

ASX: NWE

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ASX Announcement

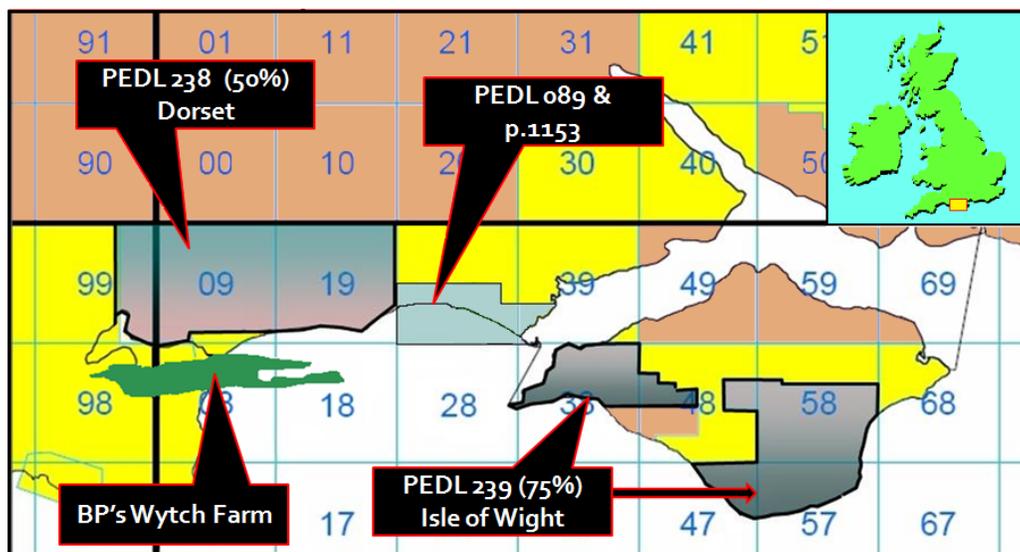
Norwest Energy begins high-resolution Ground Gravity Survey in the Wessex Basin, South of England, UK

Norwest Energy (ASX: NWE) advises a high-resolution ground gravity survey is now underway in the company's PEDL 238 exploration license (Norwest - 50% interest and operator) in Dorset along the coast of Southern England.

Through its experience in Southern England, Norwest has developed in-house expertise in acquiring and interpreting high-resolution gravity survey data, including both ground gravity surveys and more sophisticated airborne FTG (full tensor gradiometry) gravity surveys. Data from these gravity surveys can be meshed with existing seismic and other data to cost-effectively give a much clearer picture of local geology.

The high-resolution gravity survey will help Norwest further assess the oil and gas potential of PEDL 238. In a similar survey conducted in the eastern half of the permit last October, more than 400 readings were taken. The results of that survey have helped define two prospects in that part of the license.

The initial survey also flagged a potential third lead in the southwestern part of PEDL 238 where little seismic data exists. Considering its location just north of the giant Wytch Farm oil field, this third lead could be highly significant.



Norwest's UK South of England acreage position.

Two-week field survey in progress

For the next two weeks, Norwest will have a two-man field crew collecting ground gravity readings in Dorset, Southern England using a high-resolution Scintrex gravity meter. The survey will cover an area south and west of Poole Harbour in the PEDL 238 license. It will in-fill previous gravity results acquired late last year that are being used to help identify basement-involved prospects at depths of 1800 to 2000 metres.

The field crew anticipates collecting about 200-300 gravity readings over the two-week period. Once completed, the results of the survey will be used to further enhance Norwest's assessment of the oil and gas potential of the South of England.

Southern England is not generally recognised as having significant potential for oil and gas discoveries. But this underexplored region contains Western Europe's largest onshore oil field – Wytch Farm, which holds close to 500 million barrels of oil, as well as large quantities of natural gas and gas liquids. Norwest's UK acreage is close to Wytch Farm, indeed in the case of PEDL 238, it is immediately north of the field.

High-resolution gravity vs Airborne FTG gravity

Norwest is also currently preparing to shoot an airborne FTG (full tensor gradiometry) gravity survey over some of its Western Australian acreage in the Perth Basin. There are several differences worth noting between these two types of gravity surveys.

High-resolution ground-based gravity measures one dimension of the earth's gravity field and is much more cost-effective for smaller onshore areas that do not have very complex geology (such as the PEDL 238 license area). This type of survey can be used to fill in small gaps in an existing dataset or to focus on individual prospects. However, ground gravity is restricted to onshore areas and should not be used in areas with complex geologic structures.

In contrast, airborne FTG is expensive compared with ground based gravity, but it can measure the variation of gravity in three dimensions, rather than the single dimension measured by a ground gravity meter. This results in a finer resolution and a more detailed assessment of the subsurface geology, especially in areas with structurally complex geology.

Earlier this year, Norwest acquired a large regional airborne FTG survey over another English permit – PEDL 239 on the Isle of Wight – to help in understanding the block's complex geology. As it is an airborne technology, an FTG gravity survey is more cost-effective when covering very large areas. Airborne FTG can cost two or three times more than high-res ground gravity surveys. However, both airborne and ground gravity surveys are much cheaper than acquiring new seismic data or drilling a new well (which can cost several million pounds). Therefore they are a cost-effective way to reduce risk when assessing an area's oil and gas prospectivity.

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