

ASX ANNOUNCEMENT
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L14 Jingemia Project Update

Norwest Energy NL (**Norwest** or the **Company**) is pleased to provide the following update.

Following an independent technical review of the production licence commissioned in late 2018, the Operator has advised the Company of their assessment of the exploration potential within the L14 Permit.

This independent technical review was carried out by international subsurface engineering consultancy LEAP Energy and included a review of all existing seismic and well data, resulting in full remapping of the Jingemia Field and neighbouring regions as well as a preliminary subsurface re-interpretation over the southern portion of the L14 Permit.

The Operator has advised the Company this independent technical review has identified four target prospects and four target leads within the L14 Permit.

Norwest Managing Director and CEO, Shelley Robertson, commented:

“This is the first time the L14 production licence has undergone remodelling since prior to 2012, when the field was shut in. LEAP Energy’s new analysis has enabled the Joint Venture to take a fresh look at the L14 prospectivity, and so far we like what we see.

“RCMA has proven itself to be an active and effective operator of L14, and we look forward to working closely with them in designing the future work program for this exciting production licence.”

The four target prospects and leads identified by the Operator are set out in Tables 1 and 2 below.

Table 1 – Stock Tank Oil Initially-In-Place for Prospective Resource Prospects

Prospective Resource Information									
OIIP	Reservoir	Distance from facilities (km)	RCMA + Norwest combined Interest Low Estimate (MMbbls)	RCMA + Norwest combined Interest Best Estimate (MMbbls)	RCMA + Norwest combined Interest High Estimate (MMbbls)	Norwest Interest 6.278% Low Estimate (MMbbls)	Norwest Interest 6.278% Best Estimate (MMbbl)	Norwest Interest 6.278% High Estimate (MMbbl)	Chance of Discovery
Prospects									
Black Glove	Dongara Sandstone	2.0	1.8	2.3	2.9	0.11	0.15	0.18	72%
Agile	Dongara Sandstone	3.0	2.9	4.8	7.1	0.18	0.30	0.44	58%
Agile West	Dongara Sandstone	3.5	4.5	6.8	10.1	0.28	0.43	0.63	32%
Tammar	Kingia and High Cliff Sandstone	0.1	3.9	6.2	9.5	0.24	0.39	0.60	16%
Total			13	20	30	0.82	1.26	1.86	
Cautionary Statement									
The disclosure of prospective oil initially-in-place in this announcement is solely based on the resource estimate provided in Table 1 above. It is not based on any estimate of petroleum reserves or contingent resources. The prospective resources have not been adjusted for risk. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.									

Table 2 – Stock Tank Oil Initially-In-Place for Prospective Resource Leads

Prospective Resource Information				
OIIP	Reservoir	Distance from facilities (km)	RCMA + Norwest combined Interest Deterministic Estimate (MMbbls)	Norwest Interest 6.278% Deterministic Estimate (MMbbls)
Leads				
Yellow Foot	Dongara, Kingia, IRCM & HCS	5.0	77.7	4.88
Black Flanked	Dongara, Kingia, IRCM & HCS	6.0	57.0	3.58
Nabarlek	Dongara, Kingia, IRCM & HCS	4.0	43.0	2.70
Western Brush	Dongara, Kingia, IRCM & HCS	6.0	150.2	9.43
Total			327.9	20.59
Cautionary Statement				
The disclosure of prospective oil initially-in-place in this announcement is solely based on the resource estimate provided in Table 2 above. It is not based on any estimate of petroleum reserves or contingent resources. The prospective resources have not been adjusted for risk. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.				

Basis for Prospective Resources

To estimate the stock tank oil initially-in-place (STOIIP) volumes for the prospective resources listed in the Tables above LEAP Energy completed the following work:

- i) performed seismic interpretation and mapping on the 3D seismic volume covering the L14 permit area. The seismic data covers an area of 732 million km² and also extends into some neighbouring permits within the North Perth Basin. The majority of L14 permit area has complete coverage, except to the far western edge which is contiguous with the coastline. The 3D seismic volume was used to perform structural interpretation and major fault interpretation. The interpretation was anchored on interpretation of the Dongara sandstone as a key horizon. The interpretation was performed using sophisticated modern industry software;
- ii) reviewed stratigraphy and well data from the L14 permit area and regional North Perth Basin area to develop an understanding of the distribution and extent of geological formations to assist in the mapping of the L14 permit area;
- iii) performed a petrophysical review of the comprehensive data set across the Jingemia field within the L14 permit area. In addition, petrophysical data from sparse regional well data in the North Perth Basin was assessed and a more limited petrophysical interpretation on the regional data was performed. As a result of the petrophysical interpretation, LEAP Energy estimated rock property parameter ranges for the Dongara Sandstone (i.e. the productive formation in the Jingemia Oil Field) and geologically older reservoir targets including the Wagina, Irwin Coal Measures, Kingia and Highcliff formations;
- iv) reviewed the fluid contact data from the Jingemia Oil Field and combined with the available structural interpretation an understanding of hydrocarbon column height and depth as well as areal extent of the Jingemia field relative to other mapped structures;
- v) identified and mapped exploration prospects and leads utilising the 3D seismic volume, well data, petrophysical data and other relevant geological information available; and
- vi) prepared volumetric estimates of STOIIP utilising inputs including mapped areal closure, reservoir target thickness, porosity, fluid saturations and formation volume factor. LEAP Energy conducted Monte Carlo probabilistic simulations for the STOIIP estimates for the Black Glove, Agile, Agile West and the Tamar Prospects requiring input ranges for uncertain parameters. Key input parameters and associated ranges were input for mapped areal closure, net thickness based on petrophysical assessments and using the ranges of sums and averages for the Jingemia oil field or

key regional wells, effective porosity and water saturations using the petrophysical data set, and formation volume factor being the range of uncertainty regarding the shrinkage of oil or expansion of gas when taking the respective hydrocarbons from reservoir conditions to surface conditions.

LEAP Energy relied upon data supplied by RCMA to undertake the L14 Permit exploration opportunities review.

The Company notes the information in the Tables above is inherently preliminary and prospective in nature and may not be substantiated by further exploration. However, notwithstanding the preliminary nature of the information in the Tables above, the Company is extremely pleased with the prospectivity for oil identified and the Operator's continued efforts to maximise the potential of the L14 Permit.

Proximity to Infrastructure

The Company is encouraged that the prospects and leads referred to above are proximate to existing infrastructure associated with the producing Jingemia Oil Field. The Jingemia production facility has excess capacity, and any wells drilled within the licence boundaries can be connected back through the facility for rapid commercialisation via an ongoing off-take agreement with the BP Refinery in Kwinana, Western Australia. The Operator has advised this proximity to existing infrastructure is strategically significant, as it allows the Joint Venture to exploit drilling targets that might otherwise not be commercial.

Next Steps

The Joint Venture is collaborating closely to identify innovative ways to fund and drill a multi-well program designed to deliver a safely operated, effective drilling program at low cost. The Operator has advised the work carried out by LEAP Energy is ongoing and the Joint Venture will seek to expand on that work to further refine the prospects and leads identified to underpin the Joint Venture's drill program.

The Operator has advised it will now seek to attract third party investment in the L14 License area and, subject to securing that investment, it plans to finalise drilling plans, secure all necessary approvals from regulatory bodies, and commence a two to six well drilling program in the third quarter of 2019.

The Company will keep shareholders informed of any updates to the prospects, leads, and drill program referred to above as they occur.

Context of Prospects and Leads

The Operator has advised that some structures were designated as the less certain category of 'Leads' (i.e. those in Table 2 above) due to those structures having less complete seismic data and well control, and the evaluation of those structures therefore being less mature in terms of technical data and analysis. Given this lesser technical and analytical grounding the Operator considers any estimate of the probability of success for these Leads to be inappropriate until further technical work has been completed.

The chance of development of any oil discovery made within the identified portfolio of prospects and leads (i.e. those in Tables 1 and 2 above) is considered moderate to high given their proximity to existing oil and gas production processing and export infrastructure, resultant low incremental operation and development costs to bring any new oil discovery to production, and the ability to bring new discoveries online in a short time frame.

ASX Listing Rule Information

The Company provides the following information in accordance with the ASX Listing Rules:

- the prospective resource estimates in this announcement are reported as at 11 February 2019;
- the disclosure of total petroleum initially in place in Tables 1 and 2 has been reported with the necessary proximate disclosures required by Listing Rule 5.25.3;
- the prospective resource estimates in this announcement have been reported according to the Company's economic interest in the resource under production-sharing contracts and risked-service contracts and is reported net of any royalties;
- the prospective resource estimates in Table 1 were prepared using the probabilistic method;
- the prospective resource estimates in Table 2 were prepared using the deterministic method;
- the type of permit or licence held by the Company in respect of the prospective resource estimates in this announcement is the L14 production licence over the Jingemia Oil Field;
- this announcement includes a brief description of the basis on which the prospective resources in this announcement are estimated and the further exploration activities that are planned by the Joint Venture;
- the prospective resource estimates in this announcement also disclose the Operator's assessment of the chance of discovery and the chance of development (where applicable) of those prospective resources; and

- the prospective resource estimates in this announcement are un-risked estimates.

About the L14 Jingemia Project

L14 contains the Jingemia Oil Field, 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.

The number of producing wells increased in Q4 CY2018 after a successful well workover program. Jingemia currently has four producing wells (J4, J8, J10 & J12) online, and is producing between 310-350 barrels of oil per day (20-22 barrels of oil per day net to Norwest).

In Q4 CY2018, Norwest's share of total revenue from the Jingemia production was \$80,385 USD (approximately \$106,198 AUD).

	100%		Net to Norwest	
	bbls sold	revenue (USD)	bbls sold	revenue (USD)
Oct 18	6,471	495,998	406	31,139
Nov 18	5,494	330,948	345	20,777
Dec 18	6,374	337,078	400	21,162
Quarter Four	18,339	1,164,024	1,151	73,078

Table 3. Jingemia Production – Q4 CY2018.

Permit	L14
Well Names	Jingemia – J4, J8, J10 and J12
Well Location	J4 Easting : 305 180.9; Northing : 6 752 958.3 J8 Easting : 304 771.2; Northing : 6 752 778.7 J10 Easting : 304 770.0; Northing : 6 752 870.0 J12 Easting : 304 709.3; Northing : 6 752 697.8
Type of Well	Deviated
NWE Working Interest	6.278%
Geology	(Dongara Sandstone) is described as a fine to coarse to moderately to poorly sorted sandstone

L14 Joint Venture	ASX Code	Percentage Interest
RCMA Australia (Operator)		93.722%
Norwest (via subsidiary)	ASX:NWE	6.278%

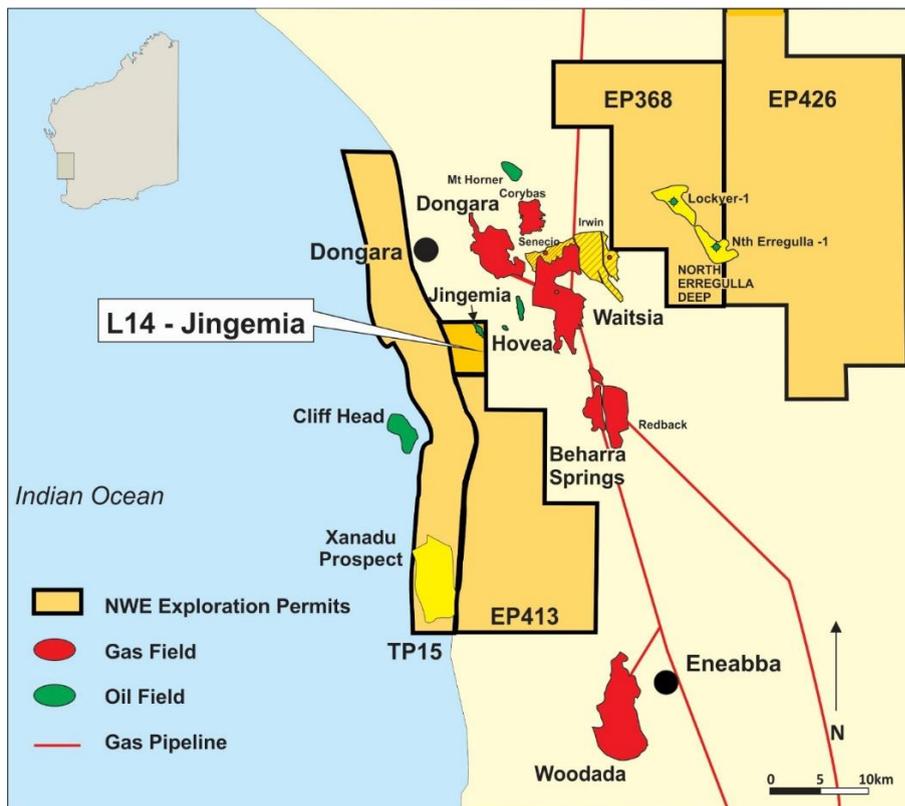


Figure 1. Location of L14 – Jingemial Oil Field

Qualified Petroleum Reserves and Resources Evaluator Statement

In accordance with the ASX Listing Rules, information in this announcement that relates to prospective resource estimates has been reviewed and signed off by upstream oil and gas advisors LEAP Energy. Information that relates to the prospective resources is based on and fairly represents information and supporting documentation prepared by or under the supervision of Dr. Mike Reeder, Head of Commercial Advisory at LEAP Energy. Dr Reeder has provided his written consent to the form and context in which the information that relates to the prospective resources presented. Dr Reeder has almost 20 years’ experience in the upstream hydrocarbon industry with petroleum reserves and resources certifying and auditing companies Gaffney, Cline & Associates, RPS Energy, Lloyd’s Register Senergy and LEAP Energy. Dr. Reeder is a Member of the Society of Petroleum Engineers (SPE, Chairman of the Singapore Section from 2012 to 2018) and the American Association of Petroleum Geologists (AAPG). He holds a Ph.D. in geology from the University of Southampton, 2000 and a B.Sc. in geology (1st class honours) from Royal Holloway, University of London, 1994. Dr. Reeder is a qualified petroleum reserves and resources evaluator (QPPRE) as defined by ASX listing rules and holds the title Certified Petroleum Geologist (CPG) with the Division of Professional Affairs (DPA) of the AAPG (#6310).

Forward Looking Statements

This announcement contains forward-looking information. Forward-looking information is generally identifiable by the terminology used, such as 'expect', 'believe', 'estimate', 'should', 'anticipate' and 'potential' or other similar wording. Forward-looking information in this document includes, but is not limited to, references to: well drilling programs, estimates of prospective resource estimates and potentially recoverable resources, and information on future production and project start-ups. By their very nature, the forward-looking statements contained in this news release require the Operator, the Company and its management to make assumptions that may not materialise or that may not be accurate. The forward-looking information contained in this announcement is subject to known and unknown risks and uncertainties and other factors, which could cause actual results, expectations, achievements or performance to differ materially, including without limitation: imprecision or reserve estimates and estimates of recoverable quantities of oil, changes in project schedules, operating and reservoir performance, the effects of weather and climate change, the results of exploration and development drilling and related activities, demand for oil and gas, commercial negotiations, other technical and economic factors or revisions and other factors, many of which are beyond the control of the Company. Although the Company believes that expectations reflected in its forward-looking statements are reasonable (except where otherwise noted), it can give no assurances that the expectations of any forward-looking statements will prove to be correct.

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