



ASX Announcement

March 3, 2005

AWE increases commitment to oil exploration in Taranaki basin, New Zealand

Australian Worldwide Exploration Limited, on behalf of its wholly-owned subsidiary AWE New Zealand Pty Ltd ("AWE"), is pleased to announce a series of transactions that will result in the company's increased involvement in the exploration of the prospective oil trend in the western Taranaki basin, New Zealand.

The Transactions

1. The PEP 38460 (Tui) joint venture (AWE 20%) is to relinquish the Hector Area in the southern portion of the PEP 38460 block (see attached map);
2. The PEP 38483 joint venture (AWE currently 75% and Operator) is to acquire the same Hector Area as an extension to PEP 38483; and
3. AWE will thereafter farmout a portion of its equity in the enlarged PEP 38483 to its alliance partner, Mitsui, for a partial financial carry through a major 3D seismic survey over the Hector trend.

The transactions, which are subject to regulatory approvals, will result in the following outcome for AWE:

- AWE increases its equity from 20% to 44.317% over a very prospective portion of the prime oil-play fairway in the western Taranaki basin;
- AWE brings its alliance partner (Mitsui) into PEP 38483 in return for a partial financial carry for the acquisition of the Hector 3D seismic survey; and
- AWE will continue as Operator of PEP 38483.

The Forward Work Programme

(a) PEP 38483

AWE and the PEP 38483 joint venture participants will acquire approximately 414 square kilometres of 3D seismic over the Hector Prospect Area (see attached map) in April, 2005.

Seismic data processing and its subsequent interpretation will take several months before prospects can be high-graded for drilling. The work will be fast-tracked with a view to drilling later in 2005 or early 2006.

The Hector area is considered to be highly prospective due to a combination of the favourable reservoir development within the Kapuni "F" sand (the same oil-bearing interval as in the Tui area and Maui B oilfields) and the prime location for oil charge from the adjacent Kahurangi Trough.

Several "F" sand leads have already been identified on the existing 2D seismic and these are the primary objective of the 3D survey. There is also a large stratigraphic trap within the Kapuni "C" sands which is partly coincident with the deeper "F" sand closures.

(b) PEP 38460

In PEP 38460, a 72 square kilometre extension to the Tui 3D Seismic Survey will be acquired immediately before the Hector 3D Seismic Survey. This will be managed by AWE on behalf of the Operator NZ Overseas Petroleum and is expected to be acquired in late March.

The purpose of the Tui 3D Extension will be to fully define the extent of the Pateke oil discovery, which was made in 2004 by the Pateke-2 well.

This work will be conducted in parallel with the Front End Engineering Design work for the development of the Tui area oil fields previously announced to the ASX.

Commenting on the announcement, AWE's Managing Director Mr Bruce Phillips said:

"Since AWE's IPO over 7 years ago we have been positioning the company to gain greater participation in the most exciting exploration plays in New Zealand. This transaction is a positive step in that direction.

"The recent announcement about progress on the Tui Area oil field developments has enhanced our view on the commercial attractiveness of exploration and development opportunities in New Zealand. It is with this view in mind that, subject to regulatory approvals, we intend to increase our participation in exploration with an accelerated programme including the acquisition of a major 3D seismic survey, and if justified, exploration drilling in PEP 38483 later in 2005.

"This programme will be in addition to the significant programme currently envisaged for the adjacent PEP 38460 (Tui) area."

Equities in the two Taranaki Basin blocks upon satisfaction of various conditions, including government approvals, will be:

PEP 38483:

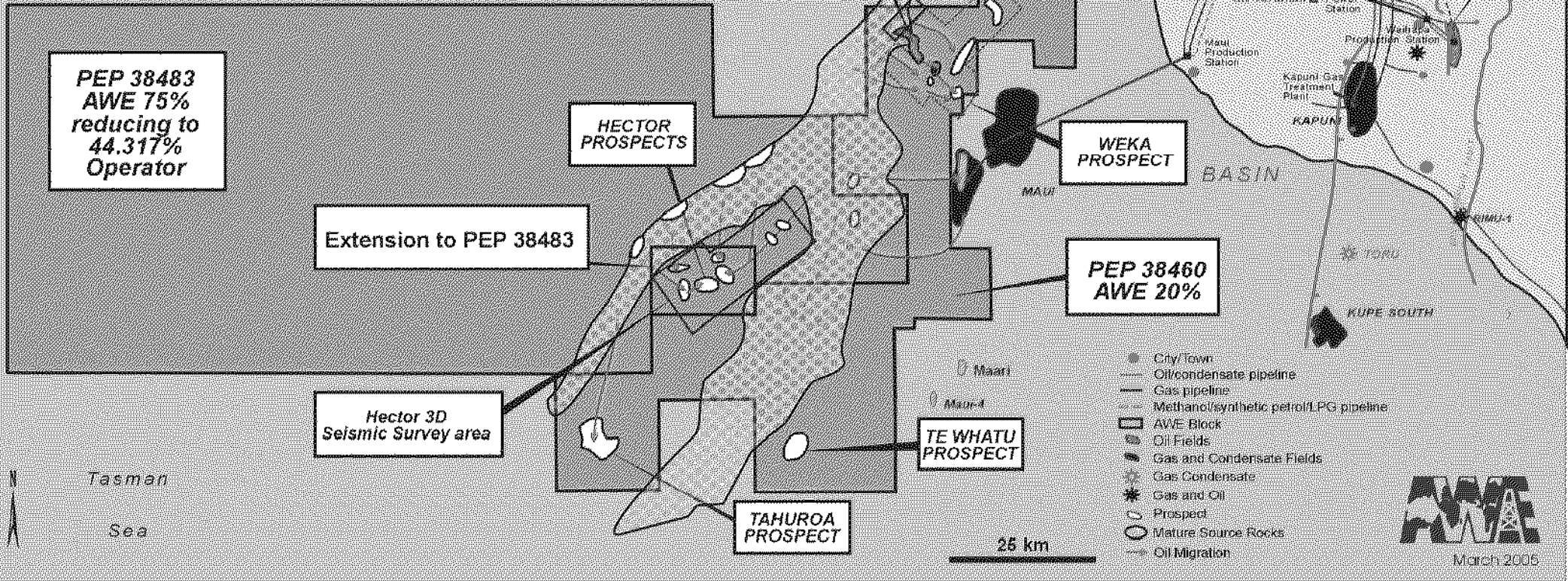
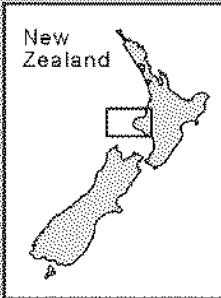
AWE New Zealand Pty Ltd (Operator)	44.317%
Mitsui E&P New Zealand Limited	22.728%
Stewart Petroleum Company Limited	18.864%
WM Petroleum Limited	14.091%

PEP 38460:

AWE New Zealand Pty Ltd	20.0%
New Zealand Overseas Petroleum Limited (Operator)	45.0%
Mitsui E&P New Zealand Limited	12.5%
Stewart Petroleum Company Limited	12.5%
WM Petroleum Limited	10.0%

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TARANAKI BASIN, NEW ZEALAND



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