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14 March 2011

ASX Announcement (ASX: NWE)

Progress Report

Red Hill South – 1

Norwest Energy NL (ASX: NWE) provides the following update on drilling operations at the Red Hill South-1 well at 1000hrs 14 March 2011.

Since the last report on 10th March operations have continued as follows;

- The 311mm (12-1/4") hole section has been drilled to a total depth of 1309m MDRT
- The 244mm (9-5/8") casing has been successfully run, cemented and pressure tested at a depth of 1304m MDRT
- All of the directional drilling objectives for the 311mm (12-1/4") hole section have been achieved and the well is now lined up vertically with the reservoir target as planned.
- Pressure testing of the blow out preventer (BOP) is ongoing with equipment problems causing delays in obtaining a successful test.

On successful completion of the BOP testing, drilling operations will continue as planned with the 216mm (8-1/2") hole section being drilled vertically into the target reservoir. (see attachment)

Red Hill South-1 well will test the hydrocarbon potential of the late Permian Dongara Sandstone reservoir and which are prolific producers at the Hovea and Jingemia oil fields. The Red Hill South prospect has potential of 34MMbbl oil in place and 9MMbbl recoverable. The target reservoir is at a depth of 1,580 meters (TD is at 1,910 meters).

Norwest CEO Peter Munachen commented " It has been a frustrating weekend with equipment problems, but we believe these are now behind us and expect that drilling will resume as soon as the BOP is tested."

In accordance with ASX Listing Rules, Norwest will issue regular updates during the drilling operations on each Thursday, or after completing an important operational phase and/or obtaining an important assessment or result.

The participants in Red Hill South are:

Westranch Holdings Pty Ltd ¹	50%
Bharat PetroResources Ltd	50%

¹A wholly owned subsidiary of Norwest Energy NL (Operators of the Joint Venture)

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.

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Redhill South 01 - Vertical Section
(RT 6.7m above AMSL)

