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## Arrowsmith-2 Update Completion Operations Recommence

**Norwest Energy (ASX:NWE):** Completion operations have recommenced at Arrowsmith -2 following the temporary suspension of the evaluation program announced on 10<sup>th</sup> September.

The program has been modified to complete the well at 2645m.

The revised plan will not compromise the objectives of the original evaluation program, however will delay determining the full potential of the High Cliff Sandstone (HCSS) until the Irwin River Coal Measures and Carynginia zones are sufficiently cleaned up.

Under the original program once testing of the HCSS was complete, co-mingled flow from the three formations was to be used to assist in cleaning up the remaining injected fluids from the Carynginia and Irwin River Coal Measures, which remains the case. Production logging tools will be used to evaluate the contribution from each zone at various times during flow-back.

This co-mingled flow approach has been successfully demonstrated by a number of other operators on unconventional (vertical) well evaluation programs.

Operations and project evaluation will continue within the timeframe and budget originally planned.

### Joint Venture partners in EP413:

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

**Peter Munachen**  
Chief Executive Officer / Director

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## About Arrowsmith-2

The Arrowsmith-2 well is situated in the central eastern area of Permit EP413 with the surface location being approximately 30km north of the township of Eneabba (refer fig2).

Norwest, as Operator and on behalf of its Joint Venture partners drilled the Arrowsmith-2 exploration well in mid-2011, and in 2012 the well was subsequently hydraulically fracture stimulated in five discrete stages across four formations; the High Cliff Sand Stone (HCSS), Irwin River Coal Measures (IRCM), Carynginia Formation and Kockatea Shale.

Each of these stages was flowed back for a limited period immediately following the treatment of each respective zone during the fracture stimulation campaign. Since the hydraulic fracture stimulation program, the Kockatea Shale and Carynginia Formation have undergone extended flow back, with final results still to be acquired from the Carynginia, Irwin River Coal Measures and High Cliff Sandstone intervals, in the current completion and extended flow back program.

Arrowsmith-2 maximum gas rates per interval (to date):

Kockatea Shale	414,000 scf/d
Carynginia	500,000 scf/d (higher rate expected on further cleanup)
High Cliff Sandstone	780,000 scf/d (higher rate expected upon well test)

**Progressive total July 2013: 1,694,000 scf/d\***

\*This does not include a contribution from the Irwin River Coal Measures, which will be flowed back later in this completion program.

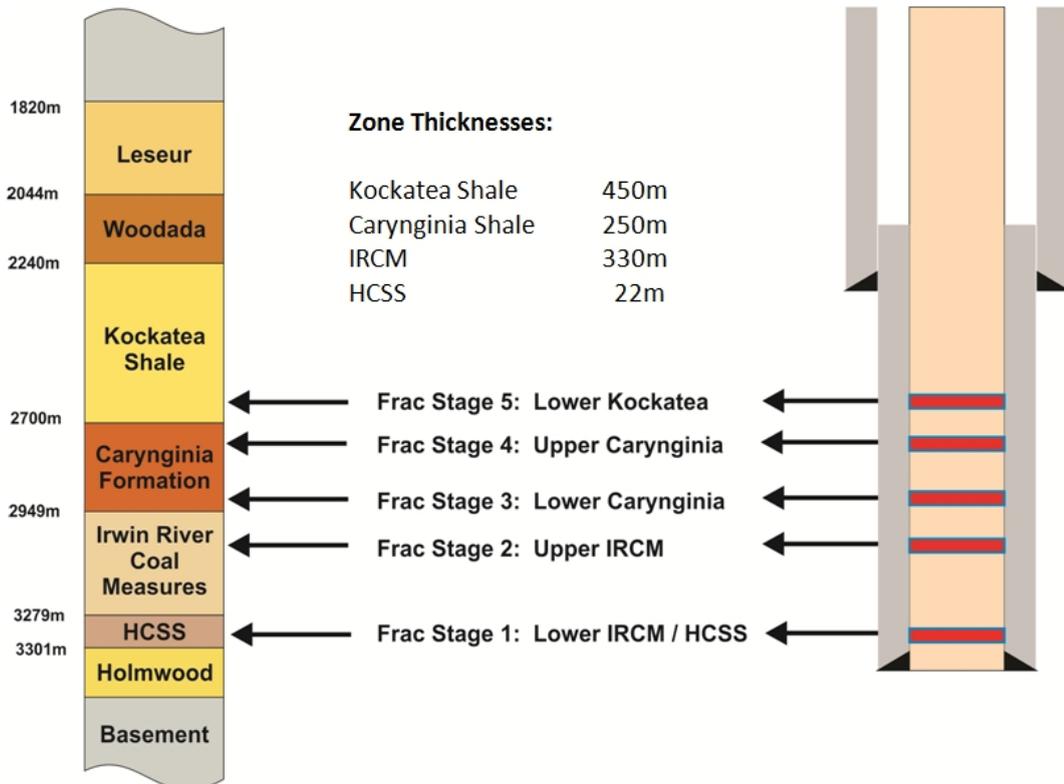


Figure 1. Arrowsmith-2 Frac Stages

## Prospective Resource Report

Norwest has now received a resource evaluation report from DeGolyer and MacNaughton, an independent US based consultancy specialising in unconventional resource and reserves reporting. The findings of the report were for a Best Estimate (P50) gross prospective resource in place of 450 million BOE, including 2.6 TCF of gas, and a best estimate (2C) contingent resource of 316 BCF of gas. The resource evaluation covers a gross acreage of 160km<sup>2</sup> (~40,000 acres) focused on the deep unconventional gas trend East of the Beagle Ridge fault structure. 90km<sup>2</sup> (~22,000 acres) is assessed as being prospective for oil and gas.

## Forward Planning

The program going forward in EP413 is to finalise testing of the well, complete the 3D seismic program and commence high-grading of intervals for future development.

The Arrowsmith field has extremely positive economic drivers – its location close to natural gas pipelines that deliver gas to market; a strong demand for natural gas in the state for domestic use and LNG exports; a high domestic gas price; and a clean natural gas product from all formations.

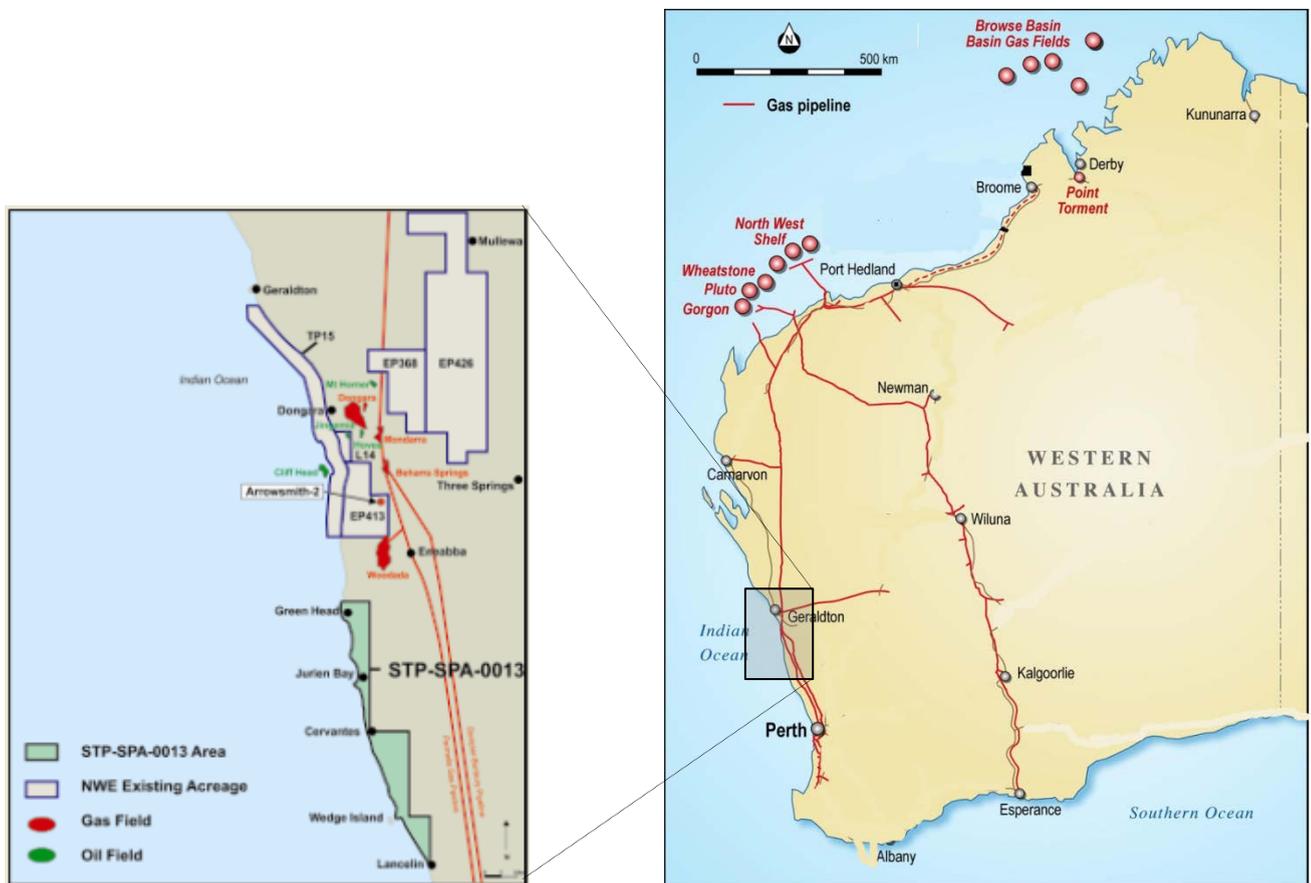


Figure 2. Arrowsmith-2 location