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ASX: NWE

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ASX Announcement

Arrowsmith-2 Drilling Update-no 4 EP413 North Perth Basin, Western Australia

Norwest Energy NL (ASX: NWE) advises that as at 0600hrs today (WST), Arrowsmith-2 exploration well was drilling ahead in 8-1/2" hole at a measured depth of 3,102 metres.

Since the last report on the 9th of June, two cores were successfully cut in the well, 55 metres in the Carynginia Formation and 45 metres in the Irwin River Coal Measures.

The immediate forward program is to drill ahead to basement at 3,420 metres (TD) to intersect the High Cliff Sandstone, to test for conventional gas. A comprehensive wireline logging suite will be recorded in the open hole section which extends from 2,284 metres (Upper Kockatea) down to TD (Total Depth). Rotary side wall cores will then be cut at different stratigraphic levels throughout the open hole section. It is anticipated that the coring and logging activities will be completed by late June and the core results will be received towards the end of August. It is planned to re-enter the well during September for fracture stimulation and subsequent flow testing in order to fully assess the productive capacity of the potential reservoir zones.

The objective of the well evaluation program (spanning several months) will be a full assessment on the viability of several formations identified for their potential hydrocarbon content. The primary objective is to test the shale gas potential of both the Carynginia Formation and the Irwin River Coal Measures, whereas the secondary objective is to test both the shale gas/condensate potential of the lower Kockatea Shale and the additional possibility of a conventional gas play within the High Cliff Sandstones.

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 Arrowsmith 2 are:

Norwest Energy NL (Operator)	27.945%
AWE Limited (via subsidiaries)	44.252%
Bharat PetroResources Ltd	27.803%

Peter Munachen
Director/CEO
Norwest Energy NL

Competent Person

The information on the Arrowsmith 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.

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