003. The major portion of this profit resulted from the sale of the Company's onshore Perth Basin assets. Prior to the profit on the sale of assets, AWE reported a net profit after tax of \$0.91 million for the period.
- The Company reported sales revenue of \$4.70 million, up marginally on the previous corresponding period.
- AWE raised approximately A\$55.7 million from shareholders during the half, via a Placement and Share Purchase Plan. These funds will be used to partially fund the Cliff Head and Casino developments and to fund the accelerated drilling activity in New Zealand.
- AWE's Balance Sheet remains strong, with in excess of A\$88 million in cash at balance date. The rise in cash was due to the successful capital raising and the partial proceeds from the sale of the onshore Perth Basin interests.

Summary Statistics

	6 months to December 2003	6 months to December 2002	% change
Gas Production (PJ)	2.26	2.58	-12%
Condensate Production (Bbls)	7,626	8,398	-9%
Oil Production (Bbls)	16,922	2,899	+480%
Total Production ('000 BOE)	402	442	-9%
Sales Revenue (A\$ m)	4.70	4.68	+0.4%
Net Operating Cashflow (A\$ m)	2.59	4.00	-35%
Pretax Profit (A\$ m)	7.17	0.58	+>1000%
Reported Profit (A\$ m)	8.05	0.33	+>1000%
Net Earnings (A\$ m)	0.91	0.33	+180%

Drilling Activity

During the previous 6 months, AWE participated in 2 exploration wells and 2 appraisal wells. The Jingemia-3 appraisal well was successful in delineating an extension of the oil reservoir, while the Casino-3 appraisal well confirmed a significant gas discovery for AWE, with a production test of 45 million cubic feet of gas per day. The wells drilled during the period included:

6 months to December 2003

Well Name	Basin	AWE share	Comments
Jingemia-2/3	Perth	15.245%	Successful oil appraisal
Cerberus-1	Carnarvon	10.0%	P & A
Bluff-1	Taranaki	25.0%	P & A
Casino-3	Otway	25.0%	Successful gas appraisal

Drilling Outlook

Based on our current drilling schedule, we expect to participate in the following wells during the remainder of the 2003-2004 financial year. The Kiwi-1 well remains contingent on success in the early part of the Taranaki drilling programme.

6 months to June 2004

Well Name	Basin	AWE share	Timing
Amokura-1	Taranaki	20.0%	March 2004
Pukeko-1	Taranaki	20.0%	April 2004
Yolla-3	Bass	30.0%	April 2004
Yolla-4	Bass	30.0%	May 2004
Trefoil-1	Bass	22.6%	June 2004
Kiwi-1	Taranaki	20.0%	May 2004

Australian Worldwide Exploration Limited and its controlled entities

Directors' Report

The directors present their report together with the consolidated financial report of Australian Worldwide Exploration Limited (AWE or the Company) for the half-year ended 31 December 2003 and the audit review report thereon.

Directors

The directors of the company during or since the end of the half-year are:

Mr Bruce G McKay	Chairman	Director since 19 March 1997
Mr Bruce J Phillips	Managing Director	Director since 19 March 1997
Mr Richard Dumbrell	Non-Executive Director	Director since 11 April 1997
Mr Colin C Green	Non-Executive Director	Director since 17 March 1997
Mr Edward S Smith	Non-Executive Director	Director since 14 January 2000
Mr Charles J Jamieson	Non-Executive Director	Resigned 1 July 2003
Mr Richard M Griffin AM	Non-Executive Director	Appointed 1 July 2003
	Alternate for	Alternate Director from 12 October 2000 to 1 July 2003
	Mr Charles J Jamieson	

Review of Operations

1. Highlights

- The BassGas project (AWE 30%) progressed satisfactorily, with the platform fabrication at Batam approaching completion. The shore crossing and offshore pipeline installation has been completed and the Lang Lang gas plant and onshore pipeline are now advancing rapidly. At the end of the half-year, the BassGas project was approximately 75% completed.
- The WA 286 P joint venture (AWE 27.5%) unanimously agreed that the Cliff Head oil field is commercially viable to develop. The project commenced the Front End Engineering and Design (FEED) stage.
- Acquired 25% equity in Vic/P 44, including the Casino gas field, in the Otway Basin, south-east Australia. The Casino-3 appraisal well (AWE 25%) confirmed a 290-metre gas column in the field, with a production test flowing gas at 45 million cubic feet per day. The results of the well exceeded our pre-drill expectations.
- In New Zealand, the Tui 3D seismic interpretation was completed (AWE 20%), the joint venture has confirmed that 2 to 3 wells are expected to be drilled in the permit area in the second quarter of 2004.
- AWE was successful in the application for a further offshore Taranaki Basin exploration permit PEP 38483 (AWE 75% and Operator). The permit is located adjacent to the recent Tui-1 discovery, where further drilling will be undertaken in the next six months.
- Awarded a new exploration permit PEP 38259 (AWE 50%) in the Canterbury Basin, New Zealand.
- AWE raised approximately A\$55.7 million from shareholders during the half-year, via a Placement and Share Purchase Plan. The funds will be used to partially fund the Cliff Head and Casino developments and to fund the accelerated drilling activity in New Zealand.
- AWE elected to sell its onshore Perth Basin assets to ARC Energy late in the half-year, for a cash consideration of \$15.75 million.

2. Operating activities

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

BassGas Project

AWE's key asset under development, the BassGas Project, continued its construction phase. Approximately 75% of the budgeted A\$450 million (gross) had been expended by the end of the half-year, with the goal of achieving first commercial gas production on schedule for the end of Q3, 2004.

Progress during the half-year:

- The main elements of the platform construction at Batam in Indonesia have been completed. The fabricated platform is scheduled to begin the transportation phase in the first quarter of 2004.
- Construction of the Lang Lang gas plant has also advanced satisfactorily during the half-year. At the end of December, the gas plant was 85% completed.
- The horizontal drilling activity associated with the shore crossing at Kilcunda was completed during the September quarter allowing for the pipelaying to commence in the offshore and onshore areas during the December quarter. The onshore pipeline installation has commenced.
- The first draw-down of the Company's project financing debt facility took place during the half-year. At the end of the half-year the BassGas debt facilities were drawn to approximately A\$36.9 million (total facility approximately A\$85 million).
- Subsequent to the end of the half-year, the offshore pipeline was fully laid and the Saipem pipelay vessel had been demobilised.
- Preparations for the drilling of the Yolla-3 and -4 development wells were advanced. 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. We are pleased with progress on the BassGas Project 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 at the conclusion of the Yolla 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 (a subsidiary of Mitsui and Co. Ltd) which resulted from our previously announced farmout of equity.

L11, Perth Basin, Australia (AWE share 33.0%) Beharra Springs and Beharra Springs North Gas Fields EP 320, Perth Basin, Australia (AWE share 33.0%)

Gross gas production in the Beharra Springs and Beharra Springs North gas field averaged approximately 9 terrajoules (TJ) per day. AWE's share of production for the half-year was 548 TJ of gas and 1,146 barrels of condensate.

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

Oil production commenced from the Jingemia-1 well on a 3 month Extended Production Test (EPT) in early May and concluded in early August, as scheduled. The EPT recommenced during the early part of November, and produced an average 1,750 bopd during the test period. AWE's share of oil production for the half-year was 16,922 barrels.

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

Preparations to conduct a detailed gravity survey over the northern portion of the permit commenced during the December quarter. Additionally reprocessing of existing seismic data is being undertaken, with a view to upgrading further drilling targets within the permit area.

Sale of Onshore Perth Basin interests

During December 2003, AWE finalised negotiations with ARC Energy NL for the sale of the onshore Perth Basin interests, incorporating the above equity in the EP 368, EP 413, EP 320 permits and the production licence L11. These interests were sold for a gross cash consideration of A\$15.75 million. Sale proceeds were received from Arc on December 31, 2003 and January 2, 2004.

Following the sale, AWE will retain its equity in the Perth Basin offshore permits, WA 286 P, where the Cliff Head project is moving towards a commercial development, and the adjacent TP/15.

AWE will report a pre-tax profit of approximately \$10.1 million in the 2003/2004 financial year as a result of the sale of the Perth Basin interests. Approximately \$7.1 million will be reported in the first half result, with the remainder in the second half of the year.

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

An aeromagnetic survey was completed 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. Interpretation of the survey is now underway.

A 730 kilometres 2D seismic survey across both permit areas was also completed in the December quarter. The survey was designed to define several prospects and leads mainly to the north of the Cliff Head oil field. Processing and initial interpretation of the seismic survey will be undertaken during the first half of 2004.

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. Following this resolution, the project commenced the Front End Engineering Design (FEED) study for the development of the field.

The decision to proceed with the FEED work was 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 assist the development planning, a 30 square kilometre 3D seismic survey has been acquired across the Cliff Head oil field.

**PPL 62, PPL 168 and PPL 202, Otway Basin, Australia (AWE share 24.2857%)
Katnook, Haselgrove, Haselgrove South and Ladbroke Grove gas fields**

During the period, AWE was granted a 24.2857% interest in PPL 202, which was excised from the neighbouring exploration permit, PEL 32.

Gross gas production from the Katnook, Haselgrove and Ladbroke Grove gas fields averaged approximately 22 TJ per day during the half-year. AWE's share of production for the half-year was 992 TJ of gas and 4,930 barrels of condensate.

One of the two power generators owned by AWE's gas customer failed during the December quarter, but is anticipated to be back on stream by April 2004. The customer's plant failure will not materially impact AWE's budgeted gas sales for the 2003/04 financial year.

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 period and subsequently on-sold a 25% interest to Mittwell Energy Resources Pty Ltd, a wholly owned subsidiary of Mitsui & Co. Ltd. The joint venture also signed a gas contract with TXU conditional on the success of the Casino-3 well.

The Casino-3 well was successfully drilled and tested during the December quarter. The well intersected a gas-saturated reservoir, which extends the gas column in the Casino gas field to approximately 290 metres, confirming AWE's pre drill interpretation of the seismic data. The Casino-3 well also successfully tested the reservoir at a rate of 45 million cubic feet of gas per day, limited by the rig's surface facilities. The results of the Casino-3 well exceeded our pre-drill expectations.

The gas reserves for the field are currently being assessed but initial indications are that proven and probable recoverable gas reserves will be within the range of between 200 to 270 billion cubic feet.

The VIC/P 44 joint venture is encouraged by the results of the Casino-3 well and has accelerated activity on the project to achieve the tight timetable for the development of the field. Concept development and environmental impact studies have commenced for the Casino gas project.

During the half-year, a 484 kilometre seismic survey was also completed in the permit. The survey was designed to upgrade the existing leads and prospects in the western portion of the permit.

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

The joint venture drilled the Cerberus-1 well during the half-year. 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 half-year gross production averaged 26 TJ per day. AWE's share of production for the period was 724 TJ of gas and 1,550 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%)

Following interpretation of the 3D seismic survey in the second half of 2003, the joint venture has confirmed that 2 to 3 wells are expected to be drilled in the permit area in the 2nd quarter of 2004.

The first of the wells, Amokura-1 is to be 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. Subsequently, Pukeko-1 will be drilled some 70 kilometres south of Tui, on a large seismically defined structure. The third well, Kiwi-1 is contingent on the results of the first 2 wells in the programme.

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 during the half-year, 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.

Following the disappointing results from the Bluff-1 well, AWE has elected to withdraw from the permit.

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 half-year. 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.

During the December quarter, the joint venture started re-processing approximately 2,100 kilometres of seismic within the permit area.

PEP 38483, Taranaki Basin, New Zealand (AWE 75.0% and Operator)

The Company was granted a 75% interest in the offshore Taranaki Basin Block, PEP 38483 during the half-year. This permit area is located in the offshore Taranaki Basin, immediately west of the Tui-1 discovery.

The permit was acquired during the "Deepwater" acreage bidding round with a commitment to a work programme including seismic reprocessing and geological studies with an option to conduct a 3D seismic survey and drill later in the permit term.

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

Nothing to report.

3. Capital Raising

During the half-year, AWE successfully raised approximately \$55.7 million in new equity capital through an underwritten Placement and Share Purchase Plan ("SPP"). The new capital will provide the Company with the required equity finance for the future developments at Cliff Head, Casino and Tui and will enable AWE to continue to pursue a significant exploration programme in Australia and New Zealand.

The Placement was made to existing and new institutional shareholders at a price of \$1.08 per share and was several times oversubscribed. The SPP was also completed at a price of \$1.08 per share with 37% of eligible shareholders participating.

These capital-raising initiatives will allow AWE to participate in our exciting growth projects and crystallise the upside in revenue and profits for the benefits of all shareholders.

4. Future outlook

Management has recently focussed on maximising production from our existing assets, while ensuring that the BassGas project development progressed as planned.

However, the Company's further growth will be strongly linked to potential development approvals for the Cliff Head oil field and the Casino gas field.

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

The potential development of the Casino gas field also received added momentum recently when the Casino-3 well was drilled and successfully tested a large gas column at a rate of 45 million cubic feet of gas per day. We are very encouraged by these results and are optimistic of a commercial development decision in Q2 2004.

AWE will also continue to review its existing assets in light of the opportunities for investment in other core areas. This review has resulted in the sale of the Perth Basin assets and the successful acquisition of a further exploration permit in the offshore Taranaki Basin. These transactions have been completed with a view to providing stronger total shareholder returns in the longer term.

Events subsequent to balance date

As noted earlier in this report, during December 2003 AWE finalised negotiations with ARC Energy NL for the sale of the onshore Perth Basin interests, incorporating the equity in the EP 368, EP 413, EP 320 permits and the production licence L11. As part of this transaction a wholly owned subsidiary of the Company, AWE (Perth Basin) Pty Ltd, was sold to Arc Energy NL. Subsequent to the end of the half-year all of the documentation conditions for the company sale were satisfied and completion of the transaction occurred on 2 January 2004. Accordingly, the profit of \$3.0 million on the sale of the company will be recorded in the second half of the financial year.

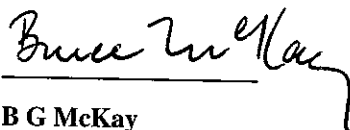
AWE acquired a 50% interest in the VIC/P 44 permit from Strike Oil NL and subsequently on-sold a 25% interest to Mittwell Energy Resources Pty Ltd, a wholly owned subsidiary of Mitsui & Co. Ltd during the period. As part of this transaction, AWE made its final payment of \$11.25 million to Strike Oil NL to retain its 25% interest in the Vic/P 44 permit subsequent to the end of the half-year and committed to Front End Engineering and Design.

Rounding Off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Sydney this 27th day of February 2004.

Signed in accordance with a Resolution of the Directors



B G McKay
Chairman



B J Phillips
Managing Director

AUSTRALIAN WORLDWIDE EXPLORATION LIMITED

(ABN 70 077 897 440)

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2003

Statements of Financial Performance

For The Half-Year Ended 31 December 2003

		Consolidated	
	Note	2003 \$'000	2002 \$'000
Sales revenue	2	4,698	4,676
Cost of sales		(3,636)	(3,298)
Gross profit		1,062	1,378
Other revenue	2	10,864	1,169
Exploration, evaluation and development costs written off		(1,057)	(1,244)
Administration costs		(884)	(741)
Borrowing costs		(16)	(61)
Other costs		(2,804)	76
Profit from ordinary activities before related income tax benefit/(expense)		7,165	577
Income tax benefit/(expense) relating to ordinary activities		885	(246)
Profit from ordinary activities after related income tax benefit/(expense)		8,050	331
Net profit attributable to outside equity interests		-	(6)
Net profit attributable to members of the parent entity	5	8,050	325
Basic earnings per ordinary share (cents)	10	3.55	0.15
Diluted earnings per ordinary share (cents)	10	3.51	0.15

The statements of financial performance are to be read in conjunction with the notes to the financial statements set out on pages 4 to 6.

Statements of Financial Position

As at 31 December 2003

	Note	31 December 2003 \$'000	Consolidated 30 June 2003 \$'000
Current assets			
Cash assets		88,250	43,432
Receivables		3,074	1,867
Other		88	67
Total current assets		91,412	45,366
Non-current assets			
Plant and equipment		258	172
Exploration, evaluation and development expenditure		147,935	99,149
Deferred tax assets		-	3
Other		2	2
Total non-current assets		148,195	99,326
Total assets		239,607	144,692
Current liabilities			
Payables		21,917	24,856
Interest-bearing liabilities		400	600
Provisions		176	165
Total current liabilities		22,493	25,621
Non-current liabilities			
Interest-bearing liabilities		37,211	490
Deferred tax liabilities		-	888
Provisions		61	50
Total non-current liabilities		37,272	1,428
Total liabilities		59,765	27,049
Net assets		179,842	117,643
Equity			
Contributed equity	4	171,785	117,636
Retained profits	5	8,057	7
Total equity	6	179,842	117,643

The statements of financial position are to be read in conjunction with the notes to the financial statements set out on pages 4 to 6.

Statements of Cash Flows

For the Half-Year Ended 31 December 2003

	Note	Consolidated 2003 \$'000	2002 \$'000
Cash flows from operating activities			
Cash receipts in the course of operations		5,697	5,714
Cash payments in the course of operations		(2,925)	(2,172)
Interest received		882	1,118
Borrowing costs paid		(1,066)	(652)
Net cash provided by operating activities		2,588	4,008
Cash flows from investing activities			
Proceeds on disposal of joint venture interests (net of cash balance disposed)		9,230	-
Payments for exploration, evaluation and development		(59,810)	(10,667)
Payments for plant and equipment		(116)	(22)
Net cash used in investing activities		(50,696)	(10,689)
Cash flows from financing activities			
Proceeds from issue of share capital		55,728	-
Payments for costs of equity raising		(1,579)	-
Proceeds from borrowings		39,879	-
Repayment of borrowings		(400)	(450)
Payments for selective reduction of capital of controlled entity		-	(937)
Net cash provided by/(used in) financing activities		93,628	(1,387)
Net increase/(decrease) in cash held		45,520	(8,068)
Cash at the beginning of the financial period		43,432	57,709
Effect of exchange rate fluctuations on the balances of cash held in foreign currencies		(702)	103
Cash at the end of the financial period		88,250	49,744

The statements of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 4 to 6.

Notes to the Financial Statements

For the Half-Year Ended 31 December 2003

1. Statement of Significant Accounting Policies

Basis of preparation of half-year financial report

The half-year consolidated financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting", the recognition and measurement requirements of applicable AASB standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. This half-year financial report is to be read in conjunction with the 30 June 2003 Annual Financial Report and any public announcements by Australian Worldwide Exploration Limited and its Controlled Entities during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

It has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values or fair values of non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and are consistent with those applied in the 30 June 2003 Annual Financial Report.

The half-year report does not include full note disclosures of the type normally included in an annual financial report.

2. Revenue from Ordinary Activities

Revenue from operating activities:

Sales revenue:

Gas

Crude oil

Condensate

Other revenue:

Royalties received

Agency fees

Interest:

Other parties

Revenue from outside operating activities:

Proceeds from sale of joint venture interests

Insurance proceeds

Total other revenue

Total revenue from ordinary activities

	Consolidated 2003 \$'000	2002 \$'000
Gas	3,737	4,178
Crude oil	680	141
Condensate	281	357
	4,698	4,676
Other revenue:		
Royalties received	179	180
Agency fees	3	5
Interest:		
Other parties	932	977
	1,114	1,162
Revenue from outside operating activities:		
Proceeds from sale of joint venture interests	9,750	-
Insurance proceeds	-	7
	9,750	7
Total other revenue	10,864	1,169
Total revenue from ordinary activities	15,562	5,845

3. Individually significant items

Individually significant items included in profit/(loss) from ordinary activities before income tax expense

In the current half year the consolidated entity sold a 15.245% interest in EP413 (containing the Jingemina oil field) and a 32.5% interest in EP368 for a consideration of \$9,250,000. A profit of \$7,139,000 has been recorded in the half year in relation to this transaction. In addition, the consolidated entity disposed of a 25% interest in Vic P/44 for its book value of \$500,000. The written down value of these assets at the date of disposal was \$2,588,000 and this is included in the "Other Costs" category in the Statement of Financial Performance.

	Consolidated	
	31 December 2003	30 June 2003
	\$'000	\$'000
4. Contributed Equity		
Issued and Paid Up Share Capital		
270,594,674 (2002: 218,944,619) ordinary shares, fully paid.	171,785	117,636
Movements in ordinary share capital		
Balance at the beginning of the financial period	117,636	117,636
Shares issued:		
32,091,692 (2003: Nil) for cash pursuant to a placement	34,659	-
19,443,363 (2003: Nil) for cash pursuant to a share purchase plan	20,999	-
115,000 (2003: Nil) from the exercise of options under the Company's Share Option Plan	70	-
Transaction costs arising from the issue of shares	(1,579)	-
Balance at the end of the financial period	171,785	117,636

On 12 November 2003, the Company announced to the Australian Stock Exchange that it was undertaking a capital raising through the placement of 32.1 million shares and, at the same time, the Company proposed a Share Purchase Plan for eligible shareholders. Cash received from the issue of share capital under the placement and share purchase plan was \$54,079,000 (net after transaction costs of \$1,579,000).

	Consolidated	
	2003	2002
	\$'000	\$'000
5. Retained Profits		
Retained profits/(accumulated losses) at the beginning of the half-year	7	(9,786)
Net profit attributable to members of the parent entity	8,050	325
Selective reduction of capital and cancellation of shares in a controlled entity (payments made in excess of outside equity interest)	-	(267)
Retained profits/(accumulated losses) at the end of the half-year	8,057	(9,728)

6. Total Equity Reconciliation

Total equity at the beginning of the half-year	117,643	108,514
Total changes in parent entity interest in equity recognised in statement of financial performance	8,050	325
Transactions with owners as owners:		
Contributions of equity	55,728	-
Transaction costs arising from the issue of shares	(1,579)	-
Total changes in outside equity interest	-	(664)
Selective reduction of capital and cancellation of shares in a controlled entity (payments made in excess of outside equity interest)	-	(267)
Total equity at the end of the half-year	179,842	107,908

7. Contingent Liabilities

There was no material change in contingent liabilities since 30 June 2003.

8. Segment Information

Business Segments

The consolidated entity operates in one business segment, namely exploration, development and production of oil and gas.

9. Events Subsequent to Balance Date

During December 2003 AWE finalised negotiations with ARC Energy NL for the sale of onshore Perth Basin interests, incorporating the equity in the EP 368, EP 413, EP 320 permits and the production licence L11. As part of this transaction a wholly owned subsidiary of the Company, AWE (Perth Basin) Pty Ltd, was sold to Arc Energy NL. Subsequent to the end of the half-year all of the documentation conditions for the company sale were satisfied and completion of the transaction occurred on 2 January 2004. Accordingly, the profit of \$3.0 million on the sale of the company will be recorded in the second half of the financial year.

AWE acquired a 50% interest in the VIC/P 44 permit from Strike Oil NL and subsequently on-sold a 25% interest to Mittwell Energy Resources Pty Ltd, a wholly owned subsidiary of Mitsui & Co. Ltd during the period. As part of this transaction, AWE made its final payment of \$11.25 million to Strike Oil NL to retain its 25% interest in the Vic/P 44 permit subsequent to the end of the half-year and committed to Front End Engineering and Design.

10. Earnings per Share

Earnings reconciliation

	Consolidated	
	2003 \$'000	2002 \$'000
Net profit	8,050	325
Net profit attributable to outside equity interests	-	6
Basic and diluted earnings	8,050	331

Weighted average number of shares used as the denominator

	Consolidated	
	2003 No.	2002 No.
Number for basic earnings per share		
Ordinary shares	226,690,207	218,944,619
Effect of employee share options on issue	2,519,292	1,951,087
Number for diluted earnings per share	229,209,499	220,895,706

Earnings per share

	Consolidated	
	2003	2002
Basic earnings per ordinary share (cents)	3.55	0.15
Diluted earnings per ordinary share (cents)	3.51	0.15

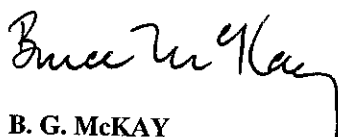
Directors' Declaration

In the opinion of the directors of Australian Worldwide Exploration Limited:

- (a) the financial statements and notes, set out on pages 1 to 6, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2003 and of its performance, as represented by the results of its operations and cash flows, for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Dated at Sydney this twenty seventh day of February 2004.



B. G. McKAY
Chairman



B. J. PHILLIPS
Managing Director

Independent Review Report To The Members Of Australian Worldwide Exploration Limited

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for the Australian Worldwide Exploration Limited consolidated entity ("the Consolidated Entity"), for the half-year ended 31 December 2003. The Consolidated Entity comprises Australian Worldwide Exploration Limited ("the Company") and the entities it controlled during that half-year.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review in order for the Company to lodge the financial report with the Australian Securities and Investments Commission. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements.

We performed procedures in order to state whether on the basis of the procedures described anything has come to our attention that would indicate the financial report does not present fairly, in accordance with the Corporations Act 2001, Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Consolidated Entity's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our statement on the basis of the review procedures performed, which were limited primarily to:

- enquiries of company personnel; and
- analytical procedures applied to the financial data.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

A review cannot guarantee that all material misstatements have been detected.

Independence


In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe the half-year financial report of Australian Worldwide Exploration Limited is not in accordance with:

- a) the Corporations Act 2001, including:
 - i. giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and
 - ii. complying with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements in Australia.


KPMG



Trent van Veen
Partner

Dated at Sydney

this twenty seventh day of February 2004