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ASX: NWE

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ASX Announcement

Norwest to farm-out EP413 and TP15 interest's to Indian upstream company Bharat PetroResources Limited

Indian upstream company, Bharat PetroResources Ltd ("BPRL") has executed a letter of intent with Norwest (ASX: NWE), for a farm into two of Norwest's Perth Basin permits-EP413 and TP/15, by providing up to \$15m in exploration and drilling funding.

BPRL will contribute up to A\$10m towards the drilling and testing program to evaluate the shale gas potential in EP413 to earn 50% of Norwest's 55.606% interest.

In Norwest's fully owned TP/15 permit, BPRL will provide up to A\$4.5m of the estimated costs of A\$7.5m of the drilling costs for Red Hill South (including testing and completion, and geological and geophysical studies) to earn 50% interest in the permit. NWE will fund up to A\$3m of the total estimated drilling program.

Norwest will also receive re-imburement of A\$500,000 of past costs from BPRL

BPRL has received the necessary approvals to proceed with the transaction and is currently conducting its formal due diligence process, to be completed within 20 days of the date of this announcement. The farm-out transaction is also subject to Western Australian Department of Mines and Petroleum approval.

About BPRL

Bharat PetroResources Ltd is a wholly owned subsidiary of Bharat Petroleum Corporation Ltd, a government company engaged in refining and marketing of petroleum products. BPCL is quoted on the Bombay Stock Exchange and is listed at number 307 in the 2010 Global Fortune 500.

BPRL is the upstream arm of BPCL with both Indian and worldwide exploration projects.

Norwest CEO Peter Munachen said " Norwest was very pleased that BPRL will join these two Perth Basin projects. We have worked with them previously on AC/P32 in the Timor Sea and on the Cobra gas project in the UK North Sea waters. Through those projects we developed a strong working relationship and respect for each other and we look forward to working with them again for our mutual success."

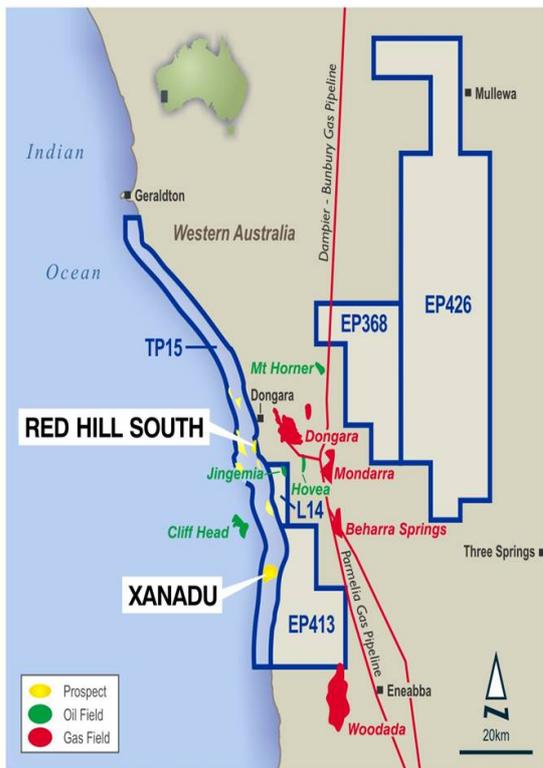
Drilling

Norwest plans to drill at both EP413 and TP15 by the end of 2010 or early 2011 and is in the process of sourcing a suitable drill rig capable of drilling both drill targets.

EP413 is considered to have good potential for shale gas and it is proposed to drill at Arrowsmith. In the 1960's, Arrowsmith 1 flowed gas at 4MMcf/d. In the event of success, commercial quantities of gas would readily find a market.

EP413 is close to the Dampier to Bunbury, and Parmelia gas pipelines and near to the Perth/Southwest industrial and domestic markets. WA also has large unmet future gas demand underpinned by gas prices of circa \$8mcf. These factors augur well for Norwest.

The Red Hill South prospect in TP/15 has potential oil recoverable of 9MMbbl. Well planning and permitting is advanced and subject to sourcing a suitable drill rig will be drilled towards the end of Q4/2010 or early 2011.



TP 15 Leads & Prospects	Potential (million barrels)	
	In Place	Recoverable
Capel	134	40
Smithbook	74	22
Xanadu	90	28
Red Hill Sth	34	9
Baldivis	24	7
Rosabrook	10	3
Metricup	7	2
Total	373	111

Permit	Gross Acres	Net Acres
EP368	148,337	29,667
EP426	583,168	116,634
EP413	125,603	69,710
L14	9,835	620
TP15	159,580	159,580
Total	1,026,524	376,211

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