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## Arrowsmith field operations update on final phase of test work

**Norwest Energy NL (ASX: NWE)** is pleased to provide an update on the final phase of test work at the Arrowsmith-2 well.

As announced in the Quarterly Report released to the ASX on 31 January 2014, field activities have re-commenced at the Arrowsmith-2 well in the onshore Perth Basin to complete the work-over and final phase of testing.

The Arrowsmith-2 well was re-entered on 29 January 2014, with the 2-3/8" completion tubing string successfully removed from the wellbore without incident. The faulty gas lift mandrel that had created an obstruction in the wellbore has also been removed, with a replacement mandrel not required in order to complete the final evaluation phase of flow back testing. The tubing string was then run back into the well to meet the packer at 2,645 metres depth.

With these tasks successfully completed, preparations are underway to conduct a 14-day well test. Norwest intends to conduct multiple runs in the well with a Production Logging Tool (PLT), which will evaluate the contribution of gas and fluids from each of the perforated target intervals.

Testing with the PLT will allow Norwest to gain better knowledge of the flow rate contributions from each zone towards the total commingled flow rate readings. This data will allow Norwest to conclude its evaluation program at Arrowsmith-2. 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.

The four target intervals to be tested with the PLT are the High Cliff Sandstone, the Irwin River Coal Measures, and the Carynginia Formation (which underwent two separate hydraulic fracturing intervals).

Norwest Chief Executive Officer Peter Munachen said it was pleasing that progress in the final phase of test work at Arrowsmith-2 was proceeding well.

"Completing test work will represent an important step in our pathway to commercialisation, as it will allow us to conclude the evaluation program at Arrowsmith-2, which will add crucial data in the planning for Arrowsmith-3," Mr Munachen said.

"Arrowsmith-2 was intended to act as a proof of concept well and we have been very encouraged by the results thus far.

“Determining the location for Arrowsmith-3 horizontal well – a critical step in the pathway to commercialisation of the Arrowsmith Field – will require careful planning over the coming year.

“This planning will draw on two data sets – the final evaluation at Arrowsmith-2 and data from a 3D seismic program that we are progressing toward conducting in the second half of 2014.”

**ENDS**

**Joint Venture partners in EP413:**

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

**About Norwest Energy**

Norwest Energy NL (ASX: NWE) is an Australian-based oil and gas company focused on the strategic exploration and development of its asset portfolio in Western Australia and the United Kingdom.

Norwest’s core strategy is to explore the potential of its permits in the emerging shale gas industry within Western Australia, where the Company holds net basin acreage of 2,295 square kilometres in the northern Perth Basin. This acreage includes both conventional and shale opportunities, with Norwest’s primary focus being on progressing along its clear pathway to commercialisation of the shale gas Arrowsmith Project. As project operator, Norwest is working alongside its joint venture partners, AWE Limited and Bharat PetroResources Limited, to unlock the value of Arrowsmith through a systematic exploration and development program.

Norwest is using its position as one of the earliest movers in the onshore shale and tight gas plays in Western Australia to build on the knowledge, experience and technical expertise that will see the Company progress from exploration through to development at its world-class projects.

The Company is committed to the ongoing development and assessment of its current portfolio and new opportunities that provide the ability to diversify and enhance Norwest’s portfolio, with the aim of delivering value to its shareholders.

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