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ASX: NWE

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ASX Announcement

- **Norwest swaps Hunt 3 rig for 2 rig to drill Red Hill South**
- **Redhill South remains on target for February 2011 spud**

Norwest Energy NL (ASX:NWE) has been offered Rig 2 by Hunt to drill Red Hill South. Rig 2 has become available and is better suited to drill Red Hill South. The Company has executed a Letter of Intent to secure Rig 2 and is awaiting the formal contract that it expects to execute shortly.

The 14 February 2011 spud date is unchanged.

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.

Peter Munachen
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