

**ASX Announcement**

August 2, 2004

AWE's Yolla-4 testing update

Australian Worldwide Exploration Limited, on behalf of its wholly owned subsidiary AWE Petroleum Pty Ltd ("AWE"), reports that at 8:30am (Eastern Standard Time) today, the Yolla-4 testing programme was proceeding.

Four zones have been perforated and completed in Yolla-4, three intra-Eastern Valley Coal Measures ("EVCM") gas zones and the newly discovered intra EVCM oil zone. Each zone is being opened to flow through temporary test equipment aboard the Ensco-102 rig to provide productivity data, plus gas/condensate and oil samples for analysis and assay.

Production testing commenced on 30 July, when the Lower EVCM Gas Zone was opened to flow. On 31 July and 1 August, the Upper EVCM Gas Zone and the Intra EVCM Oil Zone were separately opened to flow. The Mid EVCM Gas Zone will be opened for its flow test later today.

The intervals tested so far, and the flow rates recorded, are as follows:

Zone	Interval (mMD)	Flow Test Results
Intra EVCM Oil Zone	2604.0 – 2610.0	Oil to surface in 66 minutes. Metered flow measurement not obtained. Estimated approximate flow of 4,000 barrels per day of 32 degree API oil at 1500 psi on a 40/64" choke, accompanied by 3.4 million cubic feet ("mmcfd") of solution gas per day.
Upper EVCM Gas Zone	2902.5 – 2914.0	32.3 mmcfd + 561 barrels of condensate per day ("bcpd") at 2789 psi on a 52/64" choke.
Lower EVCM Gas Zone	3149.0 – 3157.5	27.2 mmcfd + 297 bcpd at 2810 psi on a 44/64" choke.

Notes:

1. Gas flow rates were controlled to remain within the constraints of the rig's test equipment and to provide suitable conditions for sampling, and do not reflect maximum zone deliverability.
2. Condensate rates reported above are from the separator which is operating at elevated temperature and pressure. Actual condensate content of the gas, and condensate yields during production, will be higher than these levels

Production testing is expected to be completed later today. At the completion of the testing programme, the well will be available for production and the Ensco 102 drilling rig will commence drilling activities for the Yolla-3 well.

The Yolla field is located within the Tasmanian offshore production licence, T/L1 approximately 95 kilometres southwest of Wilson's Promontory and 110 kilometres north of the Tasmanian coastline (see attached figure)

Following completion of the development drilling phase, the Ensco 102 drilling rig will be mobilised to drill the Trefoil-1 exploration well, approximately 40 kilometres west of Yolla.

Commenting on the testing programme, AWE's managing director Mr Bruce Phillips said:

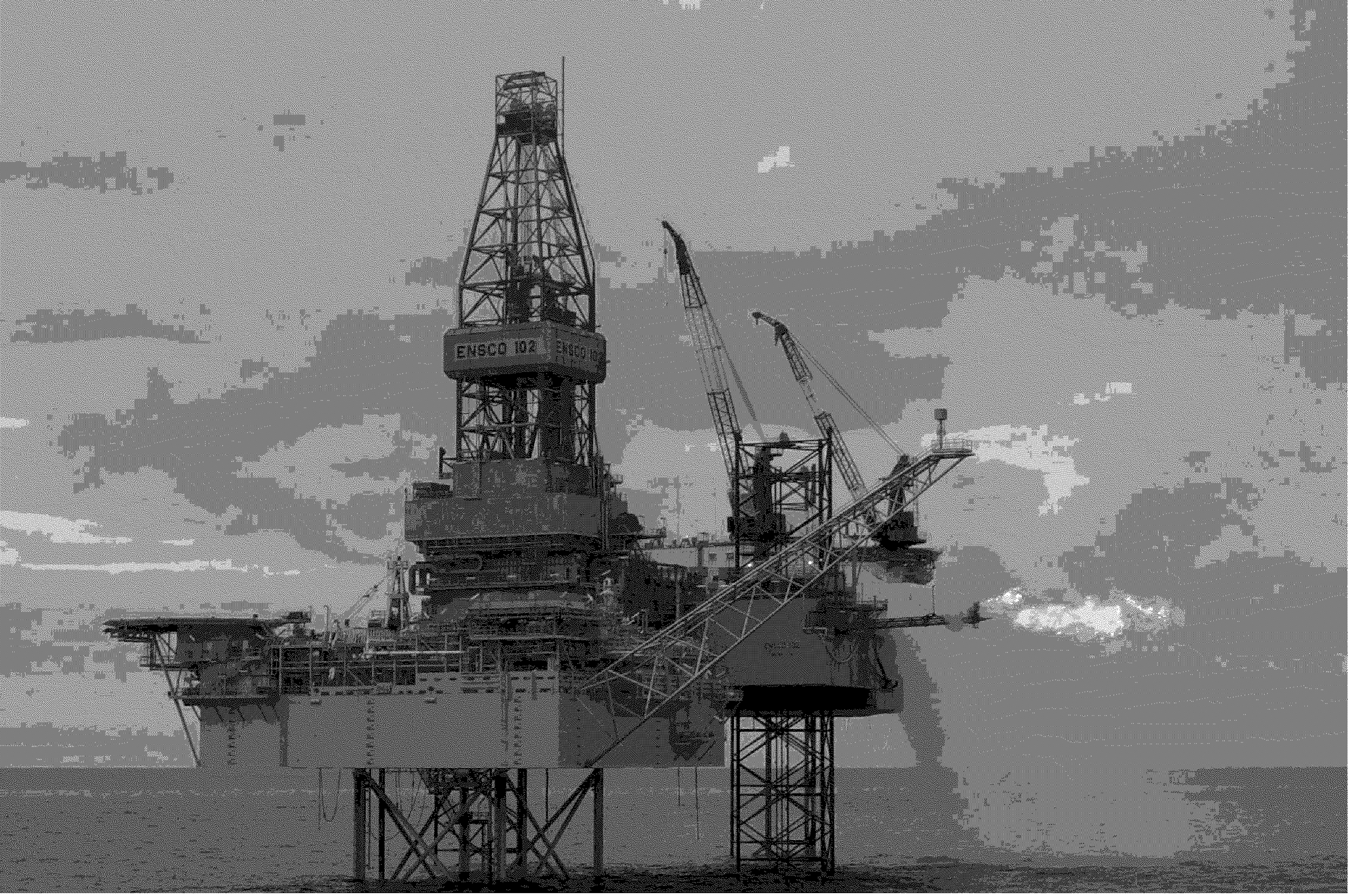
"The gas flow rates are in line with our pre-drill expectations and they mitigate one of the largest remaining risks on the BassGas project. The continuity of the producing sands appears to be good and the flow rates achieved indicate that the Yolla-4 well may be capable of delivering our initial contractual gas volumes.

"The oil flow rate from the new Intra- EVCM is also an unexpected bonus that will hopefully deliver additional value for AWE's shareholders."

Participants in T/L 1 are:

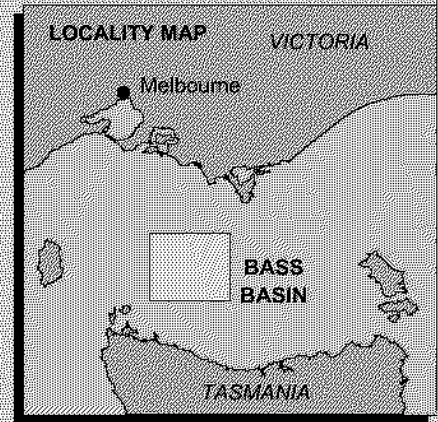
AWE Petroleum Pty Ltd ("AWE")	30.0%
Origin Energy Resources Limited (Operator)	32.5%
CalEnergy (Australia) Limited	20.0%
Wandoo Petroleum Pty Ltd	12.5%
Origin Energy Northwest Limited	5.0%

For further information please contact Mr Bruce Phillips
(Phone: 02 9460 0165 or Fax: 02 9460 0176)
Email: bjphillips@awexp.com.au Website: www.awexp.com.au



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146° 00



Trefoil Prospect
Potential Reserves 300 PJ
36 mmb liquids

White Ibis Field
50 PJ
5 mmb liquids

Yolla Field
323 PJ
31 mmb liquids

Yolla-4

LEGEND

- AWE PERMIT
- GAS FIELD
- LEAD / PROSPECT



**Bass Basin
PROSPECTS AND LEADS**

