

ASX: NWE

31 July 2012

Arrowsmith-2 Project Update

Arrowsmith-2 well currently producing gas to surface in the early stages of clean up / well test operations.

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, and stronger again this morning, as shown in Figure 1 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 Arrowsmith-2 evaluation program is complete, with the program expected to take up to eight weeks, 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%

Peter Munachen
Chief Executive Officer/Director

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.