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(ASX:NWE)



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Update on South of England Strategy PEDL 238 and PEDL 239

Norwest Energy NL (ASX:NWE) reports that the Norwest-operated UK joint venture group (NWE Mirrabooka (UK) Pty Ltd and Wessex Exploration PLC) holding UK onshore licences PEDL 238 (Christchurch) and PEDL 239 (Isle of Wight) has agreed after discussion with the Department of Energy & Climate Change to an early relinquishment of these licences.

The licences were due to be relinquished at the expiry of the licence term on 1 July 2014, so the early relinquishment will enable the blocks to be included in the 14th Landward Licensing Round which is expected to be held in the second half of 2014. The Joint Venture Group intends to participate in the Licensing Round and re-apply for the licences. This strategy is consistent with that adopted for offshore Promote Licence P1928 that was relinquished earlier in the year in order for it to be included in the current 28th Seaward Licensing Round.

The joint venture group has acquired a considerable volume of new technical information across the area of these three relinquished licences, including onshore and offshore seismic acquisition, extensive seismic reprocessing, Full Tensor Gravity Gradiometry and geochemical analysis. Analysis of this data over the past year has given the group unparalleled insight into both conventional and unconventional plays in the region. This will allow the group to focus its re-applications around the most prospective parts of each of these areas, which are located on the northern flank of the English Channel Basin, on trend with the prolific Wytch Farm oilfield.

A review of the original Beluga, Steelhead and Razorback prospects indicated that the closures were poorly defined by the existing seismic grid, a conclusion borne out by lack of success in the considerable farmout efforts by the joint venture. More work needs to be done before a drillable location can be defined on one or more of these prospects.

Norwest Chief Executive Officer Peter Munachen said “Our current strategy in the UK has been to ensure that prospective areas we have identified are available for licencing by our group in 2014. The extensive studies we have carried out should give us a significant advantage in our forthcoming applications. If successful, we will have the time to carry out the additional work necessary to define drillable locations on our existing prospects and new leads.”

Joint Venture partners

	PEDL 238	PEDL 239
NWE Mirrabooka (UK) Pty Ltd (Operator)	50%	75%
Wessex Exploration PLC	50%	25%

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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