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ASX : NWE

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ASX Announcement

Project updates
Arrowsmith-2, 8 week hydraulic fracture
stimulation campaign set to kick off in second half
of July 2012

PEDL 239 Razorback seismic interpretation update

Norwest Energy NL (ASX:NWE) (Norwest) provides the following project updates:

EP413 – Arrowsmith-2 Hydraulic Fracture Stimulation Campaign
(Norwest Operator-27.945%, AWE Limited -44.252% and Bharat
PetroResources Ltd – 27.803%)

Following completion of its contract commitments in the Cooper Basin, the Halliburton hydraulic fracture stimulation equipment is currently in Moomba, South Australia undergoing routine service prior to mobilization to the Arrowsmith-2 project location in Western Australia.

Meanwhile Norwest continues to work closely with all service providers and personnel to ensure operational readiness for the arrival of the Halliburton equipment in the Perth Basin for the project commencement in the second half of July 2012.

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.

PEDL 239 Wessex Basin- UK (Norwest operator -75%) -Razorback seismic interpretation update

The initial interpretation of the Razorback prospect incorporating the recent seismic survey is complete. The Razorback infill seismic survey was acquired in February/March 2012 to reduce the exploration risk of the prospect prior to making a drill or drop decision.

The recently completed data processing confirms the Razorback prospect appears to be structurally robust. Our technical team is testing specialised processing techniques to enhance the deeper horizons. This work is to improve our understanding of structural timing which in turn allows a more confident estimation of the risk associated with hydrocarbon migration.

Norwest has had an approval from Department Of Energy and Climate Change (UK energy regulators) to defer the PEDL 239 “drill or drop decision” for 2 years thus providing additional time for technical analysis.

The Razorback prospect is located in a central position on the Isle of Wight and is the highest ranked prospect in PEDL 239. Razorback is located relatively close to the giant Wytch Farm field. The primary target is the Triassic Sherwood Sandstone reservoir and there is a secondary target, the Jurassic Oolite reservoir. Razorback is estimated to contain 43 MMbbls oil in place (P50).

The joint venture partners in PEDL 239 are:

- NWE Mirrabooka (UK) Pty. Ltd. - operator 75%
- Wessex Exploration Plc 25%

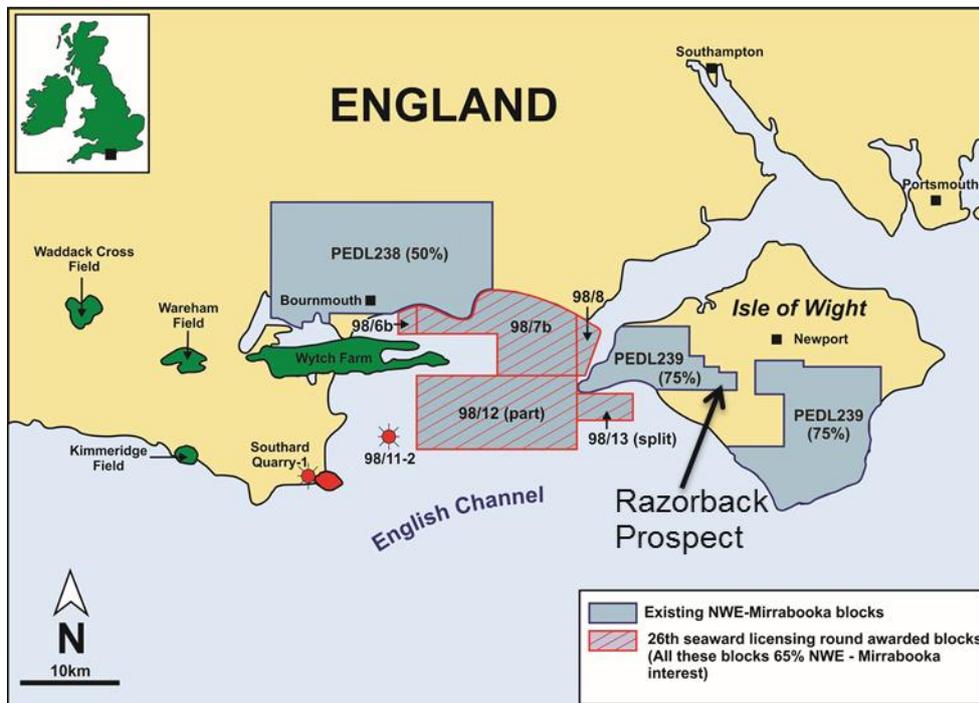


Fig 1 Norwest’s acreage in the UK

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 the Northern Perth Basin contains a potential 59TCF shale gas.

In the UK, Norwest has a foothold in the Wessex basin onshore and offshore where it has recently been awarded offshore permit, P1928 comprising 5 exploration blocks.

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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