



ASX Announcement

October 24, 2006

AWE's Cutter-1 drilling report

Australian Worldwide Exploration Limited, ("AWE") reports that at 0600 hours today, the Cutter-1 well was drilling ahead at 1,762 metres. During the week, the well was cased at 714 metres and drilled to current depth. Progress for the week is 1,048 metres.

Cutter-1 is located in PEP 38259 approximately 23 km off the east coast of the South Island of New Zealand and 200 km southwest of Christchurch in the offshore Canterbury basin (see figure 1). The well is being drilled in a water depth of 63 metres and on a "trouble-free" basis is expected to take about 2 weeks to reach a planned total depth of approx 3,000 metres. The Cutter prospect has a potential recoverable volume of approximately 70 to 80 million barrels of oil.

Following completion of operations at Cutter-1, the offshore drilling rig will be relocated to the Taranaki basin, where AWE will operate an eight well exploration and development programme. The first well in this upcoming Taranaki campaign is planned to be Tieke-1.

At the conclusion of the Cutter-1 well, participants in PEP 38259 will be:

AWE New Zealand Pty Ltd ("AWE")	25.0%
Tap (New Zealand) Pty Limited (Operator)	40.0%
Beach Petroleum (NZ) Pty Ltd	20.0%
Anzon New Zealand Limited	15.0%

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