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**ASX: NWE**

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## **ASX Announcement**

### **NORTH ERREGULLA SEISMIC MAPPING IS INTERPRETED AS THE LARGEST UNDRILLED TILTED FAULT BLOCK IN THE EP 368/426 PERMITS, ONSHORE NORTH PERTH BASIN WHERE THERE IS AN ESTIMATED 66 MILLION BARRELS OF POTENTIAL RECOVERABLE OIL RESERVES**

Norwest and its joint venture partners are continuing to focus the Company's attention to the potential for further oil and gas discoveries in the onshore Perth Basin, following Empire Oil & Gas NL's (ASX:EGO) success at Gingin West-1 in EP 389.

Empire, as Operator, has re-mapped the seismic data set over the North Erregulla structure which straddles the boundary between EP 368 and EP 426. The North Erregulla-1 well was drilled by WAPET on the North Erregulla structure in 1967. Drill stem tests ("DST's") within the well confirmed a live oil system with DST-1 recovering 72.5 litres of 380 API oil from the Arranoo Member (a sandy member within the Lower Triassic Kockatea Shale) and DST-2 recovering 30 litres API oil from the Permian aged Dongara Sandstone located immediately beneath the known source rock, the Hovea Member of the Kockatea Shale. DST-3 recovered 22 barrels of salt water from the Dongara Sandstone thereby defining the approximate oil/water contact in the structure.

The new interpretation has outlined the largest undrilled fault block structure in the north Perth Basin. Estimated potential recoverable reserves, if the structure is filled to the oil/water contact defined by North Erregulla-1, are 9 million barrels oil in the Arranoo Member and 57 million barrels oil in the Dongara Sandstone. These potential reserve estimates are conceptual and will require future exploration drilling to confirm them.

There is also the potential for an estimated 300 Billion Cubic Feet of Gas to be trapped in deeper reservoirs of the Irwin River Coal Measures and High Cliff Sandstones. The majority of the structure as currently mapped is located in EP 368.

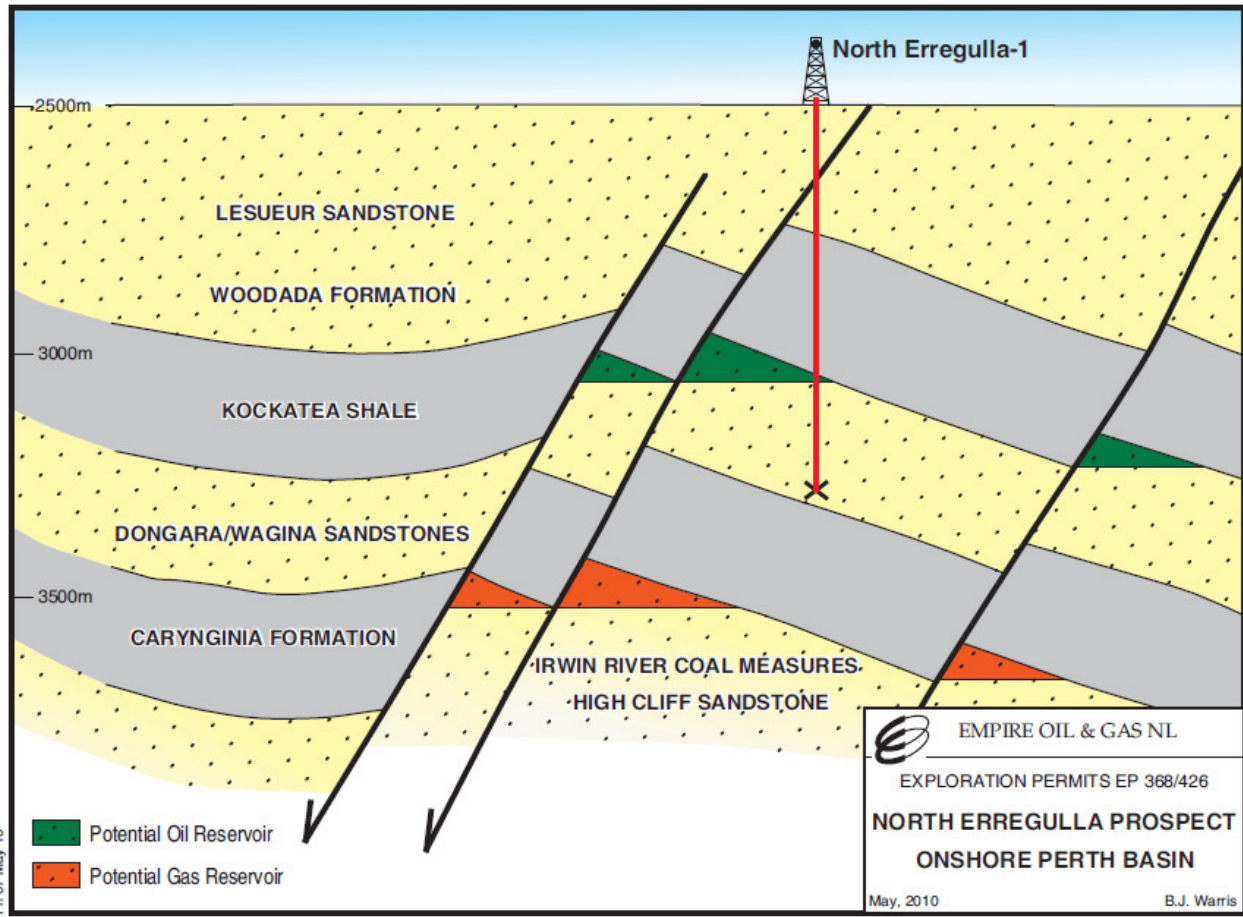
Empire, the Operator of both permits, is currently reprocessing the existing seismic data set and will incorporate the interpretation of this reprocessed seismic into the interpretation of the airborne Full Tensor Gradiometry data, recorded in late 2009, to assist in the delineation of the North Erregulla structure. Due to the complexity of the faulting over the structure, Empire considers the appropriate programme for the EP 368 and EP 426 permits will be to record a 3D seismic survey prior to drilling this exciting prospect in this oil prospective part of the north Perth Basin. Planning of this 3D seismic survey is in progress.

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