

ASX ANNOUNCEMENT

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ABN: 65 078 301 505
Level 2, 6 Thelma Street
West Perth WA 6005
PO Box 1264 West Perth WA 6872
Tel: +61 8 9227 3240
Fax: +61 8 9227 3211
www.norwestenergy.com.au

XANADU-1 DISCOVERY UPDATE

Norwest Energy NL (“Norwest”), the Operator of Permit TP/15 is pleased to provide the following update on the Xanadu-1 Discovery.

HIGHLIGHTS

- First phase of crude oil analyses now complete
- Initial results confirm similarities with crude produced at the Cliff Head Oil Field
- Formulating forward work program
- JV anticipates active 1H 2018 program towards defining the size of the Xanadu-1 discovery

CONFIRMED OIL DISCOVERY

The Xanadu-1 exploration well is a confirmed oil discovery.

The first phase analysis of the oil recovered from Xanadu-1 samples has now been completed with the initial analyses showing a yield of 34.7° API crude oil with no H₂S and extremely low levels of CO₂ (0.02%). The Xanadu crude is similar to that produced at Cliff Head Oil Field and, upon development, is expected to receive similar pricing in the market. The minimal levels of CO₂ and no H₂S characteristics of the crude oil enable the use of lower-cost, schedule efficient development options.

FORWARD WORK PLAN

Following the results of the first phase analysis of Xanadu-1 data, Norwest Energy commenced integrating all available data to estimate the range of total crude-oil in the Xanadu structure. Key initial findings indicate that in addition to the potential of the up-dip structure previously announced, there is now evidence that “down” structure volumes are also present within the currently mapped Xanadu prospect. All available reservoir, pressure and fluid data is being utilized to update the pre-drill structure and better estimate the in-place volumes of oil.

JOINT VENTURE WORK PROGRAM FOR FIRST HALF 2018

A work program for the first half of 2018 is currently being prepared, aimed at being a high impact, low cost schedule of activities, with a substantial component dedicated towards oil appraisal and exploration, given the high economic value of oil production, and the high value-add of identifying further reserves.

The proposed program will be subject to approval by the TP/15 Joint Venture partners and regulatory authorities and includes:

- Petrophysics, geomechanics and reservoir engineering studies
- Planning for a proposed 3D seismic survey to map the Xanadu structure. Feedback from seismic contractors, environmental consultants and the Regulator indicate a possible acquisition window of late Q1 2018
- Planning for a proposed sidetrack well from the Xanadu-1 location
- Ongoing studies over the Xanadu structure and other TP/15 prospects

At this early stage, there is significant potential at Xanadu, and Norwest as Operator will continue to manage the evaluation program in a thorough and diligent manner. Once the first phase of analysis and review is complete, and all results have been merged into one comprehensive dataset, the Joint Venture will be well placed to decide upon the best way forward in the development of the Xanadu Discovery.