



MACQUARIE
ACN 002 574 923

Macquarie Private Wealth



AWE

Business Description

AWE Limited (AWE, formerly Australian Worldwide Exploration Limited) is engaged in exploration, development and production of oil, gas and condensate in Australia, Argentina and New Zealand. AWE concentrate on exploration and appraisal-type assets, in regions of proven prospectivity and where there is a high chance of commercial success.

Strategy Analysis

AWE's focus is on oil and gas exploration and appraisal-type assets, in regions of proven prospectivity and where there is a high chance of commercial success. This focus includes currently marginal fields, whose worth may be improved by alternative and innovative appraisal and development approaches. A key component of value creation is to develop discoveries adjacent to installed infrastructure. Australian Worldwide Exploration reported NPAT down 66% to \$88.58m for the year ended 30 June 2009. Revenue from ordinary activities were \$590.26m, down 28% from last year. Diluted EPS was 17.26 cents compared to 56.82 cents last year. Net operating cash flow was \$392.08m compared to \$509.48m last year. The company declared special dividend of 10 cents per share for the year.

28 July 2010

Recommendation

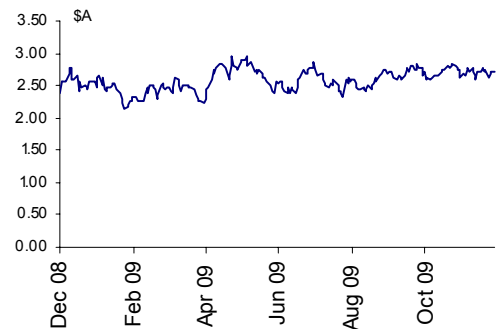
Recommendation: Outperform
Relative to: Small Ind (ex Fins)

Investment Fundamentals

ASX code: AWE
Stock price: \$1.63
Market cap: \$848m

Y/E	30/06/2010	2010e	2011e	2012e	2013e
Reported e	\$m	-13.1	76.4	105.7	134.9
Adjusted e	\$m	-2.9	76.4	105.7	134.9
EPS adjusted	¢	-0.7	14.6	20.2	25.8
EPS growth	%	-102.6	-2278.6	38.2	27.6
PE	x	-241.7	11.1	8.0	6.3
PE relative	x	-17.0	1.0	0.8	0.7
DPS	¢	0.0	0.0	0.0	
Yield	%				
Franking	%	0.0	0.0	0.0	

Share Price



Source: ASX and Company accounts

Segment Performance

Results by Industry	Revenue (%)	Return on Sales (%)	Return on Assets (%)	Annual Shareholders' Return	
				1 year	3 year
Oil & Gas Exploration, Development & Production	100.0	100.0	100.0	-39.0%	-20.0%
Total	100.0	100.0	100.0	-2.0%	15.0%
Dividend Reinvestment Plan					
				No	
Shareholder Discounts					
				No	

Results by Geography	Revenue (%)	Return on Sales (%)	Return on Assets (%)
New Zealand	64.8	178.5	73.4
Australia	35.2	-2.4	-9.2
Other	0.0	-71.8	-13009.3
Total	100.0		

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