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ASX: NWE

29 December 2010

The Manager Announcements
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Pro-rata non-renounceable entitlement issue of approximately 104.5million options at \$0.0075 each and placement of 28.4million shares at an issue price of \$0.044 per share to raise \$1,250,000.

Norwest Energy NL (ASX: NWE) (“ Norwest”) is pleased to announce a \$2m equity raising to provide exploration funds for its ongoing Australian and UK exploration activities and to supplement working capital.

The equity raising will comprise:

Issue of approximately 104.5million Primary Options to raise \$784,404

- The Non-renounceable Entitlement Offer will be made on the basis of One (1) Norwest Primary Option for every Seven (7) existing Norwest Shares held at 5pm Perth time on 19 January 2011 (“Record Date “). The Primary Option issue price is \$0.0075 per option entitling the holder to subscribe for one share for every option held at a price of \$0.10 per share on or before 30 June 2012. The Primary Option Issue will raise approximately \$784,404 before costs and will be fully underwritten by the Directors of Norwest. The Company will seek to have the Primary Options quoted on ASX.
- In addition, in the event of the holder of a Primary Option exercising their option prior to 30 September 2011, to convert the option to a fully paid share by paying the amount of \$0.10 per share, then the party pursuant, to an offer document to be registered in October 2011, will be offered the right to apply for a further option (“Secondary Option”) that will entitle the holder to exercise that option on or before 30 June 2013, at an exercise price of \$0.20 per share.
- Primary Options not exercised by 30 September 2011 will continue until 30 June 2012 however the future entitlement to the “Secondary Option” will lapse at 30 September 2011 if not exercised by that date. Primary Options not exercised by 30 June 2012 will expire. No funds will be raised by the grant of the Secondary Options and the Company will not seek to have the Secondary Options Listed during the currency of Listed Primary Options.

Placement to sophisticated investors of 28.4 million fully paid shares at an issue price of \$0.044 (4.4 cents) per share to raise \$1.25million.

The placement of 28,409,091 shares at an issue price of \$0.044 will raise \$1.25m before costs and is to sophisticated investors pursuant to Section 708 of the Corporations Act 2001. The issue price is at a discount of 36% to the last closing price of \$0.06 on 23 December 2010. The parties receiving the placement shares will be entitled to participate in the pro-rata Primary Option entitlement issue.

The new shares issued pursuant to the Placement will rank equally with existing Norwest ordinary shares.

The Company will apply to ASX for quotation of the new shares.

Key Dates:

Lodgment of Prospectus with ASIC & ASX	4 January 2011
Ex Date: Shares quoted ex-Entitlement	13 January 2011
Record Date	19 January 2011
Prospectus despatch to Shareholders & Rights issue opens	25 January 2011
Closing date	11 February 2011
New options quoted on a deferred settlement basis	14 February 2011
Despatch of holding statements & deferred settlement ends	21 February 2011
Quotation of New Options	22 February 2011

Yours faithfully,

Peter Munachen
Chief Executive Officer/Director

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