



ASX Announcement

September 4, 2003

AWE and Mitsui in Casino Deal

Australian Worldwide Exploration Limited on behalf of its wholly owned subsidiary, Peedamullah Petroleum Pty Ltd ("AWE") is pleased to announce the sale of a 25% interest in the Vic P/44 licence to Mittwell Energy Resources Pty Ltd, a wholly owned subsidiary of Mitsui & Co., Ltd, ("Mitsui"). The Vic P/44 licence contains the Casino gas field, where the Casino-3 appraisal well is due to be drilled in the 4th quarter of 2003.

The Transaction

Mitsui will acquire half of AWE's interest in the permit (i.e. a 25% participating interest), on terms similar to AWE's purchase from Strike Oil NL, which was finalised in August 2003. Mitsui shall:

1. Make a cash payment of A\$500,000 (plus interest adjustments) to AWE, following the execution today;
2. Fund a 25% share of the expenditure for the drilling of the Casino-3 appraisal well, 500 kilometres of seismic and some added geological, geophysical and engineering work in the permit. The drilling activity is anticipated to start next month;
3. Make an optional cash payment of A\$11.25 million, payable up to 90 days from the rig release from the Casino-3 well. If Mitsui elects not to make the optional payment, Mitsui will earn a 10% participating interest only in Vic P/44 (rather than the 25% interest being assigned up front).

In addition to these payments, Mitsui will assist in arranging project financing for AWE's share of the development expenditure on the Casino project, on terms acceptable to AWE. By working with Mitsui to secure the project financing for the Casino project, AWE will benefit from Mitsui's knowledge of the banking market and their access to capital.

The transaction is subject to normal regulatory approvals.

Commenting on the sale to Mitsui, AWE's Managing Director Mr Bruce Phillips said:

"We are very pleased to further our relationship with Mitsui, where AWE's technical skills and Mitsui's financial capabilities are set to bring substantial rewards to shareholders of both companies.

This transaction will introduce another strong partner into the Casino joint venture along with our existing partner, Santos. The deal involves Mitsui providing assistance to AWE in the project financing of the development of the Casino gas field, which partially removes the funding risk for AWE and will save considerable management time for the Company.

At the conclusion of this transaction, AWE will be participating in 5 Australian joint ventures (covering 4 basins) with Mitsui, including our development operations in the Bass Basin, the upcoming development decision at Cliff Head, our exploration programme in the Carnarvon Basin and now the appraisal of the Casino gas field.

We look forward to more mutually beneficial operations with Mitsui in the future"

Participants in Vic P/44 and the Casino field following this transaction are as follows:

Peedamullah Petroleum Pty Ltd	
(a wholly owned subsidiary of AWE)	25.0%
Santos Limited (operator)	50.0%
Mittwell Energy Resources Pty Ltd	25.0%

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VIC/P44 LOCATION MAP

