

ASX: NWE

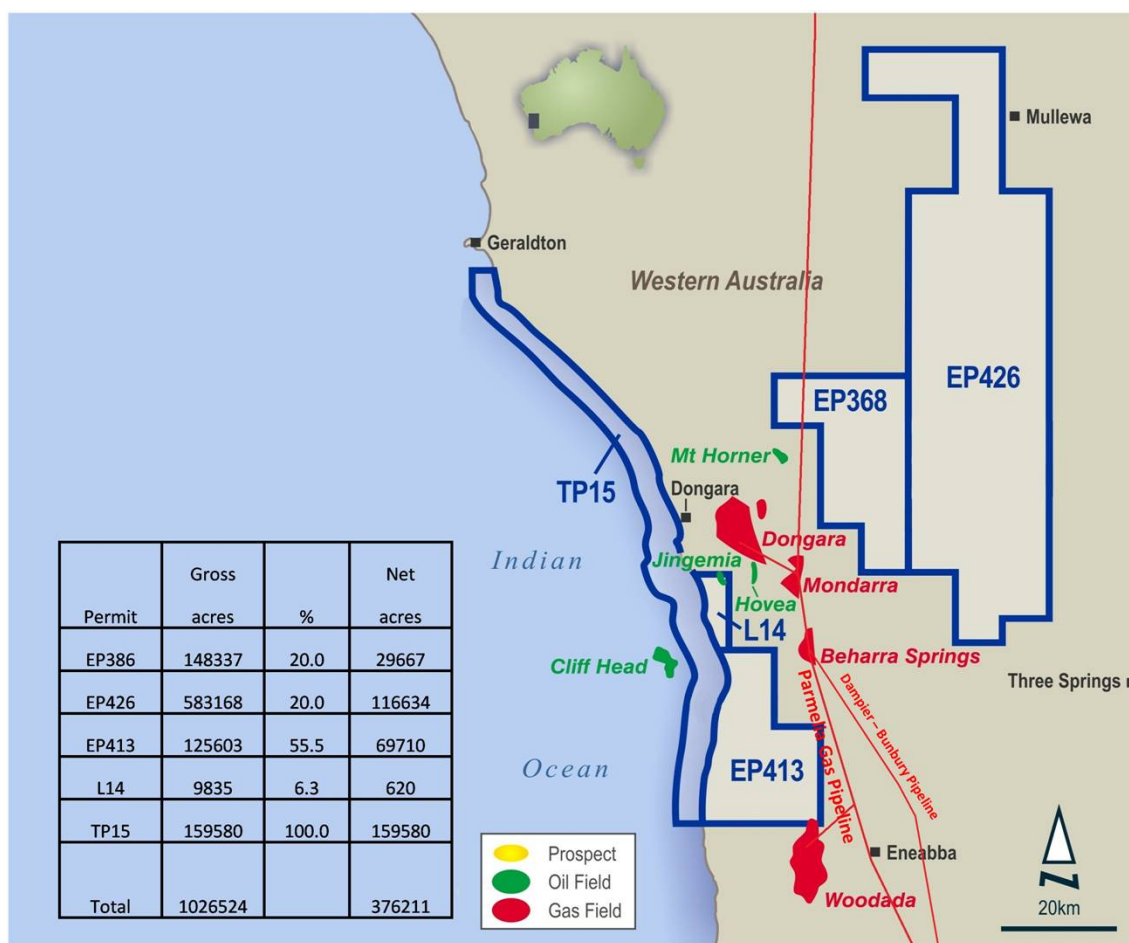
19 March 2010

ASX Announcement

Norwest has vast potential for shale gas in Perth Basin

Norwest (ASX:NWE) notes with interest the release to ASX by AWE (ASX:AWE) on 17 March 2010 stating that it is pursuing shale gas in the Perth Basin.

In particular AWE refers to its acreage interest in the basin including EP413. Norwest has a 55.606% interest in EP413. In addition Norwest has interests in other permits in the Basin with shale gas potential. The total acreage, net to Norwest, is 376,211 acres (1522.5sq.km).



Norwest is watching AWE's activities with interest as it progresses its shale gas initiatives. AWE is currently conducting its Woodada Deep Coring program to test the shale gas potential of the Woodada licence that adjoins the southern boundary of EP413.

Given Norwest's acreage interest in the basin, the company is well placed to capitalise on the shale gas play in the event that AWE has success with its Woodada Deep shale gas testing program.

Norwest is in a particularly strong position because:

- The company's acreage contains three shale sequences that are present throughout the basin – the Kockatea Shale, the Carynginia Formation and the Irwin River Coal Measures;
- Target shale sequences are up to 1000m thick (within EP413);
- The WA gas market is strong with LNG netback pricing;
- The company has extensive acreage with a Norwest permit footprint of more than 1,000,000 acres (about 4050sq.km) (with 376,211 acres (1522.5sq.km) net to Norwest);
- The Perth Basin has existing infrastructure, including pipelines

“The Perth Basin shale gas potential is of significance to Norwest,” said chief executive Peter Munachen. “If you follow the US shale gas plays such as the Marcellus and Barnett, it's all about acreage. We have the acreage and we know that the shale is present throughout the Basin. It's now about dealing with the technical issues such as determining the recoverability of gas and whether it will be a viable commercial proposition.”

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