

Announcement to ASX

9 August 2019

EP368 EXPLORATION UPDATE

HIGHLIGHTS

- Springy Creek conventional oil prospect upgraded to drilling candidate
- Prospective recoverable resources of up to 61 MMbbls (gross, 100%)
- Increased Lockyer Deep prospective gas resources, up to to 662 Bcf (gross, 100%)
- Joint Venture decision due on prospect for drilling in H1 2020

Norwest Energy NL (ASX: NWE) is pleased to provide the following update regarding recent and planned exploration activity in its EP368 exploration permit (located in the northern Perth Basin) further to the Company's ASX announcement of 8 July 2019.

Since that announcement, the EP368 Joint Venture has agreed that the Springy Creek conventional oil prospect be considered as a candidate for drilling by the commitment well in H1 2020. As such, the Joint Venture will now assess the relative merits of Springy Creek against the other drillable prospect in EP368 - the Lockyer Deep gas prospect. The decision regarding which prospect to drill will be based on various criteria including well cost, probability of success, and value/time to commercialisation in the success case.

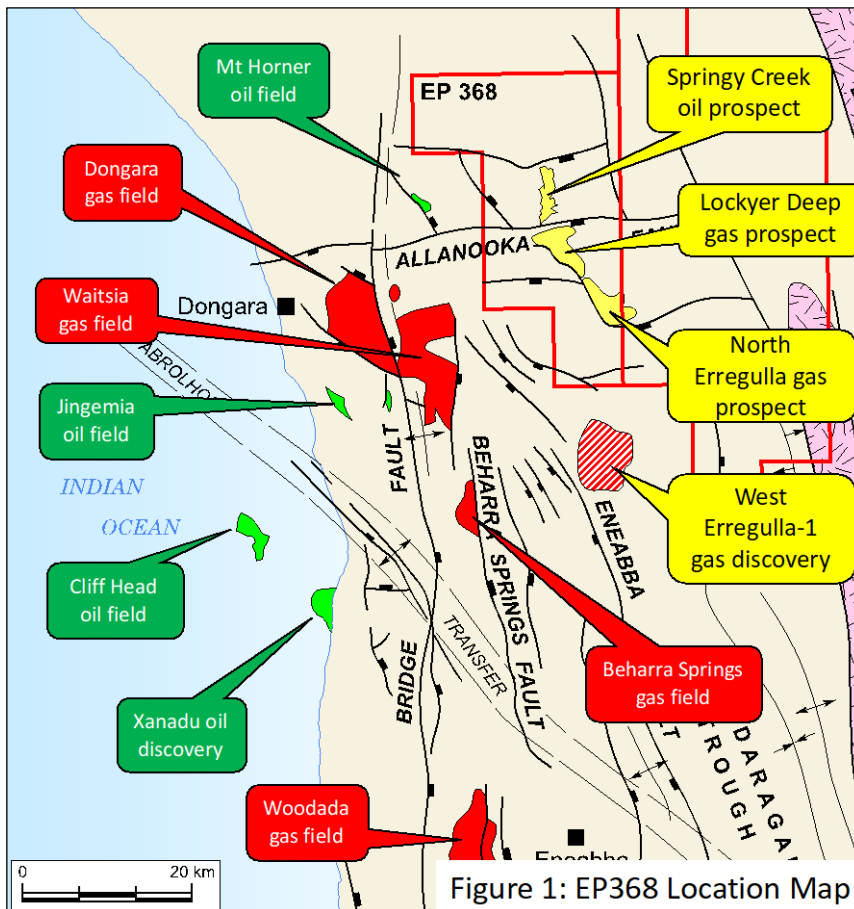


Figure 1: EP368 Location Map

The Lockyer Deep prospect has been known for some time, and is a large tilted fault block, bounded by a NW-SE trending Jurassic fault, downthrown to the southwest. The primary reservoir targets are

the Kingia and High Cliff Sandstone formations that produce gas at excellent flow rates in the Waitsia gas field, located some 12 kms to the southwest. The source for the gas is provided by the Irwin River Coal Measures (IRCM) and reservoir top seal of the Kingia and High Cliff reservoirs is provided by the mudstones of the IRCM and the Bit Basher Shale intervals, respectively.

Recent re-interpretation of the Lockyer Deep prospect has resulted in an increase in prospective recoverable gas resources, which are now as follows:

Target	Gross Prospective Resources, Bcf gas (100%)			Norwest Prospective Resources, Bcf gas (20%)		
	Low	Mid	High	Low	Mid	High
Kingia	10.3	62.4	360	2.1	12.5	72.0
High Cliff	8.4	51.6	302	1.7	10.3	60.4
Arithmetic Total	18.7	114.0	662	3.7	22.8	132.4

Norwest Energy notes with interest the recent announcements by Strike Energy Ltd confirming a significant conventional gas discovery within the secondary Wagina Sandstone target of its West Erregulla-1 exploration well, located approximately 4 kms to the south of EP368 (see figure 1). Additional resource potential may exist within the shallower Wagina Sandstone Formation at Lockyer Deep, dependent upon localised porosity and permeability preservation at that level within the structure.

Norwest Energy looks forward to providing a further update in due course, once the prospect for drilling in H1 2020 has been formally agreed by the EP368 Joint Venture.

Joint Venture partners in the EP368 exploration permit are as follows:

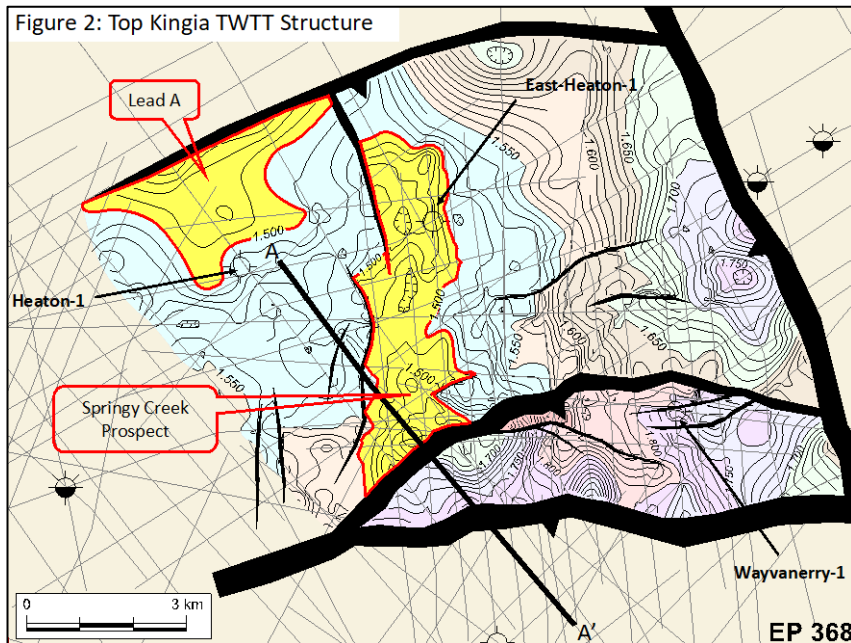
Energy Resources Limited, a wholly owned subsidiary of Mineral Resources Limited (Operator, 80%)
Norwest Energy NL (20%)

About the Springy Creek Oil Prospect

Springy Creek was until recently a structural lead, which has been upgraded to a drillable prospect following 2D seismic reprocessing undertaken by Norwest Energy. Norwest Energy's estimates of the Prospective Resources (recoverable) for the prospect are summarised below:

Risking scenario	Trapping Structure	Reservoir formation	Gross Prospective Resources, MMbbls	NWE Interest (20%), MMbbls
Low case	South culmination	Kingia + High Cliff	8.6	1.7
Mid case	South & north culminations	Kingia only	28.7	5.7
High case	South & north culminations	Kingia + High Cliff	61.1	12.2

The greater Springy Creek structure (Figure 2), encompassing the southern and northern culminations, covers an area of 10.1 km² and the prospect is situated within a structural setting comparable to that of the Mt. Horner oil field, located some 15kms to the west.



In the event of exploration success significant upside potential is evident in Lead A, located some 2 kms to the northwest of Springy Creek and covering an area of some 5.7 km².

For a detailed summary of the Springy Creek prospect please refer to the Company's ASX announcement of 8 July 2019.

Notes:

1. Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) and relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a chance of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
2. The estimates of Prospective Resources included in this announcement have been prepared in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE). The PRMS defines prospective resources as those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.
3. Gross Prospective Resources are 100% of the on-block volumes estimated to be recoverable from the prospect in the event that a discovery is made and subsequently developed. The Prospective Resources have been estimated deterministically.
5. The volumes reported are "unrisked" in the sense that the Geological Chance of Success (GCoS) factor has not been applied to the designated volumes.
6. The Prospective Resources reported within this ASX announcement have been estimated by Mr Dean Powell of Powell Seismic Services. Mr Powell has over 40 years' experience as a Geoscientist within the Oil & Gas Industry and is a member of Society of Exploration Geophysicists, Society of Petroleum Engineers and the Petroleum Exploration Society of Australia. Mr Powell has consented to the contents of this announcement being released to the ASX.

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