



ASX Announcement

November 6, 2006

AWE's Cutter-1 drilling update

Australian Worldwide Exploration Limited, ("AWE") reports that at 0600 hours today, the Cutter-1 well was completing wireline logging at a measured depth of 2,930 metres. Progress for the week was 903 metres.

The primary objective Shag Point Formation sands were water wet, but gas shows were encountered in sandstones of the shallower Mohiki Formation. Subsequent wireline test data over the interval of gas shows indicate that the formation has poor reservoir quality and is unlikely to be commercially significant.

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 the Taranaki campaign is planned to be Tieke-1.

Participants in PEP 38259 are:

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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