

ASX ANNOUNCEMENT

27 November 2014

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Chairman's Address 2014 Annual General Meeting

Thank you for the opportunity to address you today.

I would firstly like to introduce my fellow directors; Norwest's Chief Executive Officer Peter Munachen, and David Kennedy, a Non-Executive Director. Also in attendance today is Norwest's Chief Financial Officer and Company Secretary, John Annand.

Today, I am going to provide you with a brief overview of our achievements throughout the year and the strategy Norwest is intending to pursue over the next 12 months and beyond. I will then invite Peter to provide a more detailed overview of Norwest's operations and our upcoming work program.

The past 12 months

At our last AGM I told you that our core focus in the year was to continue on the development pathway at the Arrowsmith Project. The objective for the year was to complete the appraisal program that would underpin our plans for future development. I am pleased to say that we delivered on that objective through the successful completion of test work at the Arrowsmith-2 well. This test work identified flow rates from prospective zones that will be crucial in the planning of our next well at Arrowsmith-3.

Elsewhere in the northern Perth Basin, we successfully converted our Special Prospecting Authority into an Exploration Permit. This followed negotiations with the Traditional Owners, the Yued People. We also entered into an agreement with FINDER Exploration to acquire a Special Prospecting Authority adjacent to our new exploration permit to the south east. These two achievements have increased our footprint in the southern end of the northern Perth Basin, which is largely unexplored but we believe has good prospects for hydrocarbons.

Meanwhile, we maintained our presence in the United Kingdom by strategically relinquishing our permits ahead of the 28th Seaward Licensing Round earlier this year. Norwest and our partner in the UK, Wessex Exploration PLC, then successfully re-bid for three blocks in southern England that formed part of an existing license previously held by the Joint Venture.

At a corporate level, we undertook a restructure of Norwest's operations aimed at driving cost efficiencies and the effective deployment of resources. This included the appointment of John Annand as CFO and Company Secretary, expanding on his position as Commercial Manager. We will continue to target further cost efficiencies in the current year, which Peter will elaborate on.

Strategy and outlook

Our strategy over the coming twelve months is to continue delivering value from our acreage in the northern Perth Basin, which now stands at 3,100 km² and includes both conventional and unconventional opportunities in oil and gas.

In particular, we have identified Xanadu as a significant prospective conventional oil target through an independent review of two historic data sets. Xanadu lies within exploration permit TP/15, located in the offshore northern Perth Basin and is 100 per cent owned by Norwest. Planning for a well, which will be drilled from onshore, is currently underway. We have appointed RFC Ambrian to identify a farm-in partner who will fund exploration in exchange for a stake in TP/15. If the well is successful, we expect to be able to generate cash flow from the oil field quite quickly.

Elsewhere, we will continue along the pathway to development at Arrowsmith through completing a 3D seismic acquisition program early next year. We will also work closely with our joint venture partners at Arrowsmith in planning for the Arrowsmith-3 horizontal well, which will be drilled in the 2015/16 permit year. The 3D seismic data will be a crucial element in that planning. We will progress with our strategies to unlock value for shareholders at Norwest's other permits in the Perth Basin and in the United Kingdom.

Norwest remains committed to forming positive, long-lasting and two-way relationships with key stakeholders in the regions we operate. We are proud of our track record as an oil and gas operator and understand the importance of being transparent and consultative with local communities.

I would like to take this opportunity to thank our joint venture partners at Arrowsmith, AWE Limited and Bharat Petro Resources Limited, for their continued support, and look forward to working alongside them as we progress with the 3D seismic program and progress towards the Arrowsmith-3 horizontal well.

The fundamentals behind the Perth Basin are unchanged and remain strong, including proximity to pipeline infrastructure and high domestic gas prices. These fundamentals are supported by the renewed interest in the Basin from a number of parties, and we believe our expanded footprint and strategies provide a sound base for Norwest to deliver value for shareholders. I would like to thank staff for their efforts and shareholders for their ongoing support throughout the year and will now hand over to Peter to provide a more detailed overview of our operations and strategy.

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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 northern Perth Basin, where Norwest holds net basin acreage of approximately 766,000 acres (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 the development pathway at the shale gas Arrowsmith Project in the onshore Perth Basin.

Norwest is positioned in the Perth Basin with a unique and diverse exploration portfolio that covers acreage in a known hydrocarbon province. The portfolio consists of:

- 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 – 100%: the offshore oil play held 100% by Norwest. Lead prospect is Xanadu, having similarities to nearby offshore Cliff Head producing oilfield held by ROC and AWE.
- 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.

These assets are complemented by Norwest's 65% interest in blocks 98/7b, 98/8a, and 98/12 in the Wessex Basin, southern England.