

NORWEST ENERGY NL

(ACN: 078 301 505)

PROSPECTUS IN RELATION TO A PERSONALISED OFFER OF 63,339 SECONDARY OPTIONS REFERRED TO IN NORWEST'S JANUARY 2011 PROSPECTUS

This Prospectus offers 63,339 Secondary Options to the Offerees upon the terms and conditions set out in this Prospectus.

This Prospectus provides important information to assist Offerees in deciding whether or not to take up their entitlement to that number of Secondary Options in the Entitlement and Acceptance Form attached to this Prospectus. If, after reading this Prospectus, you have any questions relating to an investment in the Company, you should consult your professional advisor.

The Secondary Options offered by this Prospectus should be considered speculative.

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1 INFORMATION CONCERNING THIS PROSPECTUS

BASIC INFORMATION

This Prospectus is dated 20 October 2011.

A copy of this Prospectus was lodged with ASIC on 20 October 2011. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus. The Secondary Options, the subject of this Prospectus, are non-quoted securities and as such the Company must not accept any Application until the period of seven (7) days (which ASIC may extend to 14) after the lodgement of this Prospectus has ended, to enable it to be examined by market participants. Further, the Company will not process or do anything else that would have the effect of conferring a preference on any Application received by it during that period. If this Prospectus is found to be deficient Applications received during that period will be dealt with in accordance with section 724 of the Corporations Act.

This Prospectus will be issued in printed form only to thirteen (13) Offerees. The Offer of the Secondary Options pursuant to this Prospectus is available to each Offeree only. Entitlement to this Offer arose because the Offeree exercised that number of Primary Options equal to the number of Secondary Options being offered to the Offeree specified in the Entitlement and Acceptance Form attached to this Prospectus. The Corporations Act 2001 prohibits any person from passing onto another person an Entitlement and Acceptance Form unless it is attached to or accompanied by the complete and unaltered version of this Prospectus. In any event, the Offer contained in this Prospectus is only available to be accepted by the Offeree.

No person or entity is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No options or other securities will be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus. Application will not be made for permission for the Secondary Options offered by this Prospectus to be listed for Quotation.

This Prospectus will not be distributed in jurisdictions outside Australia.

This Prospectus does not constitute an offer to any person other than the person named on the Entitlement Form and Acceptance Form attached to this Prospectus.

Each Offeree should read this document in its entirety and, if in any doubt, consult with his, her or its professional advisors before deciding whether to take up the Offeree's entitlement to Secondary Options. There are risks associated with an investment in Norwest and the Secondary Options offered under this Prospectus must be regarded as a speculative investment. The Secondary Options offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Secondary Options or New Shares issued as a result of the exercise of a Secondary Option.

Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in the Glossary which is contained in Section 8.

All amounts are in Australian dollars unless otherwise specified.

SPECIAL PROSPECTUS CONTENT RULES FOR CONTINUOUSLY QUOTED SECURITIES

This Prospectus is a prospectus issued in accordance with section 713 of the Corporations Act 2001. This means that the Prospectus is only required to disclose the information set out in that section. This is because the Norwest's ordinary fully paid shares are in a class of securities that have been continuously quoted securities within the meaning of the Corporations Act.

The Company is listed on ASX and its Shares are quoted on ASX.

The Company is a "disclosing entity" for the purposes of the Corporations Act 2001. As such, it is subject to regular reporting and disclosure obligations, which require it to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

If requested by any Offeree, the Company will, at no cost to the Offeree, provide a copy of all documents lodged with ASIC (or alternatively copies of those documents may be obtained from, or inspected at, an ASIC office). Further, the Company will, at no cost to the Offeree, provide to the Offeree a copy of:

- the annual financial report (“annual financial report”) most recently lodged with ASIC by the Company which was on 29 September 2011; and
- any continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to in the first dot point of this Section and before the lodgement of this Prospectus with ASIC (ie. between the period 29 September 2011 and 20 October 2011).

PURPOSE OF OFFER

The purpose of the Offer contained in this Prospectus is to honour the obligations of Norwest contained in the January 2011 Prospectus in which Norwest promised that it would offer that number of Secondary Options to any person who exercised Primary Options on or before 30 September 2011 equivalent to the number of Primary Options so exercised. No funds will be raised by the grant of the Secondary Options the subject of this Prospectus as they are being granted for no consideration.

INDICATIVE TIMETABLE

An indicative timetable for the Offer is included below:

Lodgement of Prospectus with ASIC and ASX	Thursday , 20 October 2011
Despatch Offer of Entitlement to Offerees	Thursday, 20 October 2011
Closing Date	Thursday, 3 November 2011
Despatch of Holding Statements	Thursday, 8 November 2011

The Directors, subject to the Listing Rules, reserve the right to close the Offer early or extend the Closing Date at their discretion. If the Closing Date is to be extended, the Company must give at least six (6) Business Days' notice to the ASX prior to the Closing Date. Should the Closing Date be extended, this will have a consequential effect on the anticipated date of the grant of the Secondary Options.

Please note that the abovementioned dates are indicative only.

PRIVATE DISCLOSURE

The Company collects information (hereinafter in this Section called "Information") in relation to each Applicant as provided on an Entitlement and Acceptance Form for the purpose of processing that form and, should the Application be successful, to administer the Applicant's security holding in the Company (hereinafter in this Section called "Purposes").

The Company may use the Information for the Purposes and the Company may disclose the Information for the Purposes to Computershare, the Company's related bodies corporate, agents, contractors and third party service providers, and to ASX, ASIC and other regulatory authorities.

The Information may also be used and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, licensed securities dealers, mail houses and regulatory bodies including the Australian Taxation Office.

2 CORPORATE DIRECTORY

DIRECTORS

Michael John Fry	- Non-Executive Director
Peter Lawson Munachen	- Chief Executive Officer
Henry David Kennedy	- Non-Executive Director

COMPANY SECRETARY

Ernest Anthony Myers

REGISTERED OFFICE

Ground Floor, 288 Stirling Street, Perth 6000

CONTACT DETAILS

Website:	www.norwest.com.au
E-mail:	info@norwest.com.au
Telephone:	Norwest Energy NL - (08) 9227 3240
Facsimile:	Norwest Energy NL - (08) 9227 3211
Telephone:	Computershare - 1300 557 010

3 THE OFFER OF THE SECONDARY OPTIONS

DETAILS OF THE OFFER

The Company offers each Offeree the right to acquire that number of Secondary Options set out in the Entitlement and Acceptance Form accompanying this Prospectus at no cost to the Offeree. Each Secondary Option will entitle the option holder to acquire one (1) new fully paid ordinary share in the capital of the Company at an exercise price of \$0.20 cents per share and may be exercised up to 30 June 2013. Neither the issue of Secondary Options nor the exercise of the Secondary Options is being underwritten. The Company will not be applying for Quotation of the Secondary Options. Therefore, the Secondary Options will not be listed on the ASX.

All New Shares issued by the Company as a result of the exercise of the Secondary Options (63,339 Secondary Options in total) under this Prospectus will have the same rights and liabilities as existing Shares. For further information on the rights and liabilities of the New Shares issued as a result of the exercise of the Secondary Options, see Section 5.

The terms and conditions of the Secondary Options are set out in Section 7.

ENTITLEMENTS AND ACCEPTANCE

The Entitlement of each Offeree to participate in the Offer has been determined by that Offeree exercising equivalent number of Primary Options in accordance with the January 2011 Prospectus. Your Entitlement is shown on the personalised Entitlement and Acceptance Form accompanying this Prospectus.

Acceptances must not exceed your maximum Entitlement (as shown on the Entitlement and Acceptance Form); although you may accept a lesser number of Secondary Options should you wish to take up only part of your Entitlement. If your acceptance exceeds your Entitlement, acceptance will be deemed to be for your maximum Entitlement.

NO RIGHTS TRADING

The rights to the Secondary Options under the Offer are personal to the Offeree and are non-renounceable. Accordingly, there will be no trading of rights to those Secondary Options on the ASX and you may not dispose of your rights to subscribe for Secondary Options under the Offer to any other party. If you do not take up your Entitlement to Secondary Options under the Offer by the Closing Date, the Offer to you will lapse.

OPENING AND CLOSING DATES

The Offer opens on the Opening Date, being Thursday, 20 October 2011. The Company will accept Entitlement and Acceptance Forms until 4:00pm WST on the Closing Date being Thursday, 3 November 2011 or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

ISSUE AND DESPATCH

The expected date for issue of Secondary Options offered by this Prospectus and despatch of holding statements is expected to occur on the date specified in the Timetable (presently anticipated to be 8 November 2011) set out in Section 1 of this Prospectus under the heading "Indicative Timetable".

ASX LISTING

The Secondary Options offered by this Prospectus will not be quoted by ASX. No application for their Quotation will be made. However, application for Quotation of the New Shares will be made by the Company in accordance with the Listing Rules.

CHESS

The Company will apply to ASX to participate in CHESS, for those Offerees who have, or wish to have, a sponsoring stockbroker. Offerees who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to Offerees. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Secondary Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number (HIN) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

TAXATION IMPLICATIONS

The Directors do not consider it appropriate to give Offerees advice regarding the taxation consequences of subscribing for Secondary Options under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Offerees.

Offerees should consult their professional adviser in connection with subscribing for Secondary Options under this Prospectus.

RISK FACTORS

The Secondary Options the subject of this Prospectus should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are described in Section 6.

ENQUIRIES CONCERNING PROSPECTUS

Enquiries concerning the Entitlement and Acceptance Form can be obtained by contacting Computershare by telephone on 1300 557 010 or the Company on (08) 9227 3240.

ACTION REQUIRED BY OFFEREES

HOW TO ACCEPT THE OFFER

Your acceptance of the Offer must be made on the personalised Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) If you wish to accept your Entitlement in full complete the Entitlement and Acceptance Form, fill in the details in the spaces provided; or
- (b) if you only wish to accept part of your Entitlement, fill in the number of Secondary Options you wish to accept in the space provided on the Entitlement and Acceptance Form; or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

Your completed Entitlement and Acceptance Form must be forwarded to the Company's share registry, Computershare, so that they are received no later than 4:00pm (WST) on the Closing Date being 3 November 2011. Entitlement and Acceptance Forms can be delivered as follows:

By Post: Computershare Investor Services Pty Limited
 Locked Bag 2508
 Perth WA 6001

By Hand: Computershare Investor Services Pty Limited
 Level 2

45 St Georges Terrace
Perth WA 6000

The Offer is non-renounceable. Accordingly, you must not sell or transfer all or part of your Entitlement. You are not required to make any payment for the Secondary Options you accept under this Offer.

CAPITAL STRUCTURE

The capital structure of the Company immediately following the completion of the Offer, assuming all Secondary Options are taken up and none of the existing option holders exercise their existing Options, is expected to be as follows:

SHARES	Number
Shares on issue at date of this Prospectus	732,633,284
OPTIONS	
Secondary Options now offered	63,339
Unlisted Options on issue at date of this Prospectus	28,575,000
Listed Options on issue at date of this Prospectus	104,523,913

4 EFFECT OF THE SECONDARY OPTIONS ON THE COMPANY

PRO FORMA BALANCE SHEET

Set out below, for the purposes of illustration only, is a pro forma statement of financial position of the Company after taking account of the Offer the subject of this Prospectus. It is based on the audited statement of financial position of the Company as at 30 June 2011. The pro forma statement of financial position illustrates the effect of the Offer as if the issue of Secondary Options had occurred on 30 June 2011 (based on the assumptions set out below).

	Audited 30 June 2011 \$	Adjustments	Pro forma
CURRENT ASSETS			
Cash Assets	1,727,323	(9,900)	1,717,423

	Audited 30 June 2011 \$	Adjustments	Pro forma
Receivables	787,768		787,768
TOTAL CURRENT ASSETS	2,515,091		2,505,191
NON-CURRENT ASSETS			
Trade and other receivables	31,061		31,061
Investments	10,000		10,000
Property, plant & equipment	48,464		48,464
Exploration expenditure capitalised	2,065,101		2,065,101
TOTAL NON-CURRENT ASSETS	2,154,626		2,154,626
TOTAL ASSETS	4,669,717		4,659,817
CURRENT LIABILITIES			
Payables	471,744		471,744
TOTAL CURRENT LIABILITIES	471,744		471,744
NON-CURRENT LIABILITIES			
Provisions	241,344		241,344
TOTAL NON-CURRENT LIABILITIES	241,344		241,344
TOTAL LIABILITIES	713,088		713,088
NET ASSETS	3,956,629		3,946,729
EQUITY			
Contributed Equity	40,952,024		40,952,024
Reserves	2,120,297	(9,900)	2,110,397
Accumulated Losses	(39,115,692)		(39,115,692)
TOTAL EQUITY	3,956,629		3,946,729

The assumptions used in the preparation of the pro forma statement of financial position set out above are:

- (a) the Company issues 63,339 Secondary Options for no consideration;
- (b) estimated costs of the Offer of \$9,900 have been recognised directly against Reserves; and
- (c) the net cash adjustment to the pro forma statement of financial position is therefore a decrease of \$9,900.

CAPITAL STRUCTURE FOLLOWING GRANTS OF SECONDARY OPTIONS

The capital structure of the Company following the completion of the Offer is summarised below:

DESCRIPTION	NUMBER OF SHARES	AMOUNT RAISED \$
Shares on Issue	732,633,284	
Secondary Options the subject of the Offer	63,339	0
Unlisted Options on Issue	28,575,000	
Listed Options on Issue	104,523,913	

5 ADDITIONAL INFORMATION

RIGHTS ATTACHING TO NEW SHARES RESULTING FROM THE EXERCISE OF THE SECONDARY OPTIONS

Full details of the rights attaching to New Shares are set out in the Company's Constitution a copy of which can be inspected, free of charge, at its registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all New Shares issued as a result of the exercise of a Secondary Option. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

All New Shares as a result of the exercise of a Secondary Option will from the time they are issued, rank pari passu with all the Company's existing Shares.

VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any class or classes of Shares (at present there are none), at meetings of Shareholders of the Company:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes as bears the same proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited).

RIGHTS ON WINDING UP

Subject to the rights of holders of shares with special rights in a winding up (at present there are none), on a winding up of the Company, assets that may be legally distributed among members, will be distributed in proportion to the number of fully paid Shares held by them irrespective of the amount paid up or credited as paid up on the Shares.

TRANSFER OF SHARES

Subject to the Constitution of the Company, the Corporations Act 2001, and any other laws and ASTC Settlements Rules and ASX Listing Rules, Shares are freely transferable.

FUTURE INCREASES IN CAPITAL

The allotment and issue of any Share is under the control of the Directors. Subject to restrictions on the allotment of Shares to Directors or their associates, the ASX Listing Rules, the Constitution of the Company and the Corporations Act 2001, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

VARIATION OF RIGHTS

Under the Corporations Act 2001, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares. If at any time the share capital is divided into different

classes or Shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the Shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of that class.

DIVIDEND RIGHTS

Subject to the rights of holders of Shares issued with special, preferential or qualified rights (at present there are none), the profits of the Company which the Directors determine to distribute by way of dividend are divisible among the holders of ordinary Shares in proportion to the number of Shares held by them.

INTERESTS, FEES AND BENEFITS

Other than as set out below or elsewhere in this Prospectus, no:

- (a) director of the Company; or
- (b) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation and distribution of this Prospectus; or
- (c) financial services licensee named in this Prospectus as a financial services licensee involved in the Offer the subject of this Prospectus;

has, or had, within two (2) years before the date of this Prospectus, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer the subject of this Prospectus; or
- (iii) the Offer the subject of this Prospectus.

Other than as set out elsewhere in this Prospectus, no amounts have been paid or agreed to be paid, and no benefits have been given or agreed to be given, to any of the above persons as an inducement to become or to qualify him as a director of the Company or for services rendered by him in connection with the formation or promotion of the Company or the Offer the subject of this Prospectus.

INTERESTS OF DIRECTORS

At the date of this Prospectus the Directors have the following relevant interests in Shares:

NAME	NUMBER OF SHARES
Michael John Fry	2,576,923
Peter Lawson Munachen	4,820,096
Henry David Kennedy	31,015,600

At the date of this Prospectus the Directors have the following relevant interests in Options:

DIRECTOR	EXERCISABLE 15 CENTS - EXPIRY 27 NOV 2011	EXERCISABLE 5.5 CENTS - EXPIRY 26 NOV 2014	LISTED EXERCISABLE 10 CENTS - EXPIRY 30 JUNE 2014
Michael John Fry	0	3,000,000	7,034,799
Peter Lawson Munachen	1,000,000	5,000,000	8,735,226
Henry David Kennedy	750,000	3,000,000	17,471,199

The Directors have consented to the statement in Section 9 in the form and content of that statement.

EXPENSES OF THE OFFER

It is estimated that the expenses of this Prospectus will be \$9,900 made up as follows:

DESCRIPTION	\$
Printing & Postage & Share Registry	3,000
Other	6,000
	9,000
GST	900

TOTAL

9,900

6 RISKS

An investment in the Company is not risk free and Offerees should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for the Secondary Options.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

RISKS SPECIFIC TO THE COMPANY

RELIANCE ON KEY PERSONNEL

The success of the Company in part will depend on the ability of the Directors, management team and other executive personnel (employed by the Company or its business partners) to develop the Company's project portfolio and enhance project value. Should one or more of the key personnel cease to be involved, for whatever reason, then the capability of the Company may be expected to be impaired pending a suitable replacement being identified and retained by the Company or its business partners.

CONTRACTUAL RISK

The Company is reliant to a certain extent on the cooperation and compliance of parties to the agreements to which it is a party. In particular, the Company has entered into various joint venture agreements and the ability of the Company to achieve its objectives will depend on the performance by each of the parties of their respective obligations under these agreements. If a party defaults in the performance of their obligations it may adversely affect the Company or its projects. In the event of dispute, there can be no guarantee that seeking enforcement or of compensation under such agreements will provide an efficient or satisfactory outcome.

ADDITIONAL REQUIREMENTS FOR CAPITAL

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under this capital raising. There can be no assurance that the Company will be able to raise that

finance on acceptable terms or in a timely manner. Any additional equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, and scale back its exploration programs and surrender permits and licences, as the case may be.

RISKS SPECIFIC TO OIL & GAS EXPLORATION & DEVELOPMENT COMPANIES

EXPLORATION SUCCESS

The future profitability of the Company and the value of its securities are directly related to the results of exploration. The prospects held by the Company are at various stages of exploration and production, and potential investors should understand that exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Company's prospects, or any other prospects that may be acquired in the future, will result in the discovery of a commercial oil or gas reserve. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited or will flow at commercial rates.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company viability.

OPERATING RISKS

If the Company achieves exploration success that leads to a decision to conduct feasibility work and then develop production operations, the development and ongoing production from such operations may be adversely affected by various factors, including failure to locate or identify oil reserves; failure to achieve predicted well production flow rates; operational and technical difficulties encountered in production; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated reservoir problems which may affect field production performance; adverse weather conditions; industrial and environmental accidents; industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

OIL RESERVES & COMMERCIAL OIL FLOW

Oil reserves are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, oil reserves are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and commercial oil flow plans which may, in turn, adversely affect the Company's operations.

COMMODITY PRICE VOLATILITY, EXCHANGE RATE & GOVERNMENT RISKS

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company and the value of its assets. In particular, changes in the current and expected future price of crude oil and other commodities can change rapidly and significantly and this can have a substantial effect on the value of the Company's assets and the potential future revenue and profits that might be earned from any successful development of those assets.

If the Company achieves exploration success leading to commercial oil production, the revenue it will derive through the sale of crude oil exposes the potential income of the Company to crude oil price and exchange rate risks. Commodity prices fluctuate and are affected by many factors affecting their demand and supply beyond the control of the Company. Such factors include global industrial production levels and economic sentiment, inflation and interest rates, industrial disputes, wars and other military activity, technological advancements, forward selling activities, government environmental policies, infrastructure investment, weather conditions and general exploration success.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

Changes in government, monetary policies, taxation and other laws and regulations can also have a significant influence on the outlook for projects and companies and the actual and potential returns to investors.

NATIVE TITLE & COMMUNITY RISKS

Many countries have native title, community title / empowerment, or heritage legislation and / or regulations. These rules impose certain requirements on oil and gas companies who undertake or plan to undertake various exploration,

development or drilling activities. The risks associated with the rules are generally associated with the imposition of various uncertainties as to timetables and costs. No assurance can be given that the Company will be able to explore or conduct drilling activities within acceptable timeframes or on terms acceptable to it.

ENVIRONMENTAL RISKS

The operations and proposed activities of the Company are subject to laws and regulation concerning the environment. As with most production operations, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless there are certain risks inherent in the Company's activities such as accidental leakages or spills, or other unforeseen circumstances which could subject the Company to extensive liability.

CONDITIONS OF PERMITS & LICENCES

The Company has entered into agreement with joint venture parties who hold lease rights and permits to explore and implement the projects. There is a risk that the Company does not have or might lose any or all of those permits or licences required for the operation of the projects, or that the Company will not comply with the ongoing requirements imposed under those permits or licences. There is also a risk that the permits and licences acquired or the conditions imposed on the Company under them, will change from time to time. The Company's ongoing compliance costs may increase as a result. Any of the above may adversely affect the Company's financial performance.

GENERAL SECURITIES RISKS

ECONOMIC RISKS

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

SHARE MARKET CONDITIONS

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors, such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

INVESTMENT SPECULATIVE

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus. Therefore, the Secondary Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Offerees should consider that the investment in the Company is speculative and should consult their professional advisers, make their own assessment of the likely risks and determine whether an investment in Norwest Energy NL is appropriate for their circumstances.

7 TERMS AND CONDITIONS OF SECONDARY OPTIONS

TERMS OF THE SECONDARY OPTIONS

The terms of the Secondary Options are as detailed below:

- (a) **(Entitlement):** Each Secondary Option entitles the option holder to subscribe for one fully paid ordinary Share in the capital of the Company.
- (b) **(Issue price):** The issue price of each Secondary Option is zero.
- (c) **(Exercise price):** The exercise price of each Secondary Option is \$0.20.
- (d) **(Option period):** Each Secondary Option may be exercised in whole or in part at any time before 30 June 2013. A Secondary Option not exercised automatically expires on 30 June 2013.
- (e) **(Certificates):** The Company must give each option holder a holding statement stating:
 - (i) the number of Secondary Options issued to the option holder;
 - (ii) the exercise price of the Secondary Options; and
 - (iii) the date of issue of the Secondary Options.

- (f) **(Participation rights):** An option holder is not entitled to participate in any new issue to existing Shareholders of securities in the Company unless they have exercised their Secondary Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding New Shares.
- (g) **(Notice of new issues):** The Company must give an option holder, in accordance with the ASX Listing Rules, notice of:
 - (i) the proposed terms of the issue or Offer proposed under clause (f); and
 - (ii) the right to exercise their Secondary Options under clause (f).
- (h) **(Bonus issues):** If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no New Share has been issued in respect of the Secondary Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Secondary Options is exercisable is increased by the number of Shares which the option holder would have received if the option holder had exercised the Secondary Option before the record date for determining entitlements to the issue.
- (i) **(Pro rata issues):** If the Company makes a pro rata issue of Shares (except a bonus issue) to existing Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no New Share has been issued in respect of the Secondary Option before the record date for determining entitlements to the issue, the exercise price of each Secondary Option is reduced in accordance with the ASX Listing Rules.
- (j) **(Reorganisation):** If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the option holder are changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (k) **(Calculation and adjustments):** Any calculations or adjustments which are required to be made under the terms of issue will be made by the board of Directors of the Company and will, in the absence manifest error, be final and conclusive and binding on the Company and the option holder.
- (l) **(Notice of change):** The Company must within a reasonable period give to each option holder notice of any change pursuant to the terms of issue

to the exercise price of any Secondary Options held by an option holder or the number of New Shares which the option holder is entitled to subscribe for on exercise of a Secondary Option.

- (m) **(Method of exercise and payment):** To exercise Secondary Options, the option holder must give the Company or its share registry, at the same time:
 - (i) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Secondary Options being exercised and shares to be issued;
 - (ii) payment of the exercise price for the New Shares the subject of the exercise notice by way of bank cheque or by other means of payment approved by the Company; and
 - (iii) the certificate, if any, for the Secondary Options.
- (n) **(Exercise all or some options):** An option holder may only exercise Secondary Options in multiples of 10,000 unless the option holder exercises all Secondary Options held by the option holder. Secondary Options will be deemed to have been exercised on the date the application is lodged with the Directors.
- (o) **(Option certificates):** If an option holder exercises less than the total number of Secondary Options registered in the option holder's name:
 - (i) the option holder must surrender its option certificate (if any); and
 - (ii) the Company must cancel the option certificate (if any) and issue the option holder a new option certificate or holding statement stating the remaining number of Secondary Options held by the option holder.
- (p) **(Issue of Shares on exercise):** Within ten (10) Business Days after receiving an application for exercise of Secondary Options and payment by an option holder of the exercise price, the Company must issue the option holder the number of New Shares in the capital of the Company specified in the application.
- (q) **(Ranking of Shares on issue):** Subject to the Company's constitution, all New Shares issued on the exercise of Secondary Options rank in all respects (including rights relating to dividends) *pari passu* with the existing Shares of the Company at the date of issue.

8 GLOSSARY

Applicant	refers to a person who submits an Entitlement and Acceptance Form.
Application	refers to the submission of an Entitlement and Acceptance Form.
ASIC	means Australian Securities & Investments Commission.
ASX	means ASX Limited (ACN: 008 624 691) and where the context permits, the Australian Securities Exchange operated by ASX Limited.
Board	means the Board of directors of the Company as constituted from time to time.
CHESS	means ASX Clearing House Electronic Subregistry System.
Closing Date	means the date on which this Offer closes, being 4:00pm (WST) 3 November 2011.
Corporations Act	means the Corporations Act 2001 (Cth).
Company	means Norwest Energy NL (ACN: 078 301 505).
Dollar or \$	means Australian dollar unless otherwise stated.
Entitlement	means the entitlement to subscribe for that number of Secondary Options set out in the Entitlement and Acceptance Form.
Entitlement and Acceptance Form	means the personalised Entitlement and Acceptance Form accompanying this Prospectus in the name of the Offeree.
January 2011 Prospectus	means the Prospectus of the Company dated 4 January 2011.
Listing Rules	means the official Listing Rules of the ASX.
New Share	means a New Share to be issued as a result of the exercise of a Secondary Option.

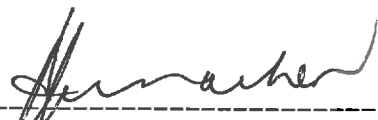
Offer	means the non-renounceable Offer to an Offeree of that number of Secondary Options set out in the Entitlement and Acceptance Form.
Offeree	means the person or entity named in the Entitlement and Acceptance Form.
Offer Period	means the period commencing on the Opening Date and ending on the Closing Date.
Opening Date	means 20 October 2011.
Primary Option	means the option defined as such in the January 2011 Prospectus.
Quotation	means quotation on ASX.
Secondary Option	means the options described in Section 3 of this Prospectus.
Section	means a section of this Prospectus.
Share	means an ordinary fully paid share in the capital of the Company.
Shareholder	means a holder of Shares.
WST	means time in Perth, Western Australia.

9 DIRECTORS' STATEMENT AND CONSENT

The Directors consent to the issue of this Prospectus and state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in this Prospectus by other persons, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, that those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC, or to the Directors' knowledge, before any issue of Secondary Options pursuant to this Prospectus.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to the Offerees or their professional advisers.

Dated 20 October 2011

A handwritten signature in black ink, appearing to read 'P.L. Munachen', written over a horizontal dashed line.

P L MUNACHEN
CHIEF EXECUTIVE OFFICER AND DIRECTOR