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ASX: NWE

15 June 2012

Activities Update

Share Purchase Plan announced offering 100 million shares at 5 cents each to eligible shareholders - expected to raise \$5million.

Inclement weather in the Cooper Basin delays expected arrival of Halliburton Hydraulic Fracture Stimulation equipment until mid-July for the much awaited Arrowsmith campaign.

Share Purchase Plan (SPP)

Norwest Energy (ASX:NWE) has today announced the proposed issue of up to 100 million shares at \$0.05 (5cents) each pursuant to a Share Purchase Plan (SPP) offered to qualifying shareholders registered at 5:00pm WST on 14 June 2012. Under the SPP shareholders may apply for up to \$15,000 worth of shares. The issue will close on 13 July 2012 just prior to the commencement of the much awaited Arrowsmith Fracc campaign. The issue is expected to raise \$5M.

Peter Munachen, Norwest CEO said that whilst it was not the preferred position of the Company, with the frac spread delay, Norwest has been exposed to potential cost overruns. He added that Norwest had suffered a blow with the loss of the expected injection of \$10M from the exercise of the 100 million 10 cent options expiring at 30 June 2012, another direct consequence of delays to the frac campaign caused by a number of circumstances beyond the control of Norwest Directors.

Accordingly the Directors have determined to afford the opportunity to shareholders to support the company by offering shares at a discount to the market at this important time, as the Company is about to enter an exciting phase of the Arrowsmith evaluation program. The Directors will all be applying for their share entitlement. Any shares not taken up by shareholders may be placed by the Directors at their discretion.

EP413 – Arrowsmith-2 Hydraulic Fracture Stimulation Campaign (Norwest Operator -27.945%)

Norwest is working closely with all service providers and personnel to ensure operational readiness for the expected arrival of the Halliburton fracture stimulation equipment in the

Perth Basin in mid-July. The equipment is currently in the Cooper Basin completing current project commitments, at the conclusion of which it will be serviced prior to mobilisation to Western Australia.

The Arrowsmith-2 campaign will be conducted over six to eight weeks, and will involve fracture stimulation and testing gas flow rates from the following target zones:

- Kockatea Shale (450m)
- Carynginia Formation (250m)
- Irwin River Coal Measures (330m)
- High Cliff Sandstone (22m)

The campaign will be conducted in conjunction with AWE Limited to maximise cost saving benefits by sharing the cost and use of relevant equipment and services.

Once the well has been stimulated, the results from the well testing program will enable Norwest to establish the viability of the various target zones for future shale gas production.

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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Media

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