



**NORWEST ENERGY NL**  
288 Stirling Street  
Perth, Western Australia, 6000  
PO Box 8260, Perth Business Centre  
Western Australia, 6849

ABN: 65 078 301 505  
Tel: +61 8 9227 3240  
Fax: +61 8 9227 3211  
Email: [info@norwestenergy.com.au](mailto:info@norwestenergy.com.au)  
Web: [www.norwestenergy.com.au](http://www.norwestenergy.com.au)

**ASX: NWE**

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## **ASX Announcement**

- **Norwest to maintain its 20% equity in North Perth Basin Permits EP368 and EP426**
- **North Erregulla prospect straddles adjoining permit boundaries.**
- **Origin Energy Limited to Earn 40% in the joint permits by funding 80% of cost of 3D Seismic Survey**

**Norwest Energy NL (ASX: NWE)** advises that it is retaining its equity at 20% in the adjoining exploration permits EP368 and EP426, the joint boundaries over which the North Erregulla prospect straddles.

Empire Oil and Gas NL has reported that Origin Energy Limited (Origin) has conditionally agreed to fund a 3D seismic survey over the North Erregulla prospect. Origin will earn 40% of the permit by paying 80% of the survey costs. Both permits are operated by Empire Oil & Gas NL.

Norwest has a strong focus on the North Perth Basin and considers that the exploration permits are under explored, accordingly elected not to dilute its interest in the permits by farming out any of its equity to Origin and will maintain its equity at 20% by contributing to the costs of the survey, proposed for Q1/2012.

Apart from the conventional targets at North Erregulla Norwest also considers that the permits are prospective for shale gas, especially with the background of its regional knowledge acquired through its other activities in the Basin. In addition to that knowledge, Norwest also engaged Denver based Hoyer Group to conduct an independent petrophysical analysis of North Erregulla data, the results of which suggested that there is significant shale gas potential at the lower Kockatea level. The Kockatea is one of the key shale sequences present throughout the North Perth Basin, which also include the Carynginia and the Irwin River Coal Measures, all of which are currently being evaluated by Norwest at Arrowsmith. These shale sequences are also present in EP368/426

EP368 and EP426 are considered by Norwest to have excellent conventional prospectivity:

- The North Erregulla#1 well encountered 3m of oil at the Wagina level. A significant up dip has been mapped. The potential volumes have been estimated at 60MMbbls recoverable.
- In addition mapping suggests the North Erregulla#1 up dip potential at the High Cliff level is 300BSCF recoverable and at the Aranoo level 10MMbbls recoverable
- Both permits have additional leads that warrant further exploration activity.

The participants in **EP368** are:

**Current**

Empire Oil & Gas	80%
Norwest Energy	20%

**Post Farm-in**

Empire Oil & Gas	40%
Origin	40%
Norwest Energy	20%

The participants in **EP426** are:

**Current**

Empire Oil & Gas	42.22%
Norwest Energy	20.00%
ERM	27.78%
Allied	10.00%

**Post Farm-in**

Empire Oil & Gas	21.11%%
Origin	40.00%
Norwest Energy	20.00%
ERM	13.89%
Allied	5.00%

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

**Competent Person**

The information on the Erregulla prospectivity is based on information compiled by Mr. Andrew Sutherland of Dataco Australasia Pty Ltd. Mr. Sutherland holds a Bachelor Degree in Science and a Master Degree in Business. He 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).

**Media and Investor Enquiries:** please contact Fortbridge on 02 9331 0655, or Peter-John Lewis on 0416 290 604