

ASX ANNOUNCEMENT

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(ASX:NWE)



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Norwest increases footprint in the northern Perth Basin

- **Norwest awarded Exploration Permit EP492 covering 860km² along the northern Perth Basin coastal region – Green Head to Lancelin**
- **Norwest acquires rights to a further 805km² adjoining the south eastern boundary of EP492 and inland from Lancelin, by purchasing Finder No 5 Pty Ltd, the holder of SPA-16 AO**

Norwest Energy NL (ASX:NWE) (Norwest) is pleased to advise that it has today received the instrument of title from the Western Australian Department of Mines and Petroleum awarding Exploration Permit EP492 covering 860km² arising from the conversion of STP-EPA-0064.

Norwest has today also executed an agreement with Finder Exploration Pty Ltd to acquire its wholly owned subsidiary, Finder No 5 Pty Ltd that holds Special Prospecting Authority SPA – 16 AO (Finder SPA), covering 805km² contiguous to EP492 (refer to Figure 1). The Finder SPA grants the right to Finder No 5 Pty Ltd to apply to the Western Australian Department of Mines to convert the Finder SPA into a six-year Exploration Permit.

The Finder SPA, with its sizeable area of 805.3km², when combined with Norwest's EP492 represents a significant footprint of 1,665km² in this under-explored region of the northern Perth Basin, and is considered by Norwest to be a valuable addition to its overall position in the Basin.

Norwest Chief Executive Peter Munachen said that securing this acreage was recognised to be a great opportunity for Norwest. Whilst the region is under-explored, it does host the current Empire Oil and Gas NL (Red Gully) gas operation, proving that hydrocarbons are present in the

region and may be produced. The Walyering gas condensate discovery is also located immediately adjacent to the FINDER SPA.

The award of EP492 is the result of successful negotiations with the Traditional Owners, the Yued People with whom Norwest has developed a sound working relationship. Norwest expects that the successful relationship with the Yued People will continue, leading to the ultimate award of an Exploration Permit over SPA-16 AO.

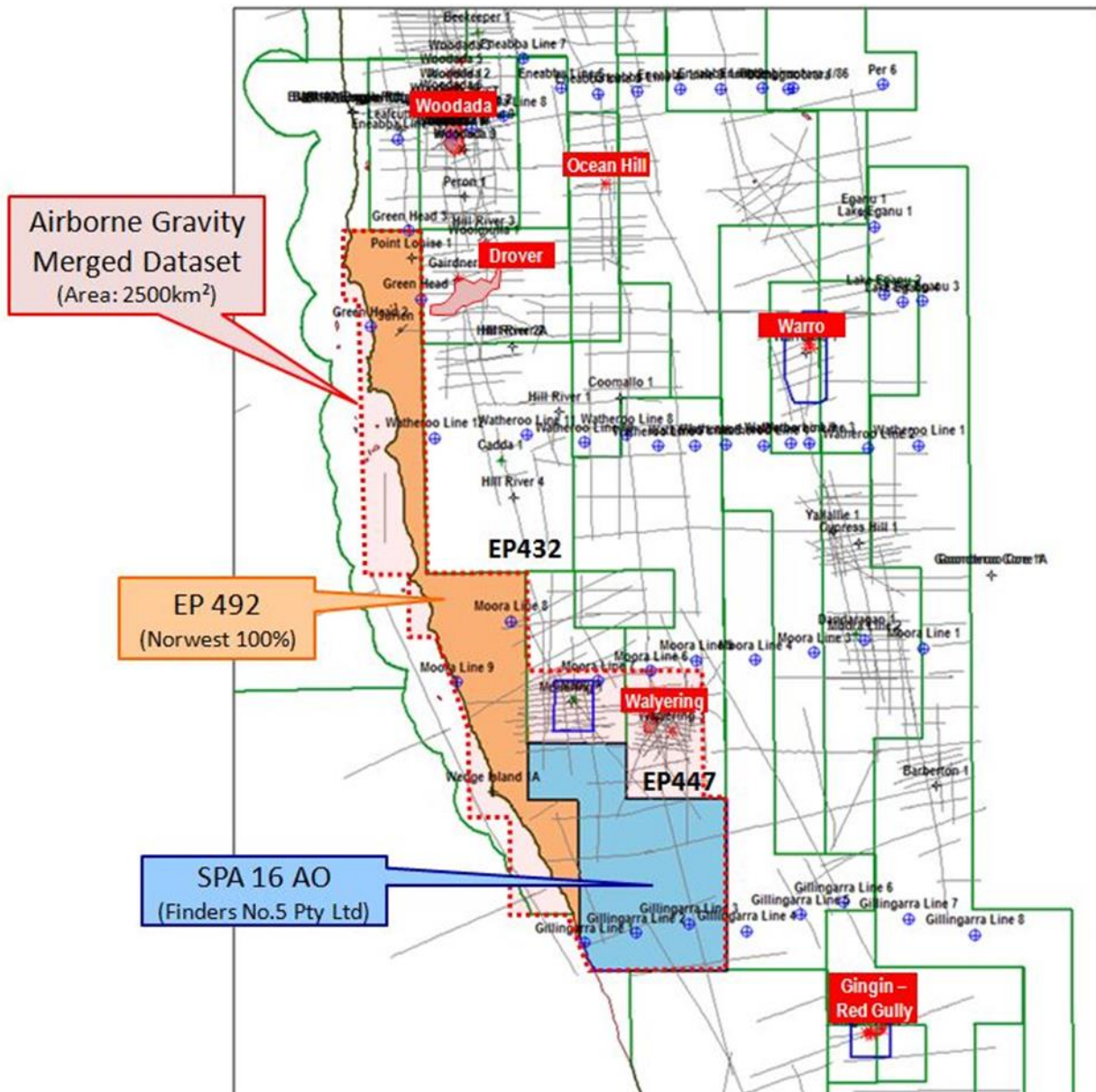


Figure 1.

About SPA-16 AO (the FINDER SPA)

The FINDER SPA is located at the southern end of the northern Perth Basin and adjoins EP447 that contains the Walyering gas/condensate field. EP447 is held jointly by Green Power Energy/UIIL Energy. The FINDER SPA also adjoins the Empire Oil and Gas held EP432 that contains the Cooljarloo and Woolka oil prospects and the Cataby-1 oil discovery.

During 2013, FINDER acquired 1,773 line kilometres of Airborne Gravity Gradiometry (AGG) data over the FINDER SPA. Those data were integrated with the AGG data Norwest acquired over EP492 in 2012. The datasets were merged and interpreted in 2014 with the incorporation of older, open file datasets. The interpretation of the merged airborne gravity data indicates an extension of the Cataby anticlinal trend southward into the FINDER SPA, paralleling the Walyering anticlinal trend, 14 kilometres to the east. Additionally, the gravity interpretation identifies a number of potential leads within both the FINDER SPA and Norwest's EP 492 along the boundaries separating the FINDER SPA from EP 492 to the west and EP 447 (Walyering) to the east. These possible leads are the subject of on-going investigation, using all available seismic, potential field, surface geological and borehole data.

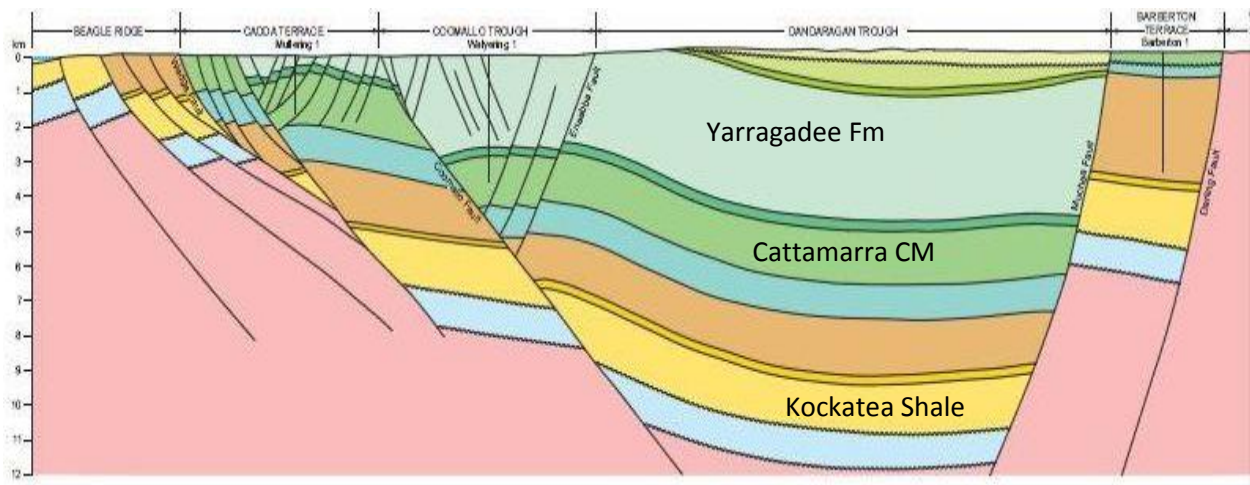


Figure 2.

Targets within the FINDER SPA are expected to lie within the Cadda and Cattamarra Formations, as is the case at Walyering and Gingin/Red Gully gas discoveries. However the sedimentary section rises markedly to the west (refer to Figure 2) such that Upper Permian targets underlying the Kockatea Shale will be targeted in EP 492. The Permian targets have been particularly successful to the north, with numerous conventional oil and gas fields (including Woodada, Beharra Springs, Hovea, Jingemia, Dongara, Cliff Head) as well as the shale gas discovery in Arrowsmith 2, and most recently the Waitsia tight gas discovery reported by AWE.

The FINDER Exploration Pty Ltd agreement

Pursuant to the agreement with FINDER Exploration Pty Ltd, Norwest will acquire all of the issued shares in FINDER No 5 Pty Ltd and will become responsible for the carriage of the application to convert the FINDER SPA to an Exploration Permit. In consideration of Norwest acquiring all of the shares in FINDER No 5 Pty Ltd from FINDER Exploration Pty Ltd, Norwest has agreed to:-

1. Issue two million fully paid shares (2,000,000) in the capital of Norwest to FINDER Exploration Pty Ltd,
2. Conduct all negotiations that results in FINDER No 5 Pty Ltd being awarded an Exploration Permit over the SPA-16 AO area, at which time (“Completion”) pay to FINDER Exploration Pty Ltd the sum of \$538,000 being re-imbusement of past costs of exploring the FINDER SPA, such exploration work having been a condition of the award of the SPA-16 AO, and
3. Grant to FINDER Exploration Pty Ltd an over-riding royalty that will require the payment to FINDER Exploration Pty Ltd of an amount of money equal to twenty five per cent (25%) of the Government Royalty that is payable on petroleum production from the Exploration Permit.

A further condition of the agreement is that Mr. Jan Ostby, the Managing Director of FINDER Exploration Pty Ltd and sole director of FINDER No 5 Pty Ltd may continue in office until Completion. Messrs Michael Fry and Peter Munachen will be appointed to the board of FINDER No 5 Pty Ltd representing Norwest’s interest. FINDER No 5 Pty Ltd will be renamed Norwest Perth Basin Pty Ltd.

The process to convert the FINDER SPA into an Exploration Permit

Prior to 12 November 2014 FINDER No 5 Pty Ltd (the Company) will notify the Western Australian Department of Mines that it is exercising its option to convert the FINDER SPA to an Exploration Permit and submit a proposed six year minimum work program.

The area covering the FINDER SPA is the subject of a registered Native Title Claim by the Yued People and accordingly the necessary process and negotiations will be carried out between the two parties. The outcome of these negotiations is for an Exploration Deed to be executed between the Yued People and the Company; in conjunction with a State Deed being executed by the DMP. The award of the exploration permit will then follow. Throughout this phase on ground exploration activities may not be conducted on the FINDER SPA but desk top studies may continue.

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 northern Perth Basin, where Norwest holds net basin acreage of 3,100 square kilometres. This acreage includes both conventional and unconventional opportunities. The key projects being progressed are the conventional oil target Xanadu in the offshore Perth Basin and continuing along a pathway to commercialisation at the shale gas Arrowsmith Project in the onshore Perth Basin.

With the addition to its portfolio of the FINDER SPA, Norwest is now positioned with a unique and diverse exploration portfolio that covers acreage in a known hydrocarbon province. The portfolio consists of (refer to Figure 3):

- EP368/EP426 - 20% (North Erregulla), with the boundary of EP368 in close proximity to the AWE, Waitsia tight gas discovery.
- EP413 - 27.945% - Arrowsmith shale gas discovery.
- L/14 (Jingemia) - 6.278% currently shut in and under review, particularly with reference to the proximity of the Waitsia discovery. Balance held by Origin and AWE, the partners in Waitsia.
- TP/15 – the offshore oil play held 100% by Norwest. Lead prospect - Xanadu having similarities to nearby offshore Cliff Head producing oilfield held by ROC and AWE; and
- The newly awarded EP492, together with the FINDER SPA positioning Norwest with a footprint of 1,665km² at the southern end of the Basin in a known hydrocarbon province.

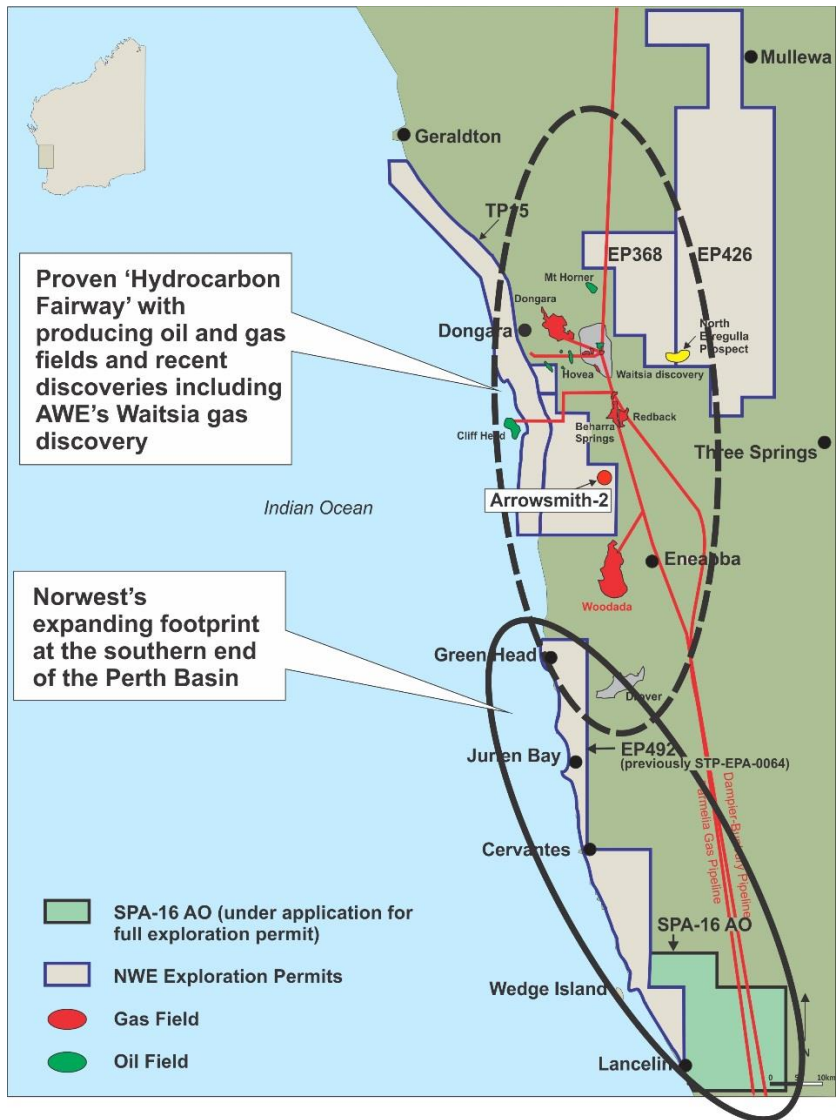


Figure 3.

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 Norwest progress from exploration through to development at its world-class projects.

Norwest 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:

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Competent Person

The information on EP492 and SPA-16 AO is based on information compiled by Mr. Dean Powell of Powell Seismic Services. Mr. Powell holds a Bachelor Degree of Applied Science (Physics) and is a member of the Society of Exploration Geophysicists. He has over 40 years of experience in petroleum exploration.

Mr. Powell has consented in writing to the inclusion of the information stated in the form and context in which it appears.