

## ESTIMATE OF GAS IN PLACE AT NORTH ERREGULLA

**Total unrisksed, undiscovered gas in place volume of  
32 trillion cubic feet  
in the Permian-aged Irwin River Coal Measures.**

Norwest Energy NL reports that the Operator of the EP368/426 joint venture at North Erregulla has received an independent study from RPS Energy Services Pty Ltd detailing unconventional gas in place volumes within both permits.

Empire Oil & Gas has estimated the presence of a total unrisksed, undiscovered gas in place volume of 32 trillion cubic feet in the interbedded shale/thin tight-sand section of the Permian-aged Irwin River Coal Measures.

The zone is one of four being targeted by Norwest Energy's exploration program at the Arrowsmith field in the northern Perth Basin.

The other zones being investigated at Arrowsmith are the Kockatea, Carynginia and High Cliff Sandstone.

Norwest chief executive officer Peter Munachen said the RPS study is a promising indication of the unconventional gas potential at Arrowsmith and the entire Basin.

"We have always been optimistic about the potential of all the zones at Arrowsmith, including the Irwin River Coal Measures," Mr Munachen said.

"Although this particular zone is yet to be fully tested, the results of the RPS study are very encouraging."

Mr Munachen believes the study – together with yet-to-be-released resource estimate figures from a DeGolyer & MacNaughton report on Arrowsmith, which has flowed gas from four zones including the Irwin River Coal Measures, as well as shale oil – will bring greater focus to the shale gas potential of the northern Perth Basin.

"We are awaiting the final report, as it will go a long way to assisting us with forward planning of the first shale gas project in the Basin," he said.

### Norwest Energy NL

ASX : NWE

ABN : 65 078 301 505

288 Stirling Street  
Perth WA 6000  
PO Box 8260 PBC WA 6849

Tel: +61 8 9227 3240

Fax: +61 8 9227 3211

[www.norwestenergy.com.au](http://www.norwestenergy.com.au)

Email: [info@norwestenergy.com.au](mailto:info@norwestenergy.com.au)

Equity interests in the EP368/426 North Erregulla permits are:

<b>EP368:</b> Empire Oil & Gas NL (Empire Oil Company (WA) Limited) (Operator)	80%
Norwest Energy NL (via subsidiary Westranch Holdings Pty Ltd)	20%
<b>EP426:</b> Empire Oil & Gas NL (Empire Oil Company (WA) Limited) (Operator)	46.91%
ERM Gas Pty Ltd	30.87%
Norwest Energy NL (Westranch Holdings Pty Ltd)	22.22%

A summary of the study by RPS Energy Services is attached.

...ends...

**Media Enquiries:**      **Imelda Cotton**  
M: +61 (0) 407 984 645  
E: [imelda.cotton@norwestenergy.com.au](mailto:imelda.cotton@norwestenergy.com.au)

**Investor Enquiries:**      E: [shareholder@norwestenergy.com.au](mailto:shareholder@norwestenergy.com.au)

**14 May 2013**

**Independent Study by RPS Energy Services Pty Ltd of the Unconventional Gas Potential in Exploration Permits EP368 and EP426, Onshore North Perth Basin, Western Australia**

Empire Oil & Gas NL ("Empire") is pleased to announce the results of an independent study by RPS Energy Services Pty Ltd ("RPS") of the unconventional gas potential of the Early Permian Irwin River Coal Measures in Exploration Permits EP368 and EP426.

The RPS study concluded that the un-risked, undiscovered gas-in-place potential is over 80 BCF (billion cubic feet) per square kilometre within the Irwin River Coal Measures in the southern parts of these permits. The undiscovered gas-in-place potential is composed predominantly of adsorbed and solution gas with minimal free gas being present. Taking into consideration areas excluded where the objective Irwin River Coal Measures is in excess of 5,000 metres depth or areas of low volumes, Empire estimates that a total un-risked, undiscovered gas-in-place volume of 32 TCF (trillion cubic feet) of adsorbed and solution gas is present in the interbedded shale/thin tight sand section in the Irwin River Coal Measures is a reasonable estimate of the unconventional gas potential of these permits.

Empire advises caution in the use of these volumes. Economic development of the resource would require significant well numbers and an assumption that adequate rigs and stimulation units will be available, in addition to permitting, legal, environmental permits and development and completion costs.

Following the acquisition of and subject to the interpretation of the North Erregulla 3D Seismic Survey, Empire plans to drill a conventional well on the North Erregulla Prospect and also into the deeper objective High Cliff Sandstone section. During these operations, Empire plans to cut cores through the Irwin River Coal Measures section for further shale gas studies by qualified laboratories. In addition, Empire will acquire a full suite of electric logs suitable to evaluate the shale gas potential of the Permian Aged Irwin River Coal Measures section and provide calibration with the cores.

Empire looks forward to updating shareholders on the timing of seismic and drilling operations in Exploration Permits EP368 and EP426.

**Competent Person's Statement**

Information in this ASX Release related to exploration results that are based on information compiled by Mr J L Craig Marshall who is a full time employee of Empire Oil & Gas NL. JL Craig Marshall is a Fellow of the Australian Institute of Mining and Metallurgy and is a Certified Practising Geologist BSc (Hons), F.Aus.Imm, CPGEO, with more than 30 years' experience relevant to oil and gas exploration and production.