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ASX: NWE

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ASX Announcement

- **Norwest executes contract with Hunt for Rig 2 to drill Red Hill South**
- **Red Hill South remains on target for 14 February 2011 spud**
- **DMP approval and advice of registration of Bharat PetroResources Limited transfers received for both TP15 and EP413**

Norwest Energy NL (ASX:NWE) through its wholly owned subsidiary Westranch Holdings Pty Limited (“Norwest”) have today executed a contract with Hunt Energy & Mineral Co Australia Pty Ltd (Hunt) to drill the Red Hill South 01 Well with Rig 2. In addition advice was also received today that the Western Australian Department of Mines and Energy had approved and registered the transfer of equity in each of TP15 (50%) and EP413 (27.803%) to Bharat PetroResources Limited.

Peter Munachen, Norwest’s CEO commented “This is very significant for Norwest and sets the stage for drilling to commence on the target date of 14 February 2011 and as well with the registration of the BPRL interest was the final condition to be met for BPRL to contribute \$3m towards the Red Hill South estimated drilling cost of \$5m.”

The Red Hill 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 Red Hill 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.

Peter Munachen
Director/CEO
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