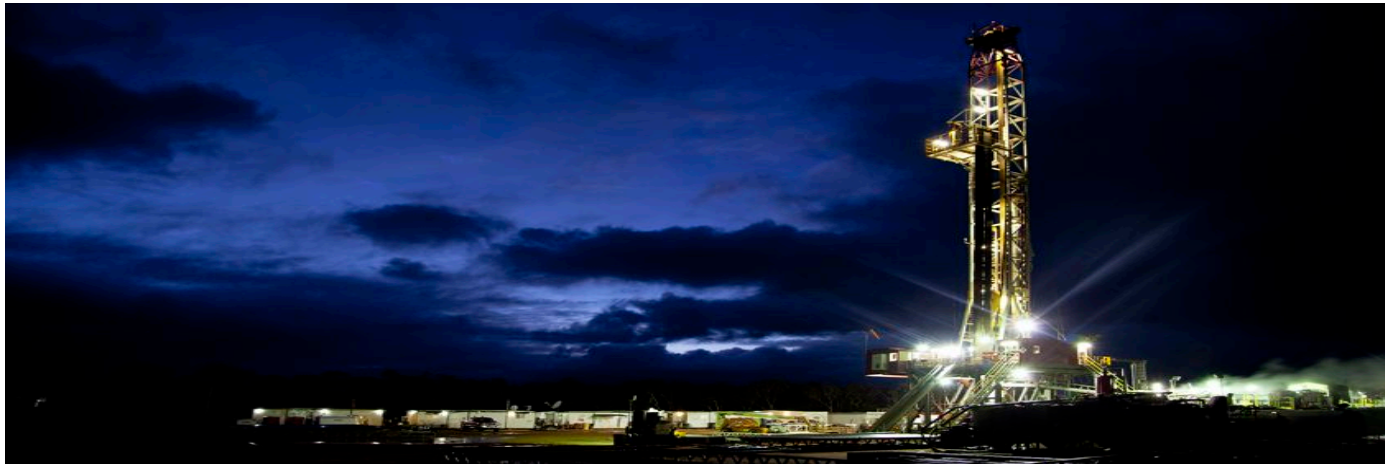


ASX: NWE



Highlights

Australian Exploration Program

EP413: Extensive planning work continued during the quarter for the drilling of a horizontal well (Arrowsmith-3), which is expected to occur in CY2015. This well will target either the Irwin River Coal Measures (IRCM) or the Carynginia Formation, following the high-grading of the two zones in Q1 CY2014 as the two most dominant gas-producing formations. The final decision on the target formation will be made by the EP413 Joint Venture based on the existing dataset, and the final location of the well will be guided by the 3D seismic survey results. Furthermore, progress was made in the regulatory approvals process for the 3D seismic survey, with current expectations that timing remains on track for the on-the-ground work to occur in late Q4 CY2014.

STP-EPA-0064 (SPA): Native Title negotiations were completed in the quarter, with an Exploration Deed signed with the Traditional Owners of the land over which the exploration permit will cover. The State Deed has been signed by the Western Australian Department of Mines and Petroleum (DMP). The regulatory process of conversion to an exploration permit continues, and is expected to be completed during Q3 CY2014.

TP/15: Active discussions with a number of interested parties regarding a potential farm-in agreement continued in the quarter. Norwest is aiming to secure a partner to move forward with the ongoing evaluation of multiple conventional oil targets identified in the acreage. Concurrently, planning and securing the required regulatory approvals for the 2D seismic survey continued, with the survey acquisition planned to occur once approval is granted.

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Figure 1. NWE tenements

Executive Summary

During the quarter Norwest has focussed on assessing and planning the Company's options for project development across a number of key areas in the Perth Basin and southern England.

Norwest's priority remains on its most advanced project, the Arrowsmith shale gas project within EP413 and the proposed drilling of the Arrowsmith-3 horizontal well. As project operator Norwest made progress with a number of important initiatives in the quarter which included continuing to navigate through the regulatory approvals process for the 3D seismic survey, meetings with joint venture partners to discuss the upcoming work schedule and budget, extensive desktop planning in assessing the formation to be targeted and preparing preliminary well design options. These are all aimed to ensure that Norwest and the EP413 Joint Venture is on track to meet key milestones all of which lead to the ultimate development of the Arrowsmith gas field.

In the quarter Norwest also progressed with its objective of actively seeking a farm-in partner for the Company's offshore TP/15 acreage, which will assist with funding the future work program. Norwest continued discussions with a number of interested parties during the quarter, and these discussions are ongoing. Norwest's intended future work program for the acreage will see the Company target the acreage's Permian sands, which include the Early Permian fluvial to near shore marine sandstones of the Irwin River Coal Measures, the High Cliff Sandstone and the overlying Late Permian Dongara Sandstone.

Norwest has now successfully completed Native Title negotiations with the Traditional Land Owners of the land the Company will be operating on within the STP-EPA-0064 boundaries. With the negotiations complete, Norwest has signed an Exploration Deed with the Traditional Owners, and is now progressing with the regulatory approvals process to convert the State Deed into an exploration permit. Work remains suspended while this process continues, with an expected completion date in the current quarter.

While Norwest has not conducted any on-ground operational activity during the June quarter given the planning being undertaken, it is highly encouraging to note an increase in activity elsewhere in the Perth Basin, with onshore drilling currently being undertaken in the area as other operators advance their projects. Upcoming drilling and 3D seismic surveys in the Perth Basin will provide Norwest with opportunities for improved cost efficiencies moving forward via equipment and personnel sharing with the Company exploring alignment of operational activity with other operators.

Outside the Perth Basin, Norwest has also sought to reaffirm its strategy for its UK assets with the Wessex/Norwest Joint Venture lodging an application during April 2014 in the 28th Offshore Bidding Round for the most favourable blocks that had previously formed part of P1928. Following the application lodgement process, Wessex and Norwest were interviewed by the Department of Energy & Climate Change (DECC) as part of the process for reviewing applications.

The onshore permits PEDL 238 and 239 were strategically relinquished by the beginning of April to enable the blocks to be offered in the 14th Landward Licencing Round which was opened by DECC on 28th July 2014. Norwest and Wessex have a comprehensive data set over the relinquished permits, and will bid for blocks in the current 14th round.

As part of Norwest's commitment to its UK project development, the Company was represented at a shale gas conference in London during the quarter to meet relevant UK service providers and players and also to visit the Southern England/Bournemouth Bay area to meet with local community stakeholders and gain an insight for the overall sentiment for hydrocarbon exploration activities. Norwest has been operating in the region for more than six years and has conducted several seismic programs as well as air Full Tensor Gravity Gradiometry, all with the full co-operation of its relevant and local stakeholders.

Norwest is cognisant that its programs, particularly in the Perth Basin, will require additional funding in order to progress. This includes the Company's share of drilling Arrowsmith-3 next year. Notwithstanding that the funding requirements and timing are dependent on final costings for the forward programs, there are a range of options that continue to be considered by Norwest, such as seeking farm-in partners, pre-paid gas sales agreements, debt facilities, and equity. Renewed interest in the Perth Basin will assist Norwest in exploring these options. Meanwhile, in the quarter Norwest continued with its ongoing restructure of corporate operations aimed at driving cost efficiencies and the effective deployment of resources.

Norwest is pleased to have delivered on a number of important steps in Q2 CY2014 and looks forward to delivering on further milestones in the current quarter as we progress along the development pathway.

Peter Munachen
Chief Executive Officer

Petroleum Tenements – Interests

Permit	Location	NWE (consolidated) interest at the beginning of the quarter	Movements for the current quarter	NWE (consolidated) interest at the end of the quarter
AUSTRALIA				
EP368	Perth Basin, WA	20%	0%	20%
EP426	Perth Basin, WA	22.22%	0%	22.22%
EP413	Perth Basin, WA	27.945%	0%	27.945%
L14	Perth Basin, WA	6.278%	0%	6.278%
TP/15	Perth Basin, WA	100%	0%	100%
STP-EPA-0064	Perth Basin, WA	100%	0%	100%
UNITED KINGDOM				
PEDL 238	Wessex Basin, UK	50%	-50%	0%
PEDL 239	Wessex Basin, UK	75%	-75%	0%

Australian Exploration Program

EP413 – Northern Perth Basin shale gas exploration

(Norwest 27.945%, Operator)

EP413 (the Arrowsmith Project) is located approximately 250 kilometres north of Perth, predominantly to the western side of the Brand Highway between Eneabba and Dongara (refer Figure 3).

Q2 CY2014 review

The focus for the quarter was planning for the 3D seismic survey and the commencement of planning for the Arrowsmith-3 horizontal shale gas well.

3D Seismic Acquisition Program – Planning Phase

As operator of the EP413 joint venture, Norwest continued throughout the quarter with the necessary preparations required to undertake a 3D seismic survey in late Q4 CY2014. This survey will assess the extent of the resource surrounding the existing Arrowsmith-2 well location and will cover an area of approximately 12,700 Ha (110km²).

During the quarter, Norwest has compiled reports required by the Environmental Protection Authority (EPA), Department of the Environment (DotE) and Department of Mines and Petroleum (DMP) as part of the approvals process. These documents have been lodged with the regulatory bodies, and the program assessment continues. All regulatory approvals for the seismic survey are on schedule to be finalised in advance of the proposed acquisition program.

The necessary targeted surveys required to complete the Level 2 botanical survey were finalised during Q1 within the proposed seismic acquisition area. A final report was prepared during the quarter to encapsulate the results from the two annual spring surveys conducted in 2012 and 2013, and the targeted surveys of late 2013 and 2014, thereby providing the regulators with sufficient information to finalise the assessment process. The surveys will also assist Norwest with designing the 3D seismic survey to ensure the most appropriate methodology is utilised to ensure minimal environmental impact during survey acquisition.

The 3D seismic survey will also assist in defining the optimal locations / target formation(s) for future wells in the Arrowsmith Field, including Norwest's first horizontal pilot well Arrowsmith-3.

Arrowsmith-3 horizontal well – Planning Phase

Results from Arrowsmith-2 provided the EP413 JV with the necessary data set to commence the planning of a horizontal pilot well, Arrowsmith-3, expected to be drilled during CY2015 with the timing dependent upon equipment availability and the regulatory approvals timeline. Norwest is currently working with the EP413 JV partners to determine which formation will be targeted with a horizontal well, while concurrently preparing a preliminary well design. These activities will be finalised once the 3D seismic survey and interpretation is complete.

In determining the formation to be targeted, Norwest and its EP413 JV partners are working off the findings from the final period of flowback on Arrowsmith-2. During this flowback phase, a production logging tool (PLT) was used to determine downhole contributions from the tested intervals in the well. The PLT tested the depth range 2700 – 3301 metres, spanning the Carynginia, IRCM and High Cliff Sandstone (HCSS) intervals.

PLT results indicated that the dominant zones for gas production are the IRCM and the Carynginia formations; both are thick formations (330 metres and 250 metres respectively), and prolific throughout the region.

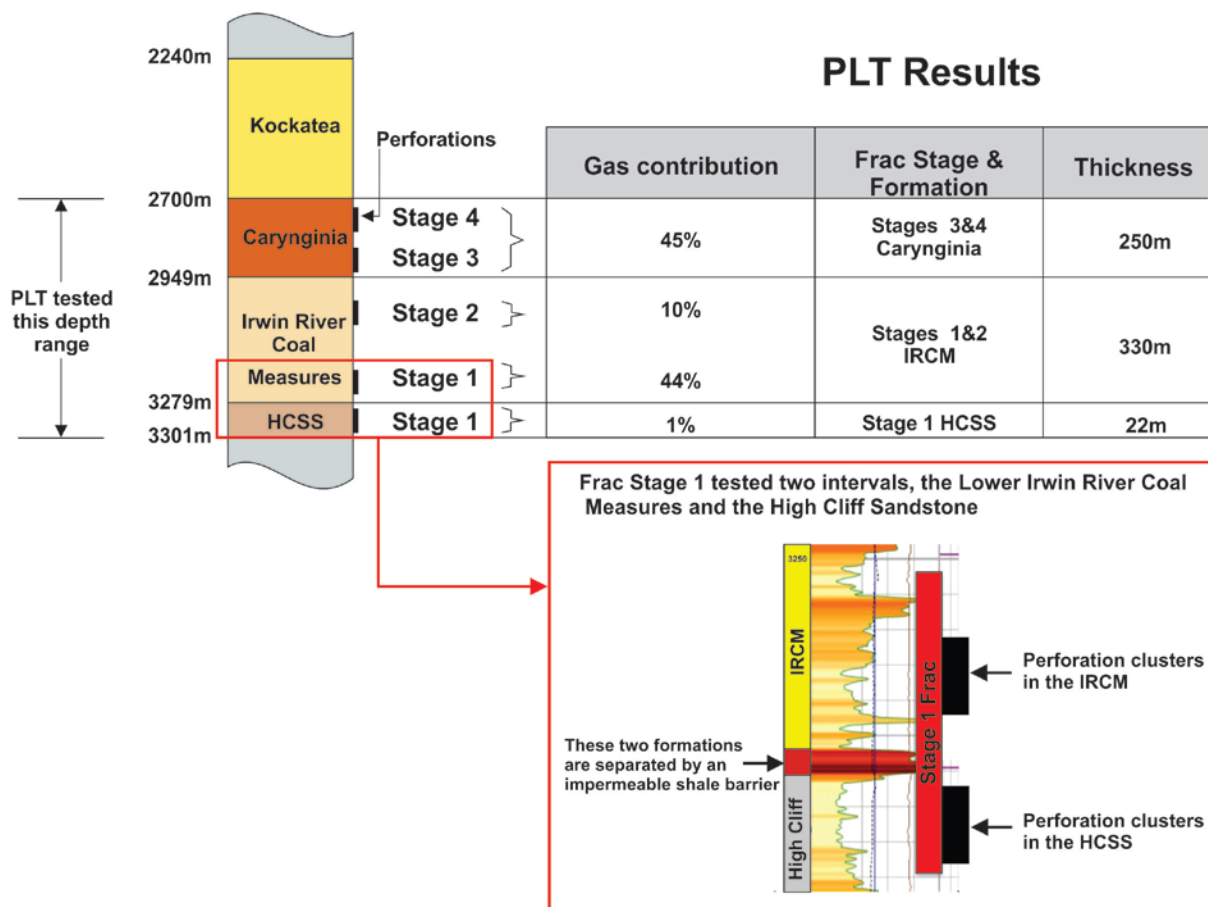


Figure 2. Arrowsmith-2 PLT results

The current focus of the EP413 JV is the gas production potential of the IRCM and Carynginia. Both formations demonstrate the necessary attributes to support drilling a horizontal well.

Community Stakeholder Engagement Process

Norwest has held meetings throughout the quarter with various community groups and government departments as part of an ongoing stakeholder consultation program. This program is designed to provide relevant information on project activities to interested third parties, results of which have formed part of the assessment process within the EPA submission regarding the 3D seismic survey.

Norwest is committed to proactive and transparent engagement with all stakeholders throughout the project planning period in preparation for operational activity.

EP413 Joint Venture

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

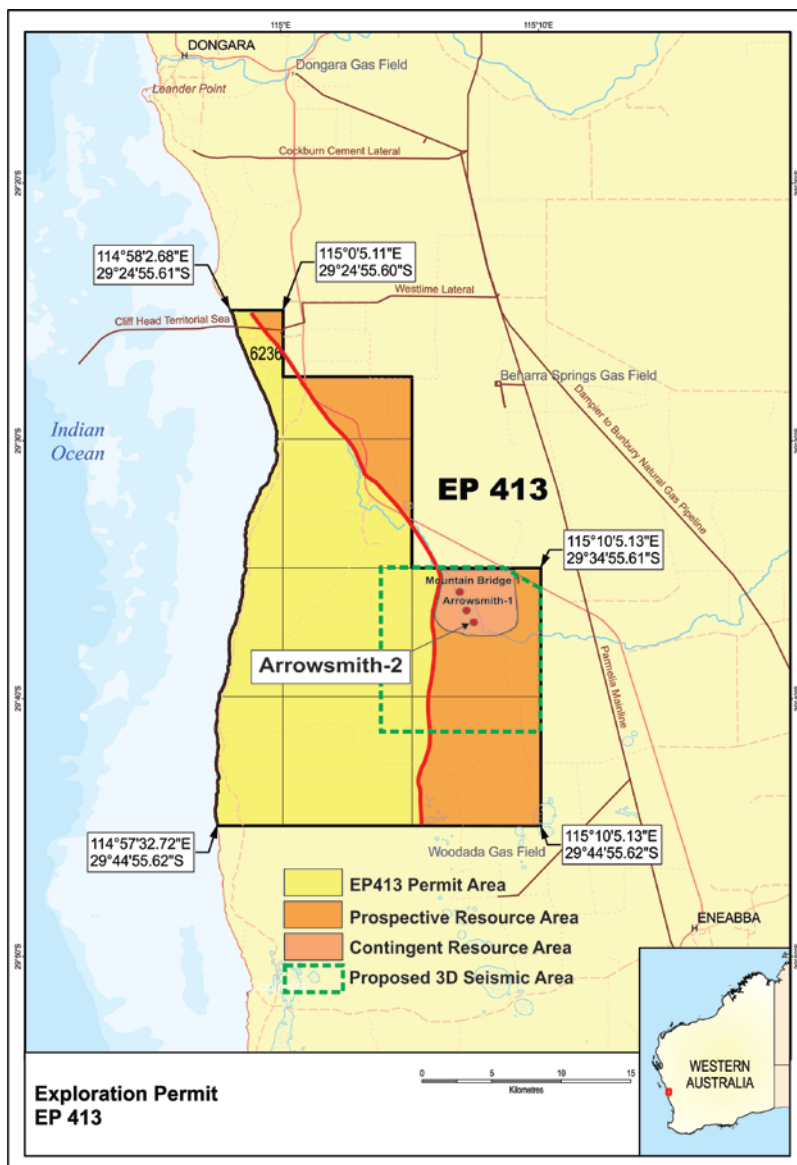


Figure 3. EP413 Location Map showing Arrowsmith-2 location and proposed 3D seismic area

TP/15

(Norwest 100%)

The primary focus for the quarter was on progressing discussions with interested parties with a view to secure a potential farm-in partner. Several companies are currently evaluating the acreage at TP/15, and Norwest is confident a deal will be made in due course due to the conventional oil play potential within the permit. During the quarter, Norwest also presented TP/15 at the PESA deal day (prior to the APPEA April 2014 conference). This presentation formed part of the strategy for securing a farm-out partner on TP/15, with the presentation generating significant interest.

Exploration Permit TP/15 is favourably located offshore in the northern Perth Basin, in proximity to the Cliff Head, Jingemina and Eremia oil fields and the Dongara gas field (refer Figure 4).

The permit occupies the 3 nautical mile wide State territorial waters offshore Western Australia, adjacent to the township of Port Denison, and covers an area of 645.8km². The permit was renewed in May 2012 for a five year term.

In addition to conducting the farm-out process, Norwest continued planning for a 2D seismic survey to be acquired as part of the work program commitment on the acreage; the survey is designed to:

- Improve structural confidence in mature prospects;
- Firm up the structural integrity of newly identified leads;
- Acquire data in areas located to the north and south of the permit where there is no seismic though good potential for valid traps; and
- Improve regional mapping.

Norwest has engaged Strategen Environmental Consultants to assist with the approvals process for the 2D seismic survey to ensure the regulatory process is managed as expediently as possible.

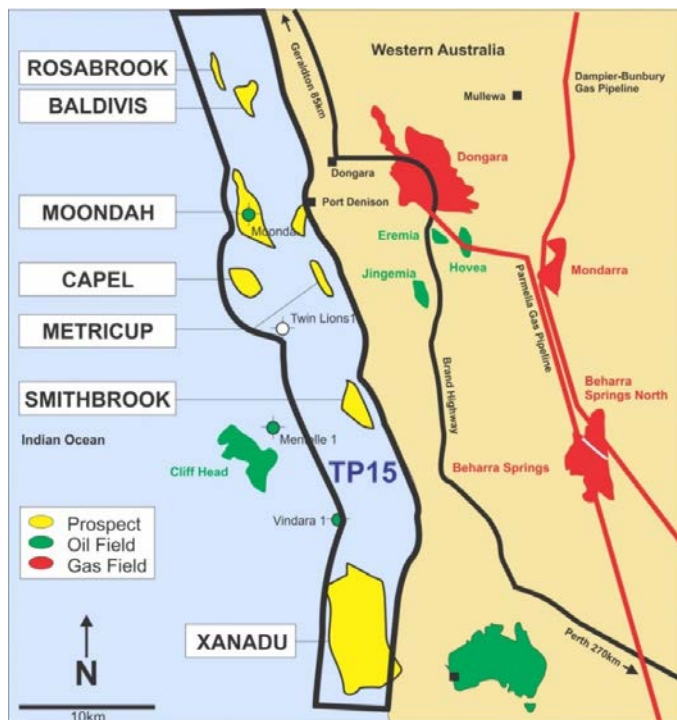


Figure 4. TP/15 Prospect Location Map

STP-EPA-0064 Special Prospecting Authority (Exploration Permit Application)

(Norwest 100%)

During the quarter, the negotiation process with the Traditional Owners was finalised and an Exploration Deed was executed. The State Deed was also signed by the DMP, and the regulatory process of conversion to an exploration permit continues. It is anticipated that the offer of award will be received by Norwest during Q3 CY2014.

All on-ground work continued to be suspended on this permit during the quarter and will remain so until the exploration permit is awarded. Desktop studies completed on the SPA indicate three separate hydrocarbon systems to be prospective in the area – a deep shale gas system, a shallow shale gas system and conventional traps. These will require seismic work to confirm validity.



Figure 5. SPA Location

EP368 and EP426

EP426

Empire Oil Company (WA) Limited (Operator)	46.91%
ERM Gas Pty Limited	30.87%
Westranch Holdings Pty Ltd (Norwest Energy NL)	22.22%
Allied Oil & Gas Plc (Allied is subject to deemed withdrawal due to default)	0.00%

EP368

Empire Oil Company (WA) Limited (Operator)	80.00%
Westranch Holdings Pty Ltd (Norwest Energy NL)	20.00%

Operator of the North Erregulla project, Empire Oil and Gas NL, reports that in regards to the North Erregulla 3D seismic survey discussions between the Joint Venture parties continue with regard to the work program, timing, costs and negotiations with landholders regarding land access arrangements.

The 3D seismic survey encompasses an area that is generally only available for a short period from December to March of each year due to seasonal rural constraints. Empire expects the proposed 3D seismic survey to be undertaken during Q1 CY2015.

L14 Jingemia Oil Field

(Norwest 6.278%)

The project remains under care and maintenance pending a decision by the Joint Venture to determine the future of the project. In any event it has been decided to prepare the Jingemia Facility to become hydrocarbon free, the planning for which will commence in Q3 CY2014.

Timor Sea

AC/P22 - Puffin (Norwest 1.25%, ORRI)

During the current quarter it was reported by AED Oil Limited (AED) that it was resolved by the Joint Venture and the administrators of AED to support the recommendation from Sinopec Oil and Gas Australia that AC/P22 be surrendered following an extensive evaluation of the permit.

The overriding royalty interest of 1.25% held by Norwest continues to apply to AC/L6, the production licence within AC/P22, and this licence remains current. However, discussions with regulators are in progress regarding a future work program for the licence and its ongoing status.

United Kingdom Exploration Program

P1928 – Offshore Wessex Basin

PEDL238 / 239 – Onshore Wessex Basin

The P1928, PEDL238 and PEDL239 Joint Ventures (NWE Mirrabooka (UK) Pty Ltd and Wessex Exploration PLC) agreed – after discussion with the Department of Energy & Climate Change – to the strategic, early relinquishment of these permits.

P1928 was relinquished with effect from 1 January 2014 and PEDL 238 / 239 was relinquished in April 2014.

As a firm commitment to drill P1928 was required by 1st February 2014, it was agreed that time constraints limited the ability to successfully prove up the prospects, select a drillable target and find a farm-in partner in the necessary timeframe. As such, the Joint Venture agreed that the best strategic approach was early relinquishment of the permit by 2013 year end, thereby enabling the Joint Venture to reapply for the more prospective parts of P1928 (and drop the least prospective parts) under the current 28th Round of Offshore Licensing. This application has been lodged, and if the bid is successful, the Joint Venture will have two years to complete the evaluation, select a drillable target and find a suitable farm-in partner.

PEDL238 and 239 were due to be relinquished at the expiry of the licence term on 1 July 2014; early relinquishment has enabled those licences to be included in the 14th Landward Licensing Round, which was opened by DECC on 28th July 2014 with applications required to be lodged by 28th October 2014. The Joint Venture will bid for blocks within both licence areas in the current 14th round.

The Joint Venture has acquired a considerable volume of technical information across the area of these 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. If the respective applications are successful, this will allow the group to focus on the former P1928, PEDL238 and PEDL239 blocks around the most prospective parts of each of these areas, located on the northern flank of the English Channel Basin, on trend with the prolific Wytch Farm oilfield.

In the event of the licences being offered and awarded to Norwest and Wessex the equities will be Norwest 65 per cent and Wessex 35 per cent (permit Administrator and Operator).

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Competent Person: The technical content of this announcement is based on information compiled by or under the direction of Mr Andrew Sutherland of Dataco Australasia Pty Ltd. Mr Sutherland holds a Bachelor Degree in Science and a Masters Degree in Business. He is a member of the Society of Petroleum Engineers and has 30 years' experience in petroleum exploration. Mr Sutherland has consented in writing to the inclusion of the information stated in the form and context in which it appears.