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**ASX: NWE**

**9 February 2011**

## **ASX Announcement**

### **Update - Red Hill south drilling program**

### **Spud date extended to 21 February 2011 due to wet weather in Central Australia**

**Norwest Energy NL (ASX: NWE)** advises that the mobilization of Hunt rig 2 has been delayed due to wet weather throughout Central Australia. It is now anticipated that Red Hill south will spud on 21 February 2011.

The Hunt rig 2 recently completed a contract in the Cooper basin at the Stuart Petroleum operated Acrasia #5 development well. The rig was subsequently mobilised to Port Augusta to prepare for transportation to Western Australia. Heavy rains in South Australia have impeded transport of the rig and subject to weather it is expected that the convoy of thirty trailer loads of equipment will arrive at the Red Hill South drill location over the next ten days, with the aim to spud Red Hill south on or about 21 February 2011.

The Red Hill South prospect is estimated to have potential recoverable oil of 9MMbbls. 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. With the extended spud date of 21 February it is now anticipated that target reservoir depth will be reached early March.

Strachan Corporate in their December 2010 analysis of Norwest's assets reported that a 9MMbbl discovery at Red Hill south would be worth over A\$100million to Northwest. On a risked basis Norwest gives Red Hill south prospect a One in four chance of success. Norwest is the operator and holds a 50% working interest in the TP/15 permit where Red Hill south prospect is situated. Bharat PetroResources Limited ("BPRL") holds the remaining 50% interest in the permit.

Bharat PetroResources Ltd is a wholly owned subsidiary of Bharat Petroleum Corporation Ltd (BPCL), a government of India Company, engaged in refining and marketing of petroleum products. BPCL is quoted on the Bombay Stock Exchange and is listed at number 307 in the 2010 Global Fortune 500.

BPRL is the upstream arm of BPCL with both Indian and worldwide exploration projects.

In September 2010 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 reimburse \$500,000 to Norwest for past costs.

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

### **Competent Person**

The information on the Red Hill south prospect is based on information compiled by Mr Andrew Sutherland of Dataco Australasia Pty Ltd. Mr Sutherland holds a Bachelor Degree in Science and has 30 years experience in petroleum exploration.

Mr Sutherland has consented in writing to the inclusion of the information stated in the form and context in which it appears.

**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).

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