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## Arrowsmith-2 – Completion Program Initial gas flow back rate – 3,523,000 scf/d

Flow back of the Arrowsmith-2 vertical well has recommenced with an initial maximum constrained gas flow rate of 3,523,000 scf/d, measured on a 29/64” choke setting.

Norwest Energy NL (ASX: NWE) reports that the flow back from the Arrowsmith-2 well located in EP413, northern Perth Basin, Western Australia commenced on the 18<sup>th</sup> September 2013.

Co-mingled flow back was from the lower three fracture stimulated formations via the recently installed 2-3/8” tubing string completion (set at 2645m MDRT). Upon opening, the well immediately commenced unloading significant amounts of stimulation fluid with strong gas flow.

Gas and fluid rates of up to 3.523 million scf/d and 1,100 bpd respectively were measured while flowing through a 29/64” choke setting. These rates are the maximum that can be comfortably measured with the equipment package currently on location.



Figure 1. Arrowsmith-2 Gas Flare, 18<sup>th</sup> September 2013

After flowing back the well for 18 hours, a second flow rate test was conducted at 10:30 hrs on the 19th of September and the well was flowing at 0.91 million scf/d of gas and 840 bpd of fluid while flowing through a 32/64” choke setting.

It will take several days or more for the greater volume of stimulation fluids to flow back, and during this period gas flow rates are expected to be variable. It is anticipated that the choke will be further opened as the ratio of gas to fluid stream increases.

Peter Munachen, Norwest CEO said “We are excited by this initial gas rate particularly given the volume of stimulation fluids that remain to be flowed back. We fully expect that Arrowsmith-2 will provide the relevant information in coming months to assist in assessing the potential development of the Arrowsmith unconventional field.”

Four stages are being flowed back in the completion program; the High Cliff Sandstone, the Irwin River Coal Measures and the Carynginia Formation (two frac stages). All zones are being co-mingled during flow back to achieve a composite gas flow rate. To ensure the evaluation program captures as much information as possible on zonal contribution, production logging tools will be run down-hole at various times during the flow back process.

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

It is expected that the gas flow rate and testing program will continue for a further two to three months.

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 fig3).

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 (prior to the co-mingled results reported in this ASX release):

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)
<b>Progressive total July 2013:</b>	<b>1,694,000 scf/d*</b>

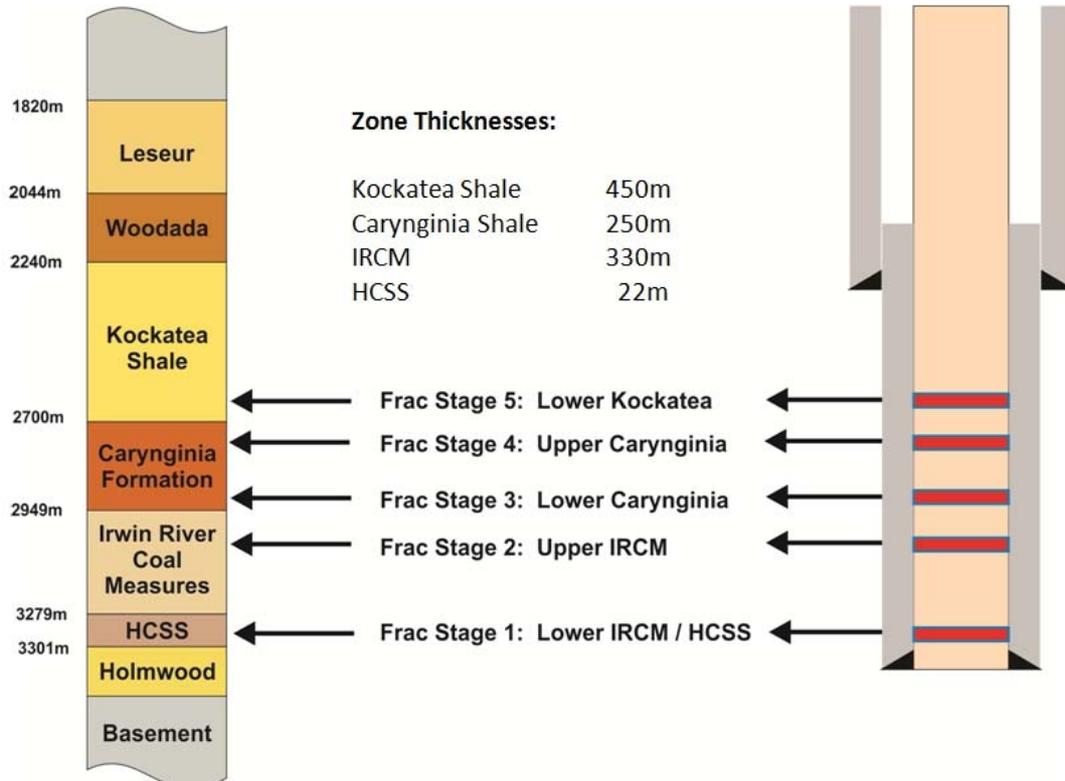


Figure 2. Arrowsmith-2 Frac Stages

### Prospective Resource Report

Norwest has 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.

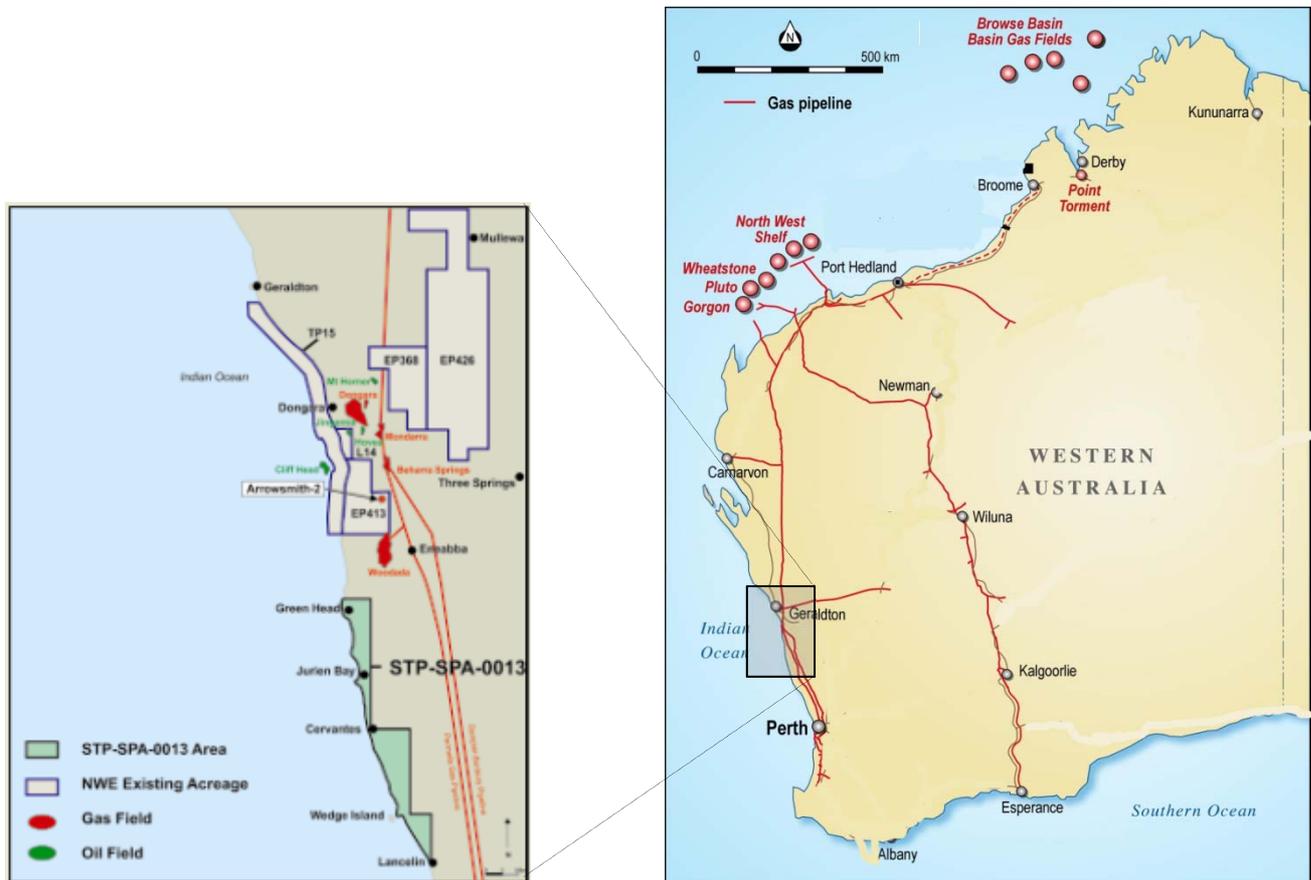


Figure 3. Arrowsmith-2 location