

Announcement to ASX

2 September 2019

PERTH BASIN EXPLORATION & DRILLING UPDATE

HIGHLIGHTS

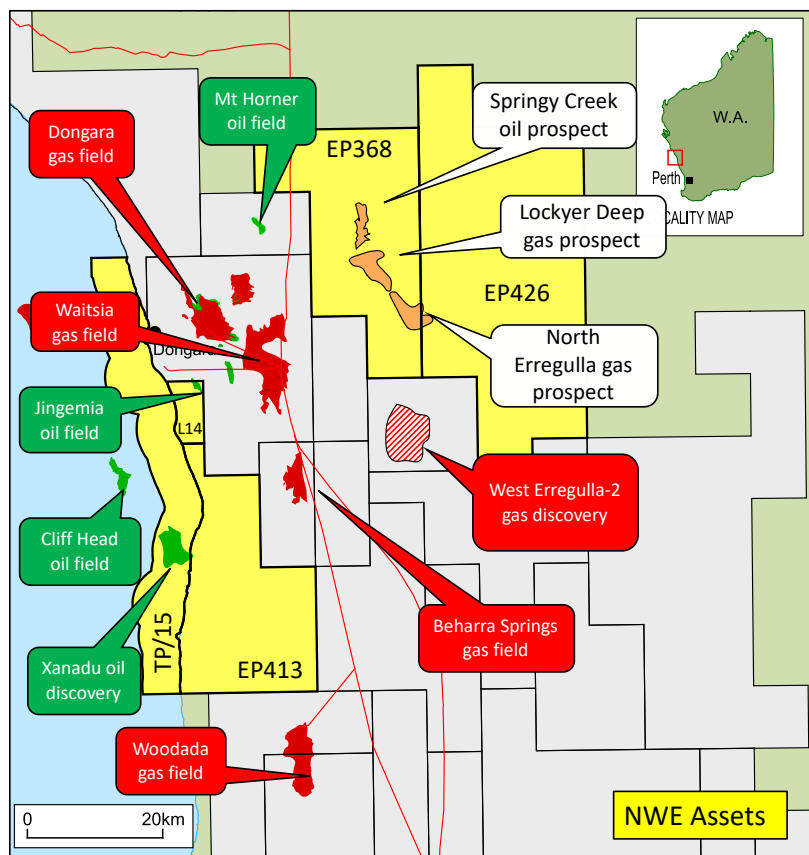
- **Strike Energy's "staggering" West Erregulla-2 gas discovery confirms easterly extension of Waitsia play fairway**
- **Norwest's Lockyer Deep & North Erregulla gas prospects situated directly on trend**
- **Norwest's prospective gas resources being upgraded**
- **Beach Energy's Beharra Springs Deep prospect next Kingia/High Cliff target to be drilled**
- **Norwest's Springy Creek oil prospect has potential for up to 61 MMbbls oil**
- **Joint Venture decision pending on prospect to be drilled in H1 2020**

Norwest Energy NL (ASX: NWE) is pleased to provide the following update regarding recent exploration activity immediately adjacent to its EP368 and EP426 exploration permits, located in the northern Perth Basin.

Strike Energy's "staggering" West Erregulla-2 Gas Discovery

As announced by Strike Energy on 27 August 2019, the West Erregulla-2 exploration well has encountered a "staggering" gas discovery in the Kingia Formation, in addition to the previously announced Wagina Formation discovery. Pending further information from Strike Energy, this result confirms that the Permian gas play, as opened up by the 2014 Waitsia discovery, extends to the east of Waitsia and that extensive and high-quality sandstone reservoirs can be expected to be encountered within EP368/426.

EP368 contains the Lockyer Deep and North Erregulla gas prospects, located directly north of the West Erregulla-2 discovery. Both prospects have excellent potential for very significant accumulations of gas within the Kingia/High Cliff Formations, at depths of approximately 3,800 metres (shallower than at West Erregulla-2). The source for the gas is provided by the Irwin River Coal Measures (IRCM) and reservoir top seal for the Kingia and High Cliff reservoirs is provided by mudstones of the IRCM and the Bit Basher Shale intervals, respectively.



Prospective gas resources being upgraded

In its announcement of 9 August 2019 the Company confirmed prospective resources for Lockyer Deep of up to 662 Bcf gas, and in light of Strike Energy's discovery North Erregulla will be considered for upgrading to a drillable prospect by the EP368/426 Joint Venture. The Company is incorporating the West Erregulla-2 porosity and column thickness data to its geological model, and anticipates that the prospective resources for both Lockyer Deep and North Erregulla will substantially increase, as will the geological chance of success.

Joint Venture decision pending on prospect to be drilled in H1 2020

The EP368/426 Joint Venture will drill a commitment exploration well within EP368 during H1 2020, and a decision on which of the three prospects to drill will be made in due course. Norwest Energy looks forward to providing a further update once the revised prospective resources are available for Lockyer Deep and North Erregulla.

Further exploration of this exciting gas play will occur shortly, with Beach Energy's Beharra Springs Deep prospect to be drilled by the Eastern well 106 drilling rig after completion of operations at West Erregulla-2.

EP368 Joint Venture - Norwest Energy (20%), Energy Resources Limited (Operator, 80%)

EP426 Joint Venture - Norwest Energy (22.22%), Energy Resources Limited (Operator, 77.78%)

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