



ASX Announcement

July 12, 2005

AWE's Henry-1 commences drilling

Australian Worldwide Exploration Limited, on behalf of its wholly owned subsidiary Peedamullah Petroleum Pty Ltd ("AWE"), advises that the Henry-1 exploration well, located in VIC/P 44 commenced drilling at 1630 hours on 10 July 2005. At 0600 hours today, Henry-1 was drilling ahead at a measured depth of 480 metres.

Henry-1 is located approximately 8.5 kilometres north-west of the Casino gas field, where two successful gas development wells were recently completed. Henry-1 has a planned total depth of 2,012 metres.

The well will target the gas potential of the Waarre Sandstone, which is productive at the nearby Casino gas field. The Henry prospect could contain in excess of 100 petajoules of recoverable gas. If the well is successful, these could be immediately booked as reserves against the existing gas sales agreement with TruEnergy (formerly TXU).

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

"The Henry-1 wildcat exploration well will test an important prospect in the offshore Otway Basin. Apart from commercialising additional reserves, success would be important in upgrading the significant number of gas prospects AWE and its co-venturers retain elsewhere in the Vic/P 44 area."

Participants in VIC/P 44 are:

Peedamullah Petroleum Pty Ltd ("AWE")	25.0%
Santos Limited (Operator)	50.0%
Mittwell Energy Resources Pty Ltd	25.0%

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