



**NORWEST ENERGY NL**  
288 Stirling Street  
Perth, Western Australia, 6000  
PO Box 8260, Perth Business Centre  
Western Australia, 6849

ABN: 65 078 301 505  
Tel: +61 8 9227 3240  
Fax: +61 8 9227 3211  
Email: [info@norwestenergy.com.au](mailto:info@norwestenergy.com.au)  
Web: [www.norwestenergy.com.au](http://www.norwestenergy.com.au)

**ASX: NWE**

**29 December 2010**

## **ASX Announcement**

- **Redhill South on target for February 2011 spud**
- **Pro-rata option issue to shareholders and placement to raise \$2million**

**Norwest Energy NL (ASX:NWE)** is on target to drill Redhill South in February 2011. The Company is working with Hunt Energy to spud the well on 14 February 2011. The water bore has been completed and the drill site and lease preparation is in progress.

Norwest has already executed a Letter of Intent (LOI) with Hunt Energy & Mineral Australia Pty Ltd (Hunt) to secure the February drill slot. It was intended that the formal drilling contract would be executed by the end of 2010, however the holiday break interrupted the progress and it is now expected to execute in the first week of the New Year.

The Redhill South prospect is estimated to have potential recoverable oil of 9MMbbl. The target reservoir is at a depth of 1,580 metres (TD is at 1,910 metres) and is approximately 100 metres offshore. The well will be drilled from an onshore location about 200 metres inland and approximately 3km south of Port Dennison. It is anticipated that target reservoir depth will be reached towards the end of February 2011.

In September Norwest entered into an Agreement to farm-out a 50% interest in TP15 to BharatPetro Resources Limited (BPRL). Under the agreement BPRL will contribute \$3m to the dry hole cost of the Redhill South well and Norwest \$2m. The parties will contribute equally to the cost of testing the well. BPRL is also required to re-imburse \$500,000 to Norwest for past costs. The agreement is subject to approval by the Western Australian Department of Mines and Petroleum which is expected to be

received shortly. BPRL has received the consent of the FIRB to proceed with the transaction.

**Pro-rata Option issue**

Norwest has today made a separate announcement advising of a one for seven (1/7) non renounceable pro-rata issue of 104.5 million options at an issue price of \$0.0075 per option to shareholders. Full details of the terms and conditions are contained in the announcement.

It is expected that in the event of success of both, or either of Redhill South and Arrowsmith #2 wells, considerable capital will be required to develop these projects. The directors consider the offer of the options at present, at the very moderate issue price of \$0.0075 each, will afford shareholders the opportunity to acquire further shares at a fixed price in future. In the event of subscribing to the offer and then ultimately converting the options to shares they will not only contribute to the funding of these projects but also participate in the growth of the Company.

**Placement to Sophisticated Investors**

In conjunction with the Option Issue the Company has placed 28.2million shares at an issue price \$0.044 per share to raise \$1,250,000.

The combined issue of options and shares will raise approximately \$2million to assist with exploration activities and supplement working capital.

Peter Munachen  
Director/CEO  
**Norwest Energy NL**

**For further information:** please contact Peter Munachen or Ernie Myers on 08-9227 3240, or email [info@norwestenergy.com.au](mailto:info@norwestenergy.com.au).

**Media and Investor Enquiries:** please contact Fortbridge on +612 9331 0655, or Bill Kemmery on +61 (0) 400 122 449