

NWE - Arrowsmith-2 operations recommence

Norwest Energy (ASX:NWE) advises that operations have today recommenced on unconventional shale gas well Arrowsmith 2, situated in EP413, northern Perth Basin, Western Australia.

As reported in December 2012, the well was shut in at the conclusion of Kockatea swabbing operations to monitor pressure build-up characteristics of the fracture stimulated zone.

As a further step in the evaluation program for this well, a pressure / temperature gradient survey is currently being performed to confirm fluid interfaces in the wellbore, and to assess current reservoir pressure at the perforations.

Analysis of surface pressure and sonic fluid level data indicate the reservoir is approaching its original pressure, with positive signs the reservoir is able to recharge.

Following the discovery of both oil and gas flowing from the Kockatea Shale interval, post the hydraulic fracture stimulation in September 2012, flowback operations and a detailed monitoring and evaluation program have been ongoing. During flow back approximately 78% of injected fracture fluids were recovered after swabbing the well to a maximum planned depth of 2,600 metres.

Data acquired from this program, and other regional oil production information will assist in providing the necessary dataset for evaluators to work towards producing a resource booking on the Kockatea Shale.

Once evaluation of the Kockatea is complete, the interval will be isolated and the plug milled out between the Kockatea Shale and the Carynginia Formation. This will enable flow back and clean up to recommence on the Carynginia interval. This work will commence as soon as the necessary equipment becomes available, currently estimated to be towards the end of this month. It is anticipated that the testing of all remaining zones (refer Figure 1) will take approximately 3-4 months.

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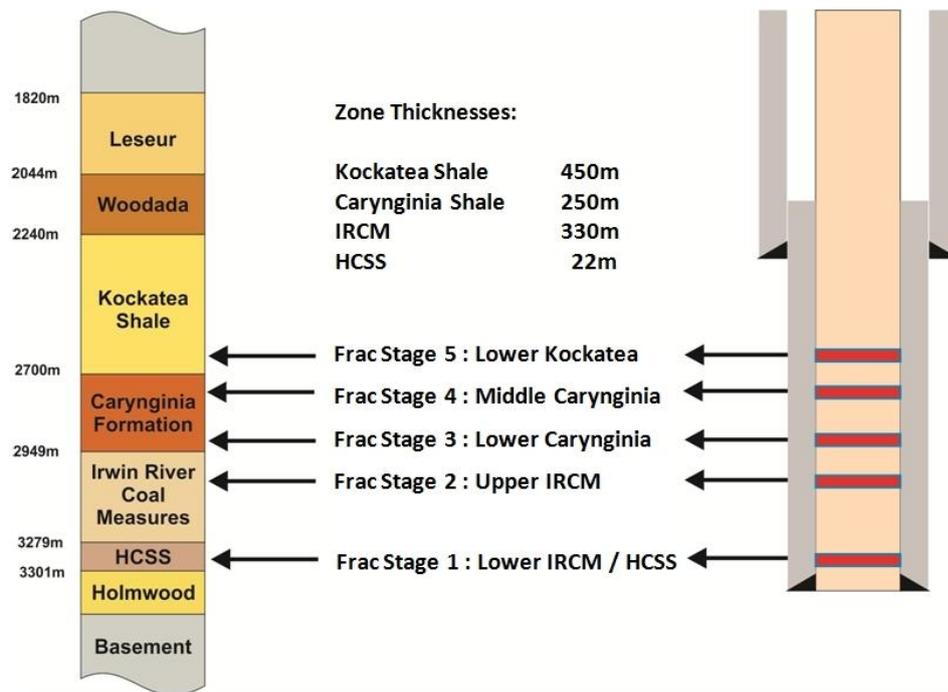


Figure 1. Arrowsmith-2 Frac Stages

Joint Venture partners in EP413:

Norwest Energy NL (Operator)	27.945%
AWE Limited (via subsidiaries)	44.252%
Bharat PetroResources Ltd	27.803%

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