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4 January 2011

Dear Shareholder,

Non-renounceable Rights Issue of Options with Free “Piggy Back” Option

On 31 December 2010 Norwest Energy NL (NWE) announced a one (1) for seven (7) non-renounceable pro rata rights issue of options (Primary Option) at an issue price of 0.75 cents for each new option, exercisable at 10 cents expiring on 30 June 2012. If the Primary Option is exercised prior to 30 September 2011, it will entitle the person (“Applicant”) exercising the option to a Secondary Option exercisable at 20 cents and expiring on 30 June 2013.

The Rights Issue will result in the issue of 104,587,252 new options and will raise an estimated \$784,404 before costs. The funds raised will be applied (after Rights Issue expenses) towards working capital purposes.

The Rights Issue is open to existing shareholders In Australia and New Zealand.

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the Listing Rules of ASX Limited (“ASX Listing Rules”), that it would be unreasonable to make offers under the Prospectus to all countries outside of Australia and New Zealand. Accordingly, in compliance with ASX Listing Rule 7.7.1 (b), the Company wishes to advise you that it will not be extending the rights Issue to you.

Yours faithfully
For and on Behalf of the Board
Norwest Energy NL

EA Myers
Company Secretary