

ASX: NWE

31 July 2012

Arrowsmith-2 Project Update

Arrowsmith-2 well currently producing gas to surface in the early stages of clean up and well testing phase.



Norwest Energy (ASX:NWE) is currently performing the flow back and well testing phase of the Arrowsmith-2 evaluation program, following the successful hydraulic fracture stimulation of stage one – the High Cliff Sandstone target. The well is currently unloading water and gas, with the percentage of water cut continually reducing, and a visible flare evident and strengthening throughout the day of 30th July 2012, as shown in the photograph above.

As the well is still cleaning up, it has not yet been possible to measure accurate gas flow rates, however as the rate continues to improve to a sustained rate of flow, measurements will commence utilising the well test equipment on site.

Once the six to eight week Arrowsmith-2 evaluation program is complete, results will enable Norwest to establish the viability of the various target zones for future shale / tight gas production throughout the field.

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%

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