



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
Web: www.norwestenergy.com.au

ASX : NWE

19 March 2012

ASX Announcement

Arrowsmith-2 Fracc Program locked in

Norwest Energy NL (ASX:NWE) (Norwest) advises that the hydraulic fracture stimulation program for the Arrowsmith-2 well (permit EP413, northern Perth Basin) is now locked in.

Halliburton Australia Pty Ltd has confirmed that it will mobilize its Shale Fracturing Equipment to Norwest Energy's Arrowsmith-2 location on completion of current projects in the Eastern States. Subject to weather and operational progress of these projects, mobilization is presently scheduled by Halliburton for early June.

Norwest Chief Executive Officer, Peter Munachen said "This is great news as the Shale Fracturing Equipment is critical to proving 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."

With the potential of an early June mobilization Norwest will now accelerate the 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.

An exciting asset portfolio in the northern Perth Basin including Arrowsmith-2, the first unconventional gas well drilled in the 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, Norwest 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

Please contact Peter Munachen or Ernie Myers on 08-9227 3240, or email info@norwestenergy.com.au.

Media

Please contact Chris Codrington on +61 412 911 107