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16 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 06:30hrs 16 March 2011.

Since the last report on 14th March operations have continued as follows;

- We have successfully completed setting 9 5/8" casing at 1304 m MD, including drilling out the shoe and running a Formation Integrity Test (FIT)
- Pressure testing of the BOP has been successfully completed.
- The Beagle fault was intersected at 1314m MD
- We are currently drilling vertically 1369 m MD with a 8-1/2" bit and drilling assembly..
- The target reservoir is at 1580m (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).

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)**

