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## UK Licence Status Update

**Norwest Energy NL (ASX: NWE)** is pleased to provide an update on the status of the UK, Wessex Basin licences held by subsidiary company NWE Mirrabooka (UK) Pty Ltd.

Following detailed discussions with Joint Venture partner Wessex Exploration PLC and the UK Department of Energy and Climate Change, a strategic decision was made to relinquish Promote Licence P1928 (Bournemouth Bay) effective at the turn of the year rather than waiting for the 1 February drill-or-drop deadline.

The early relinquishment now enables the group to reapply for the more prospective parts of P1928 under the 28<sup>th</sup> Round of Offshore Licensing, expected to open in February 2014. If successful in the application bid, the Joint Venture will have two years to complete the evaluation, select a drilling target and find a farm-in partner.

Although the Joint Venture had acquired 2D seismic data in October 2013 in relation to P1928, and reprocessed substantial volumes of existing 2D and 3D seismic across the area, a firm commitment to drill was required by 1<sup>st</sup> February 2014, and it was agreed by the Joint Venture that there was insufficient time remaining to prove up the prospects and find a farm-in partner before the deadline.

The Company is also considering its options with the remaining two onshore blocks PEDL 238 (Christchurch) and PEDL 239 (Isle of Wight), also partnered with Wessex Exploration PLC; these blocks expire on 1<sup>st</sup> July 2014.

Norwest Chief Executive Officer Peter Munachen said “These Southern England licence areas still have significant potential and the Joint Venture is investigating ways of gaining more time to evaluate them at minimal additional cost.”

Norwest’s primary focus is the development of its shale gas interests in the Western Australian onshore northern Perth Basin with efforts concentrated on the EP413, Arrowsmith shale gas project.

### Joint Venture partners in P1928:

NWE Mirrabooka (UK) Pty Ltd (Operator)	65%
Wessex Exploration PLC	35%

## **EP413 (northern Perth Basin, Australia)**

Preparations are currently on track for commencing the necessary workover at Arrowsmith-2 later this month, as soon as all necessary equipment arrives on location.

Under the forward plan for Arrowsmith-2, Norwest will firstly conduct a work-over program to remove the faulty gas lift mandrel, which created an obstruction in the wellbore. Upon completion, Norwest intends to conduct a 14-day well test, during which time multiple runs with a Production Logging Tool (PLT) will be made to evaluate the contribution of gas and fluid from each of the perforated intervals. This process will assist in establishing contributions from each zone towards the total commingled flow rate readings.

Presently, four stages are being flowed back in the current phase of the program; the High Cliff Sandstone, the Irwin River Coal Measures and the Carynginia Formation (two frac stages).

Final testing at the well site will allow Norwest to complete its evaluation program for Arrowsmith-2. Data from this evaluation program will be crucial in enhancing Norwest's ability to plan for drilling and hydraulic stimulation of its first horizontal pilot well, Arrowsmith-3.

**ENDS**

### **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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