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ASX : NWE

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ASX Announcement

**NORWEST GETS GREEN LIGHT ON
ARROWSMITH-2**

Minister upholds EPA decision to not assess

Norwest Energy NL (ASX:NWE) (Norwest) advises that the Western Australian Minister for Environment has announced today that he will uphold the decision by the Environmental Protection Authority (EPA) to 'not assess' the Arrowsmith-2 hydraulic fracture stimulation program. This comes as great news to Norwest, who will now immediately re-commence operations to implement the Arrowsmith-2 program as soon as possible.

Norwest Chief Executive Officer, Peter Munachen said "This decision is critical in paving the way for Norwest to finally prove the shale gas potential at Arrowsmith-2. Success will ultimately contribute to the development of what is expected to be a significant shale gas industry in Western Australia, generating economic benefits to local communities such as employment, training and associated business opportunities, as well as significant royalties to the state.

Norwest has continued to work closely with Halliburton to ensure securing the fracture stimulation equipment for Arrowsmith-2 as soon as possible. The fracc spread is currently being utilized in the Cooper Basin until late April 2012, and then subject to no delays, will be serviced and immediately mobilized to the northern Perth Basin, with the objective to commence operations as soon as is practical. Norwest is well advanced with planning, procurement and site preparation for delivery of the fracc spread, and for the commencement of the Arrowsmith-2 hydraulic fracture stimulation and flow testing program.

ARROWSMITH-2

The Arrowsmith-2 well was successfully drilled in June 2011, with the drilling and evaluation results exhibiting necessary shale gas indicators, with the hydraulic stimulation and flow testing now the final phases to be undertaken in order to complete this proof of concept program. These final results will then provide the necessary data to:

- High-grade target intervals for subsequent development.
- Scale up the flow results from the vertical well to predict production rates for horizontal wells.
- Design an appropriate program for the next phase.
- Estimate contingent resource volumes.

The participants in the EP413/Arrowsmith Joint Venture are:

Norwest Energy NL (Operator)	(ASX: NWE)	27.945%
AWE Limited (via subsidiary ARC Energy Ltd)	(ASX: AWE)	44.252%
Bharat PetroResources Ltd		27.803%

About Norwest Energy NL (NWE)

Norwest is an Australian-based exploration and production company with significant strategic assets in Western Australia and the United Kingdom.

Norwest's focus is on the northern Perth Basin and the Wessex basin in England.

It's exciting assets in the northern Perth Basin include Arrowsmith-2 the first unconventional gas well in that area.

The Perth basin is regarded as one of the world's most significant areas for shale gas. In 2011, The United States Energy Information Agency estimated that Western Australia holds the world's fifth largest reserves of shale gas in the Perth and Canning basins.

This represents about twice Western Australia's offshore gas reserves. It is estimated that WA's unconventional gas reserves could provide enough energy to power a city of one million people for over 5000 years!

In the UK, NWE has a foothold in the Wessex basin onshore and offshore where it has recently been granted an additional 5 exploration licenses.

Peter Munachen

Chief Executive Officer/Director

Competent Person

The technical content of this announcement is based on information compiled by or under the direction of 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

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