

**TOB of AWE Limited
(Australian E&P company)**



18 May 2018
Mitsui & Co., Ltd.

Topics

- 1. Mitsui E&P Strategy**
- 2. Overview of Acquisition of AWE**
- 3. E&P Operatorship**

Basic strategies of Mitsui E&P business



1. Establish a competitive and well-balanced asset portfolio

- ❑ Strengthening existing projects (cost reduction, extending production license, developing new projects)
- ❑ Ensure startup of developing projects
- ❑ Acquisition of competitive assets / Asset recycling

2. Creating value through enhancement of E&P function

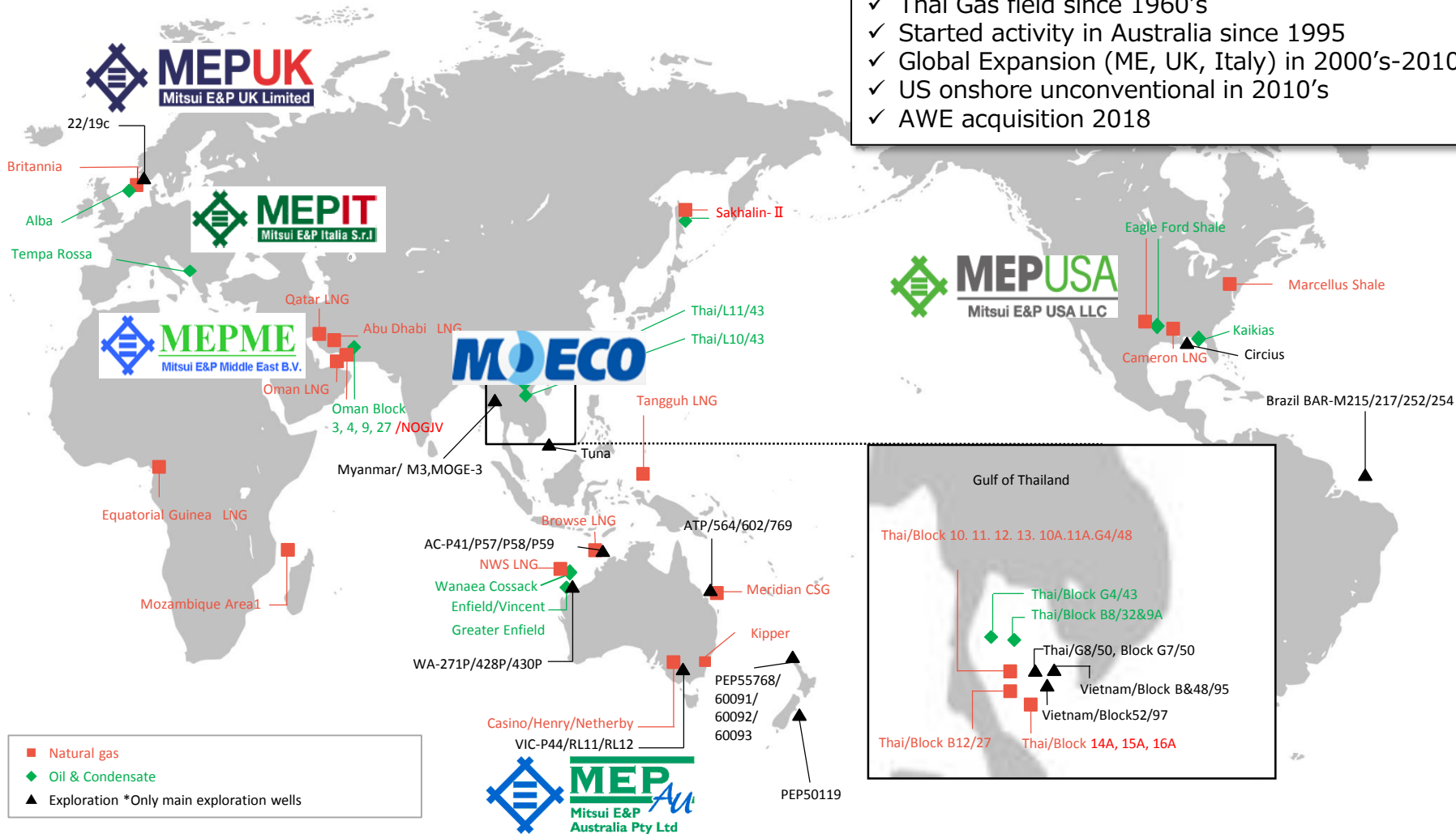
- ❑ Enhancement of E&P function as Business Operator
 - Utilize functions of a “sogo-shosha”, increase presence as operator/partner and take a lead in creating value propositions
- ❑ Embarking on Operatorship
 - Engage in operatorship opportunities where we can draw our own value-up scenario, mainly in areas where Mitsui has accumulated knowledge and expertise.

Asset portfolio of Mitsui E&P business

As of May. 2018

Major Milestones

- ✓ Thai Gas field since 1960's
- ✓ Started activity in Australia since 1995
- ✓ Global Expansion (ME, UK, Italy) in 2000's-2010's
- ✓ US onshore unconventional in 2010's
- ✓ AWE acquisition 2018



Overview of Acquisition of AWE

- ✓ Mitsui has completed a cash takeover offer of A\$0.95 cash per share for the issued shares of AWE Limited (“AWE”) (the “Offer”)
- ✓ The AWE Board unanimously recommended that AWE shareholders should accept the Offer
- ✓ Pursuant to the Australian Corporations Act, Mitsui is currently in the process of compulsorily acquiring all remaining shares in AWE
- ✓ AWE has been delisted from the ASX as of 8th May, 2018.

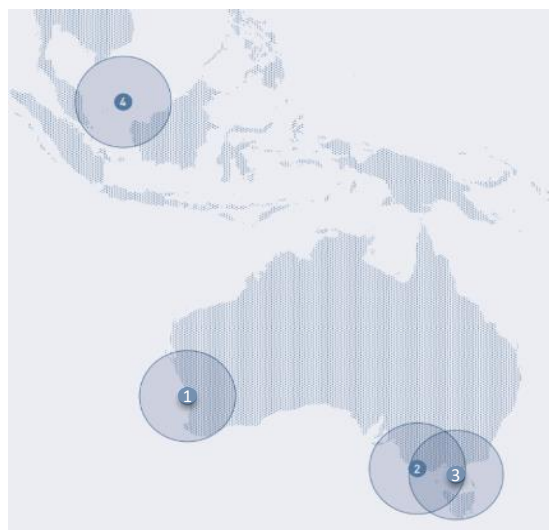
Acquired Interests	96.47%(as at the end of the offer period)
Offer Overview	Acquiring all of the shares (633 Million) in AWE for A\$0.95 cash per share
Period of Offer	12 th February, 2018 – 2 nd May, 2018

Strategic Rational

- ✓ Expanding cost competitive oil & gas portfolio in Australia
- ✓ Acquiring E&P operatorship capability

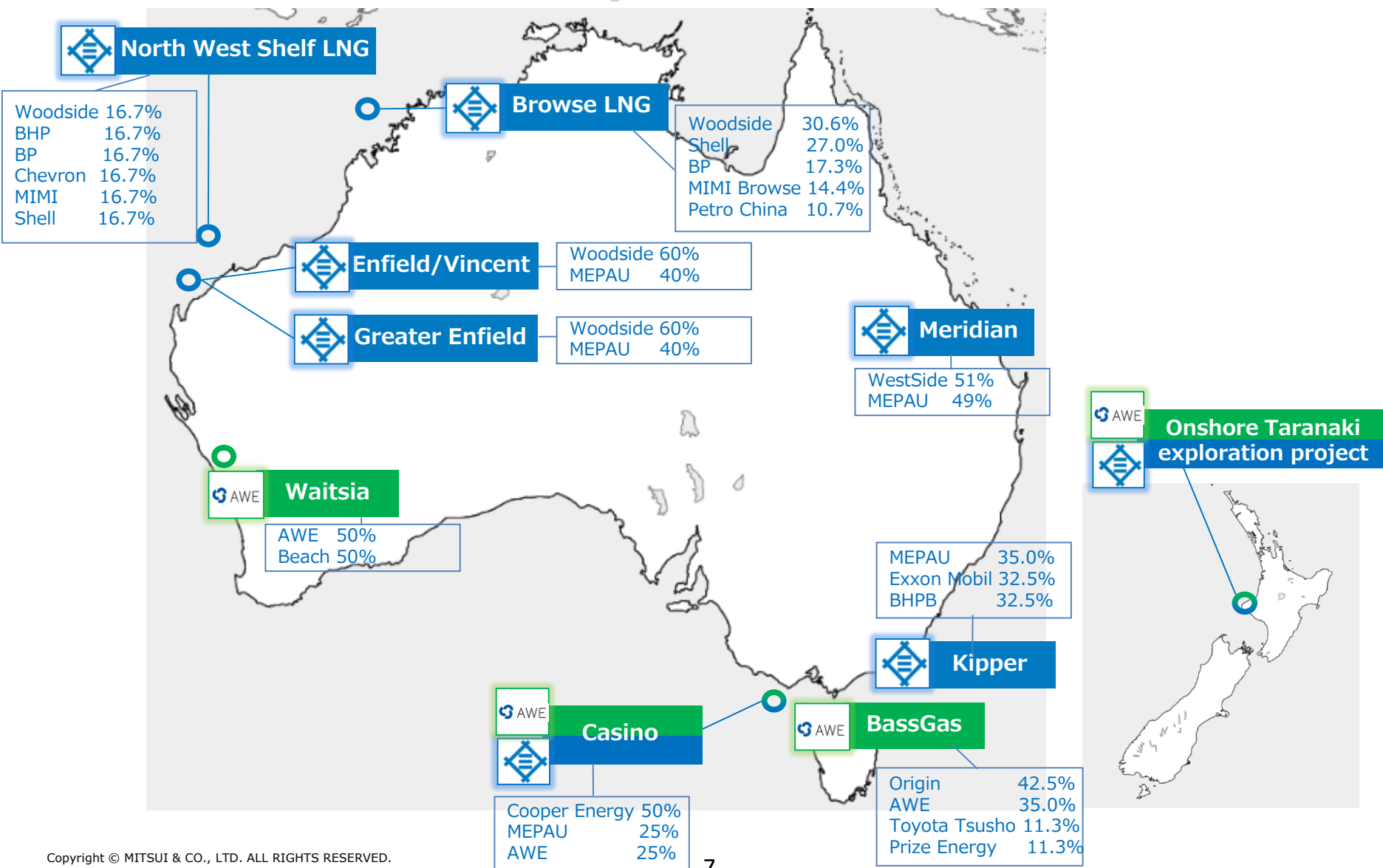
AWE Overview

Establishment	1997
Company Overview	Independent Sydney-based Australian energy company focused on upstream oil and gas opportunities, mainly in Australia, NZ, and Indonesia.
2P Reserves / Production	82MMBOE (As of December 2017) / 2.5MMBOE (Forecast for FY 2018)
Relation with Mitsui	AWE has been the long term partner of Mitsui with good relationship through several joint venture projects since establishment.



	Projects	2P Reserves
①	Waitsia Gas (AWE* 50%)	68.3MMBOE
②	Casino Gas (AWE 25%, MEPAU 25%)	5.6MMBOE
③	Bass Gas (AWE 35%)	6.5MMBOE
④	Ande Ande Lumut Oil (AWE 50%)	**28.4MBOE (**2C Contingent Resource)

New Australia/NZ Upstream Asset Portfolio

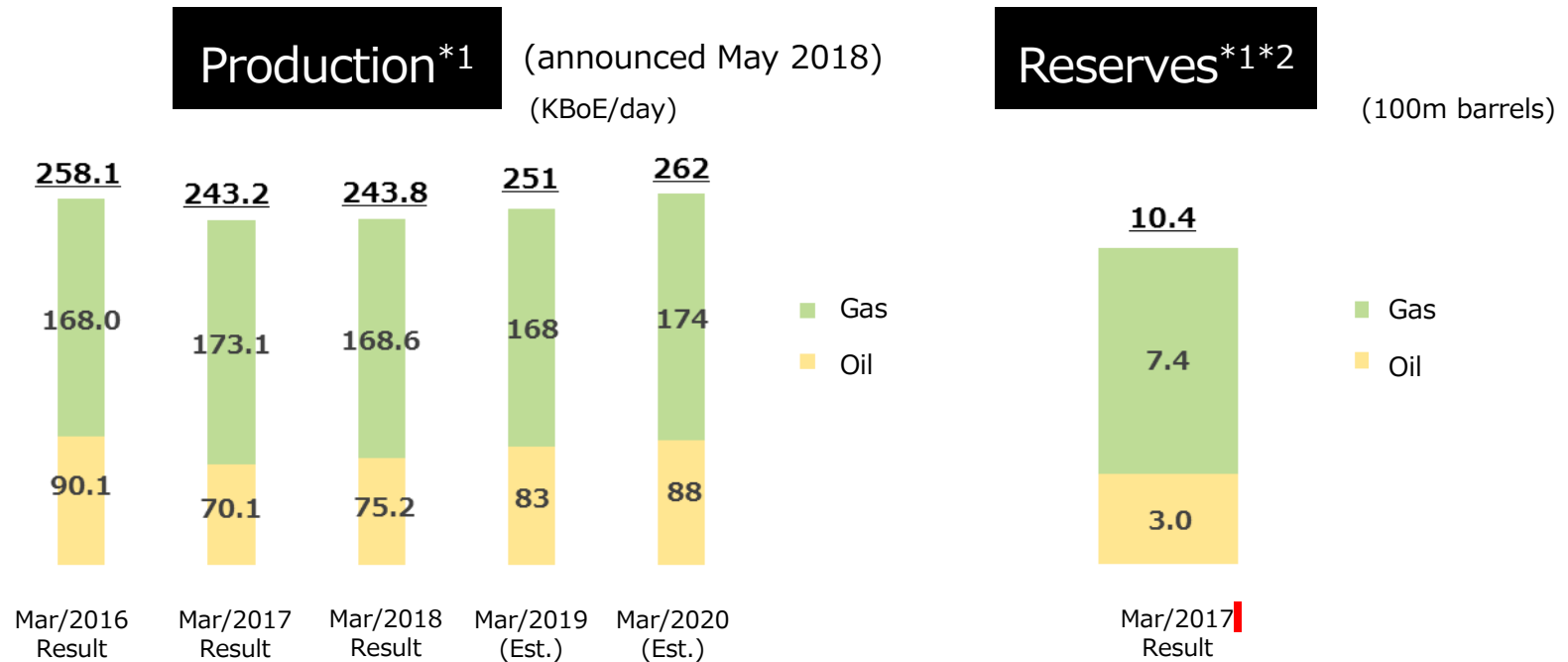


Waitsia Gas Field Overview

Location	350km North of Perth, Western Australia
Recoverable Reserves	777Bcf (820PJ)
Equity holders	AWE Limited 50% Beach Energy 50%
Development Plan	<ul style="list-style-type: none"> ✓ Biggest gas discovery in onshore Australia in the last 40 years. ✓ Capability to supply approximately 10% of Western Australia's domestic market needs (Western Australia is particularly dependent on gas to meet about 50% of energy needs. Consequently a stable demand is expected). ✓ Cost competitive development due to simple design and proximity to demand area. ✓ Significant upside potential in Waitsia expansion and near field exploration. ✓ Active and responsible member of community and successful track record in managing safe drilling operations. ✓ AWE is planning FID in 2018, start of production in 2020.



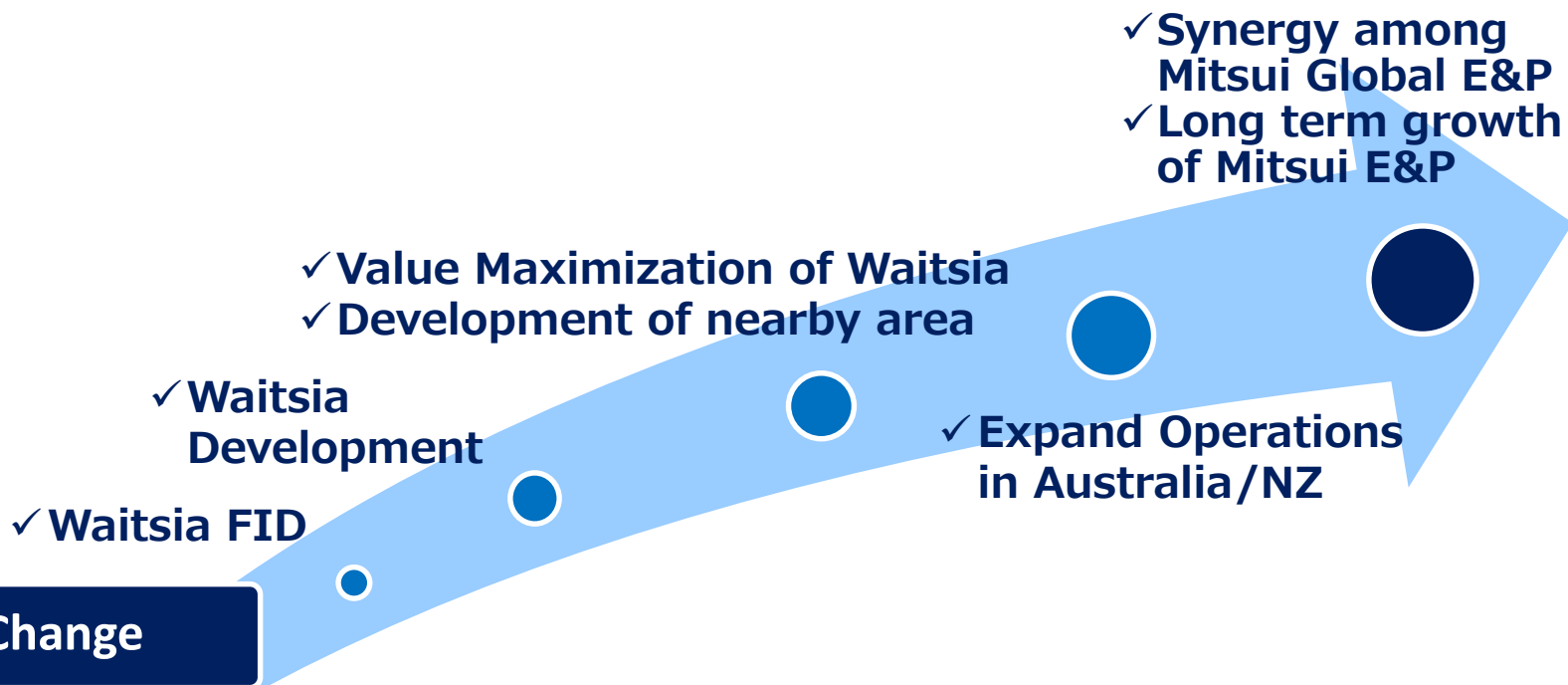
Mitsui's Crude oil & Gas – Equity share of production & reserves



*1. Oil equivalent
Mitsui's equity share of interests of consolidated subsidiaries, affiliates and non-consolidated interests

*2. According to Mitsui's assessment standards

Direction Overview as E&P Operator



Step Change

<u>Milestones in Oceania</u>	
✓ Wandoo	1995 ※
✓ Cliffhead(Discovered)	2002 ※
✓ Yolla(BassGas)	2002 ※
✓ Casino	2003
✓ Tui	2003 ※
✓ Enfield/Vincent	2004
✓ Meridian CSG	2010
✓ Kipper	2015
✓ Greater Enfield FID	2016

※ Discontinued/exited projects

360° business innovation.



MITSUI & CO.