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Xanadu-1 Spud Date Announced

Norwest Energy NL ('Norwest') is pleased to announce that the spud date for Xanadu-1 has now been scheduled for the second half of September 2017. Xanadu-1 is considered a significant well for the northern Perth Basin, with the Xanadu prospect having an unrisks recoverable resource of 160 million barrels (Refer to 30 May 2017 announcement).

The drilling program is set to commence after the completion of the AWE Limited (ASX: AWE) ('AWE') Waitsia two-well program, currently underway. Xanadu-1 will be drilled using the Enerdrill 'Rig-3', currently engaged in the Waitsia program. Due to the status of regulatory approvals, the Company is now confident to forecast the spud date, with preparations to drill being accelerated to meet this drilling timeslot.

Long-lead items have been acquired, and the Company is in the process of finalising contract award for all services required for the drilling program.

The primary target for the Xanadu-1 well is the Permian Dongara Sandstone, with secondary targets in the Irwin River Coal Measures and the High Cliff Sandstone. It is situated in very shallow water immediately adjacent to the coast, and will be drilled from onshore by way of a deviated well. Norwest's management consider this structure to be one of the biggest untested oil targets in the Perth Basin, with this same play resulting in four oilfield discoveries in the vicinity, namely the Cliff Head Oil Field (operated by Triangle Energy (Operations) Pty Ltd), the Hovea Oil Field (operated by AWE), the Eremia Oil Field (operated by AWE) and the Jingemia Oil Field (currently on care and maintenance under current operator Origin Energy Limited; to be restarted under proposed operator Cyclone Energy Pty Ltd).

Norwest is joined by Triangle (Global) Energy Limited (ASX: TEG), 3C Group IC Limited and Whitebark Energy Limited (ASX: WBE) in the TP/15 Joint Venture.

Norwest CEO Shelley Robertson commented:

"I am pleased to have put together a package that provides for a fully funded Xanadu-1 well, together with a free-carried interest for Norwest shareholders. This is an outstanding achievement given the very difficult current market. We announced in late 2016 we would drill this well in 2017, and I am pleased we can now deliver on that promise with an anticipated spud date in the back half of September.

We at Norwest believe a positive discovery here, combined with the success of AWE's prolific Waitsia gas discovery, will bring much greater focus to the region. Xanadu-1 is one of just three wells to be drilled in the Perth Basin this year, and in our view represents a rare opportunity for investors to participate in a significant drilling event. Success at Xanadu will be seen as a game-changer for Norwest shareholders".

Other Projects

In addition to the Xanadu well, Norwest has two other wells in the pipeline - Lockyer Deep-1 and Arrowsmith-3, providing assured ongoing exploration activity by the Company (Refer Figure 1).

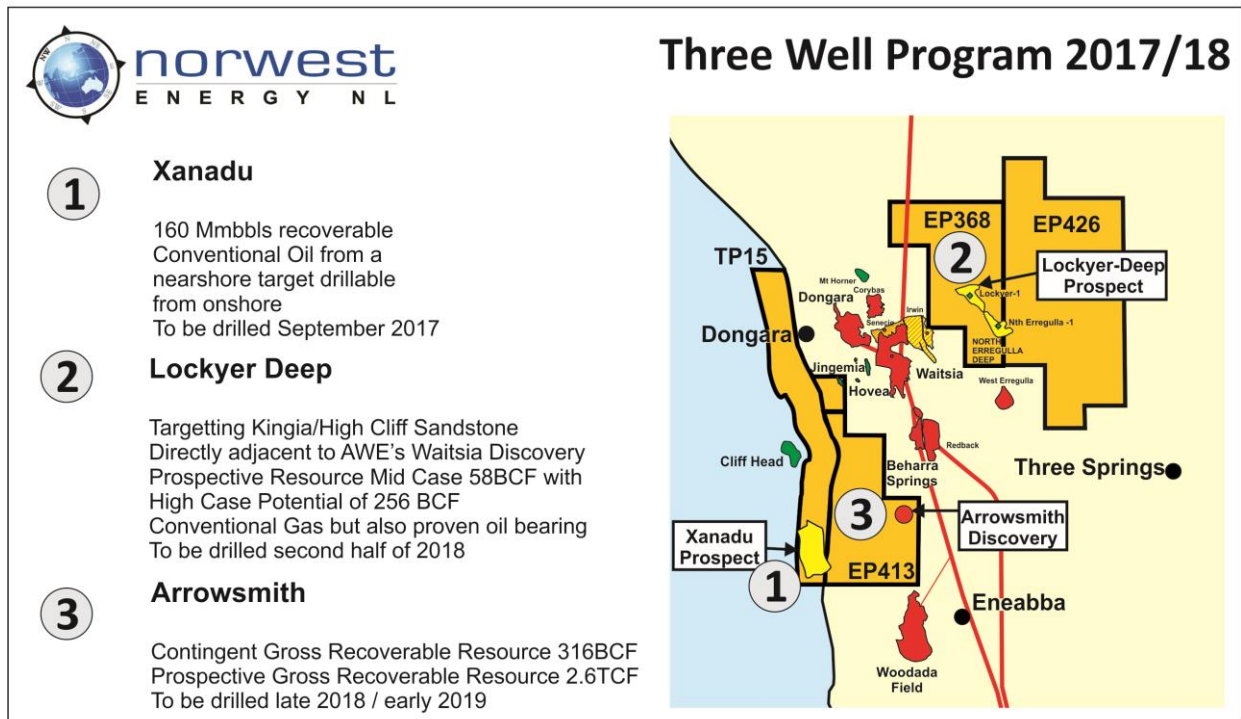


Figure 1. Location map highlighting Norwest's three well program for 2017/18
Refer to Empire Oil and Gas Ltd 28 April 2017 announcement for further information on the North Erregulla Deep/Locker Deep Prospective Resources.

EP368

On 4th July 2017, AWE Limited, Operator of Production Licences L1/L2 in the norther Perth Basin, Western Australia confirmed the southern extension of the Waitsia Gas Field. AWE assessment is that the Waitsia-3 appraisal well significantly exceeded pre-drill expectations, and they continue their evaluation with the Waitsia-4 well that recently spudded. The Waitsia Field is situated just 15km east of the Lockyer Deep prospect, and is the largest gas discovery in 40 years.

Lockyer Deep contains the same gas-producing formations as Waitsia – the Kingia and High Cliff Sandstone formations. The timing for the well is currently the second half of 2018.

EP413

The third well in the Norwest Pipeline is the upcoming well to be drilled on EP413. The Joint Venture is currently in the final stages of reviewing the technical dataset, in order to plan the location to drill. The timing for the well is currently late 2018/early 2019.

L14 – Jingemial Oil Field Restart

L14 contains the Jingemial Oil Field, which under current operator Origin Energy has been in care and maintenance since December 2012. The Jingemial Oil Field is estimated to have initially contained 12 million barrels of oil in place, with 4.6 million barrels produced to date. The area of L14 is 39.8 km².

Norwest Energy previously announced that a Sale and Purchase Agreement (SPA), Change of Title and Change of Operator documentation had been submitted to the Department of Mines, Industry Regulation and Safety (previously Department of Mines and Petroleum) for formal approval. Once the transfer documentation is approved, Cyclone Energy and RCMA Australia will acquire equity in L14, with the intention to restart production from the Jingemia Oil Field during the current Quarter. Norwest retains its 6.278% interest in the field.

The Jingemia Oil Field restart will represent a revenue stream to Norwest Energy, with oil sales to BP Refinery expected to commence in Q4 2017.

For further information, please contact Norwest Energy:

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Competent Person

The information on the Xanadu prospect 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.