

11 April 2014



ABN: 65 078 301 505
288 Stirling Street
Perth WA 6000
PO Box 8260 PBC WA 6849
Tel: +61 8 9227 3240
Fax: +61 8 9227 3211
www.norwestenergy.com.au

Carynginia and Irwin River Coal Measures identified as dominant zones for gas production

Norwest Energy NL (ASX: NWE) reports that evaluation of the Arrowsmith-2 dataset and well test results indicate that the Carynginia Formation and Irwin River Coal Measures (IRCM) are the dominant zones for gas production.

During the well test, the production logging tool (PLT) tested flow conditions over the range 2,700 metres to 3,301 metres, including the perforated zones of the Carynginia, IRCM and High Cliff Sandstone (HCSS). These zones had a previously reported average commingled surface gas rate of 312,299 scf/d (Oct 2013), however the production logging program was the first opportunity to record down-hole contributions from each perforated zone.

The PLT program had several objectives, which included:

- Determining dominant zones and establishing relative contribution of each zone;
- Verifying down-hole flowing conditions; and
- Validation by inclusion and comparison with the pre-existing dataset.

These objectives have now all successfully been met.

The hydraulic fracture stimulation program implemented at Arrowsmith-2 had five frac stages, referred to as Stages 1 to 5 (refer Table 1), all targeting different depth intervals within the well (refer Figure 1).

The PLT program was conducted across the perforated intervals of stages 1 - 4. This was the first opportunity to assess down-hole gas contribution from each specific perforated interval. PLT results across the Stage 1 perforations indicate the majority of gas produced from this stage as being produced from the perforations in the Lower IRCM as opposed to the HCSS as previously thought. The isotope and gas compositional data supports and validates the Lower IRCM as being the predominant gas source for Stage 1. This result high-grades the IRCM as the dominant gas producing interval.

Figure 1 demonstrates Arrowsmith 2 frac stages, perforated intervals and PLT gas contributions.

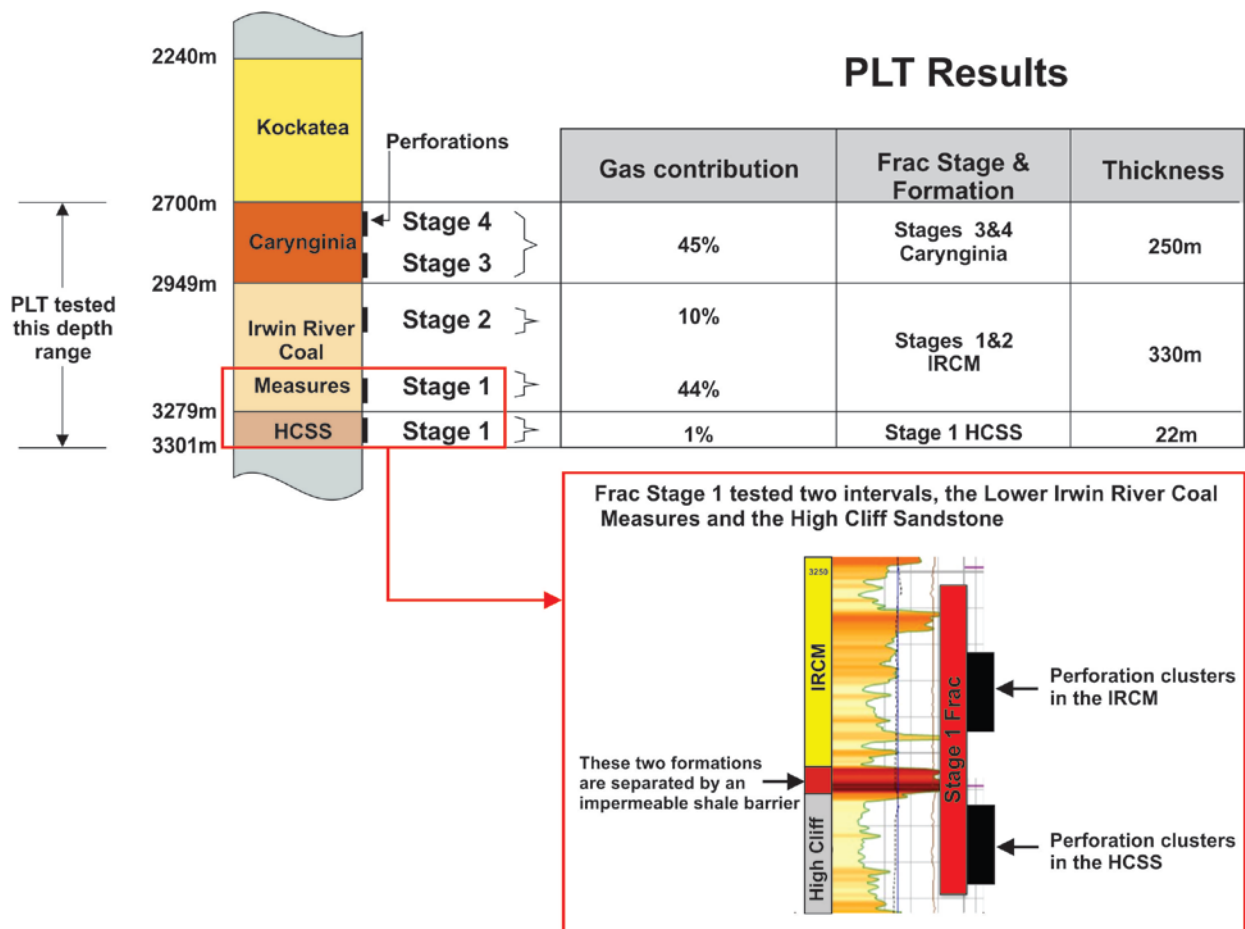


Figure 1 Arrowsmith-2 PLT results

Frac Stage	Target Formations
Stage 1	HCSS and Lower IRCM
Stage 2	Upper IRCM
Stage 3	Lower Carynginia
Stage 4	Middle Carynginia
Stage 5	Lower Kockatea (not tested during PLT program)

Table 1 Arrowsmith 2 hydraulic fracture stimulation stages

With two target intervals having the potential to produce significant quantities of hydrocarbons, the selection of the target zone and location to drill Arrowsmith-3 will be finalised by integrating the results of the 3D seismic acquisition program scheduled for the last quarter of 2014.

Norwest Energy Chief Executive Officer Peter Munachen said that the final test work conducted at Arrowsmith-2 and analysis of results had validated the Company's high expectations for the proposed Arrowsmith-3 horizontal well and the way forward for the Arrowsmith field.

"Overall results at Arrowsmith-2 have been very encouraging. It is the first shale gas project in Western Australia, and through the efforts of our dedicated project team and support of the Joint Venture partners we have achieved all project objectives," Mr Munachen said.

“It is indeed a significant milestone to have achieved these objectives, which will assist in establishing the basis for the way forward” Mr Munachen continued.

The results of recent exploration and evaluation at Arrowsmith-2 provide validation of geological assumptions and target formations, and will assist in developing an informed pathway for further evaluation of the Arrowsmith Field and defining potential for development.

Mr Munachen said the final test results at Arrowsmith-2 had proven the shale gas concept. This was supported by the DeGolyer and MacNaughton estimated prospective resource of 2.6TCF for the Arrowsmith field (refer to ASX release dated 11 June 2013).

At present Arrowsmith-2 is being monitored for fluid levels and pressure build up in the well. No decision has yet been made by the joint venture as to the future use of Arrowsmith-2, however a number of options around different field development scenarios will be considered in due course.

-ends-

EP413 Joint Venture

Norwest Energy	27.945% (Operator)
AWE Limited	44.252% (via subsidiaries)
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.

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.

For further information, please contact:

Peter Munachen
Chief Executive Officer / Director

phone: +61 8 9227 3240
email: info@norwestenergy.com.au
visit: www.norwestenergy.com.au