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18 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 6:30hrs 18 March 2011.

Since the last report on 17th March operations have continued as follows;

- We have drilled through the Irwin River Coal Measures and are currently drilling at 1880 m MD in the Highcliff Sandstone formation
- Trace moderately good hydrocarbon fluorescence with streaming cut was encountered at 1710 -1716 m MD and at 1766-1780 m MD
- TD is expected this morning
- After drilling to TD wireline logs will be run to evaluate the hydrocarbon potential of the reservoirs

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. 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)

