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FUNDING UPDATE AND BOARD CHANGES

Highlights

- **Convertible loan facility provides funding mechanism for the medium term**
- **Organisational changes support the Company's ongoing and future activity**
- **Indicative, non-binding proposals for corporate and asset level transactions received from a number of third parties**

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

Funding Update

The Company has executed binding documentation with Sundowner International Limited (**Sundowner**) for a convertible loan facility of up to \$500,000, with an option (at Sundowner's election) to extend that amount to up to \$1,500,000 (**Loan Facility**).

The Loan Facility has a term of 12 months, will accrue interest at the rate of 8% per annum, and can be converted (subject to shareholder approval) at Sundowner's election at a fixed price of \$0.0025 or, at the Company's election, at a fixed price of \$0.002.

Sundowner is a related entity of the Company's director Mr David Kennedy, and further details of the Loan Facility are set out in Schedule 1 to this announcement.

The Company's Non-Executive Chairman, Ernie Myers, commented:

"We are pleased to have secured this facility, as it provides the Company with optionality while providing sufficient funding throughout the forthcoming 3D seismic campaign over the Xanadu oil discovery, and beyond."

Strategic Update

Since the Company's corporate and project level review (refer to announcement dated 5 October 2018) the Company has received multiple indicative, confidential, and non-binding

Proposals from other listed and non-listed companies interested in either acquiring some of or all of the Company's asset portfolio.

Although the Board has engaged with these parties, until now those discussions have not resulted in commercial terms that the Board regards as favourable to the Company's shareholders.

In particular, the Board is of the view that while these discussions have been positive and held in good faith on all sides, the Company's recently declining cash position and uncertain ability to meet its near-term project commitments has resulted in bidders discounting the value of the Company and its portfolio of projects.

The Company will continue discussions when the Board believes there may be potential for a corporate or asset level transaction that provides compelling value to shareholders. The Company notes however that there is no guarantee that any such discussions will eventuate in a binding transaction. In the meantime, the newly secured Loan Facility will allow the Company to comfortably continue operating on a stand-alone basis, while it progresses the projects on a number of fronts, key of which is continued appraisal of the Xanadu oil discovery with the 3D seismic survey that is planned to commence in the coming weeks.

Board Changes

The Company has today accepted the resignation of Managing Director and CEO, Mrs Shelley Robertson, who is leaving in order to take up a senior leadership role with a large, Perth-based ASX-listed resources company. Mrs Robertson joined the Company in 2011, and since that time has been instrumental in progressing the Company's portfolio of projects, in particular the Company's TP/15 Xanadu project. The Board thanks Mrs Robertson for her efforts and significant contribution to the Company and wishes her well in her new role.

As a result of Mrs Robertson's resignation, the Company has appointed Mr Iain Smith as Managing Director of the Company. Mr Smith has impeccable credentials, a thorough knowledge of the Perth Basin and is well-experienced in management of ASX-listed oil and gas companies. The key terms of Mr Smith's terms of employment are attached as Schedule 2, and a short bio is included in Schedule 3.

Mr Iain Smith, commented:

"I am pleased to be joining Norwest Energy at this important stage of progressing the Company's evaluation of Xanadu, and I look forward to continuing the excellent work that Shelley has performed over the past few years. I am also looking forward to progressing a number of other projects within the Company's Perth Basin portfolio, as I believe these offer significant upside for shareholders, in parallel with the Company's potential for further appraisal and value-creation at Xanadu."

Finally, the Company has re-appointed Ms Jo-Ann Long as Company Secretary, taking on the role from Mr Bennett Greenhalgh. Jo-Ann is also the Company's Chief Financial Officer, and a brief bio is included in Schedule 3 to this announcement.

The Board thanks Mr Greenhalgh for all his work and wishes him every success in his private legal practice.

For further information, please contact Norwest Energy:

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Schedule 1 – Summary of Convertible Loan Facility

Lender	Sundowner International Limited (Lender)
Borrower	Norwest Energy NL (Borrower)
Loan Facility	The facility will consist of a maximum principal amount of AUD\$500,000 (Facility) which can be drawn down in tranches of AUD\$250,000. The Borrower has the sole right to draw down these tranches up to the maximum principal amount at its absolute discretion.
Option to Upsize	Upon the written request of the Borrower, the Lender has the sole right to increase the maximum principal amount under the Facility to an amount of AUD\$1,500,000.
Loan Term	12 months
Voluntary Prepayment	The Borrower may voluntarily prepay, in whole or part, the monies drawn down under the Facility (including any accrued and unpaid interest) at any time prior to the End Date on 30 days' written notice (Notice Period). For the avoidance of doubt, the Lender retains the right of conversion (as defined below) during the Notice Period.
Redemption Fee	<p>In the event that the Borrower seeks to redeem the Facility before the End Date or in the event the Borrower seeks to redeem the Facility after seeking but not receiving Shareholder Approval for conversion of the Facility, the Borrower shall pay to the Lender a one-time payment calculated as follows:</p> $RF = 0.8 \left(\frac{AD}{0.002} \times DP \right)$ <p>Where:</p> <ul style="list-style-type: none"> AD = Amount drawn under the Facility DP = MP less 0.002 MP = the market price of Norwest Shares using a 30 day VWAP RF = the redemption fee payable by the Borrower to the Lender <p>The Redemption Fee shall be paid to the Lender in addition to the repayment of the principal amount of the Facility.</p>
Interest	8% per annum payable quarterly in advance.

Lender Conversion	Subject to the Borrower receiving all necessary shareholder approvals, the Lender may convert the Facility, in whole or in part, into shares in the capital of the Borrower (Shares) at any time prior to the End Date (Lender Conversion). The price for this Lender Conversion shall be AUD\$0.0025 per Share.
Borrower Conversion	Subject to the Borrower receiving all necessary shareholder approvals, the Borrower may convert the Facility in whole or in part, on 30 days' written notice (Borrower Conversion). The price for this Borrower Conversion shall be AUD\$0.002 per Share.
Security	The Facility is to be unsecured.

Schedule 2 – Summary of Managing Director Engagement Contract

Commencement Date	Effective immediately
Term	Appointment on an ongoing basis subject to customary terms and conditions.
Fixed Remuneration	\$276,000 per annum comprising base salary and superannuation.
Short Term Incentive Plan	The Company and the Contractor will, subject to any necessary shareholder approval, agree and implement a short-term incentive arrangement for the benefit of the Contractor which will reflect comparable levels of benefits paid to similar executives of peer group companies of similar market capitalisation, and which will likely be paid in cash.
Incentive Share Options	The Contractor or its nominee may be awarded Incentive Share Options in the Company as determined from time to time by the Board. The issuing of the Incentive Share Options referred will be subject to any applicable laws or regulations, and the terms and conditions of the Company's Employee Incentive Scheme.
Termination and Notice	The Company or the Managing Director may terminate the agreement by providing 3 months' notice.

Schedule 3 – Corporate Biography

Iain Smith

Managing Director

Iain Smith is a petroleum geoscientist with 30 years' broad experience of the upstream oil & gas industry, both internationally and in Australia. His career began as a wellsite logging geologist in the UK North Sea, before working as a geophysicist on 3D seismic survey vessels, again in the UK North Sea. He then spent four years with Premier Oil in London as New Ventures Explorationist, undertaking technical and commercial evaluation of opportunities in South America, Europe, Africa and the Middle East. Thereafter, Iain spent seven years in the geoscience services sector, including a two-year stint in Mumbai with Paradigm Geophysical, where he established an operational centre before joining Woodside Energy in a commercial role. At Woodside he worked within the Exploration & New Ventures group, and subsequently the Browse LNG project, with responsibilities including commercial analysis and asset divestment.

Iain joined private exploration company Neon Energy in 2008, as Commercial Manager, and was responsible for the merger with ASX-listed Salinas Energy the following year. During his seven years at Neon Energy he managed the commercial and investor relations aspects of the company's activities in Southeast Asia and California, including the farmout of Neon's two offshore Vietnam projects, thereby achieving funding of a significant 2D/3D seismic program and two high profile exploration wells. Iain also transacted the sale of Neon's Californian business in 2015. The following year Iain was appointed Managing Director of Pilot Energy, overseeing an aggressive new ventures campaign that resulted in the low-cost acquisition of six exploration permits within Western Australia, including within the onshore and offshore Perth Basin. Since early 2018 Iain has worked as an independent consultant, assisting various oil & gas clients with project management and business development, ^(L)_(SEP)

Jo-Ann Long

Chief Financial Officer and Company Secretary

Ms Long is a corporate finance executive with over 28 years of commercial experience building, leading and advising corporations on financial management, restructures, international expansion, acquisitions and risk management.

Commencing with Deloitte's and then 18 years in the Oil and Gas industry with Woodside, Transerv Energy (now Whitebark Energy), Norwest Energy and Sun Resources. Ms Long has specialised expertise in joint venture operations, commercial agreements, tax strategies, risk management and governance.

With strong broad commercial and business skills Ms Long brings a strong discipline of financial management and a track record of documented contributions of improved financial performance, heightened productivity and enhanced internal controls.

Ms Long is a Chartered Accountant and a Graduate of the Institute of Company Directors and is currently CFO of Norwest Energy NL, CFO and Company Secretary for Sun Resources NL, Managing Director of Eco Smart Designs, and holds non-executive directorships with Yijiyangu Corporation Limited and Yijiyangu Direct Benefits Trust (B2B).