

Announcement to ASX

11 November 2019

CAPITAL RAISING TO FUND PERTH BASIN EXPLORATION DRILLING

HIGHLIGHTS

- **\$3.25 million raised in placement to sophisticated and institutional investors**
- **Share Purchase Plan to raise up to an additional \$500,000**
- **Norwest Energy funded to drill high impact well in EP 368 in H1 2020, directly on trend with recent major Perth Basin gas discoveries**
- **Decision on EP 368 well location expected shortly**

Perth Basin focused oil and gas exploration company, Norwest Energy NL ("**Norwest Energy**" or the "**Company**"), is pleased to announce that it has received commitments to raise \$3.25 million via a placement of securities to a range of sophisticated and institutional investors, including the Norwest Energy Board of Directors ("**Placement**").

In addition, the Company intends to undertake a Share Purchase Plan ("**SPP**") to raise up to a maximum of \$500,000, providing eligible shareholders with an opportunity to participate in the capital raising on the same terms as the Placement.

The monies raised from the Placement and SPP will be used to fund the following:

- Drilling costs associated with Norwest Energy's 20% interest of exploration drilling in permit EP 368 in the Perth Basin (expected spud in 1H 2020);
- Planning and preparation for operations to meet future work commitments within EP 368 and EP 426;
- Desktop studies on Norwest Energy's other Perth Basin interests including the Xanadu oil discovery;
- Partial repayment of the Sundowner International Convertible Loan Facility; and
- General working capital.

Commenting on the success of the capital raising, Norwest's Managing Director, Iain Smith, said:

"I believe this is a great result at what is a very exciting time for Norwest Energy and Perth Basin explorers in general, with two very significant conventional gas discoveries in as many months, both immediately adjacent to our acreage. The prospectivity of the basin has been hugely enhanced in recent years with discoveries in each of the three exploration wells that have tested the Kingia/High Cliff Permian gas play.

The funds raised, together with our current cash at bank and the \$630,000 net incoming proceeds from the sale of L14, allow us to push ahead with our planned drilling program in EP 368 at our full 20% working interest in the first half of CY 2020. The EP 368 Joint Venture will shortly select the location for what could be a truly transformational exploration well for Norwest, and we are pleased to be able to provide shareholders, both existing and new, with such exciting exposure to the emerging Perth Basin gas play."

Revised Convertible Loan Facility

Coincident with the capital raising and as a further demonstration of support to the Company, the holder of the Company's Convertible Loan Facility (as announced on 3 April 2019), Sundowner International Limited, has agreed to the following revised terms:

- The \$1,000,000 Convertible Loan Facility will be repaid up to the amount of \$750,000 (plus interest) on or before the Maturity Date (provided funds raised from the Placement and SPP exceed \$3.5 million);
- The \$250,000 balance will be converted to Norwest Energy shares at the Lender Conversion price of \$0.0025 (i.e. 100 million shares) provided that the share price is above \$0.0025 at the date of conversion, and subject to shareholder approval;
- The Redemption Fee will not be payable to the Lender; and
- The Borrower Conversion will not be exercised by the Lender.

Sundowner International Limited is an entity associated with Norwest Energy Director Dave Kennedy. Capitalised terms in this section have the meaning given in Norwest's ASX Announcement dated 3 April 2019.

Placement Details

The Placement will result in the issue of up to 928,571,420 new fully paid ordinary shares at an issue price of \$0.0035 each. Participants in the Placement will also be issued with one unlisted option for every two shares subscribed for in the Placement, exercisable at \$0.006 and expiring 2 years from their date of issue ("**Option**").

The allotment of the first part of the Placement for up to 661,670,831 shares is not subject to shareholder approval and will fall within the Company's 15% placement capacity under ASX Listing Rule 7.1 (471,313,909 shares) and additional 10% placement capacity under ASX Listing Rule 7.1A (190,356,922 shares) ("**Tranche 1**"). Tranche 1 is expected to settle on Monday, 18 November 2019.

Tranche 2 of the Placement, for up to 266,900,589 new shares (including the Director participation) and all of the unlisted attaching Options, will be issued subject to shareholder approval at a meeting of shareholders scheduled to take place on or around Mid-Late December 2019. Hartleys Limited acted as Lead Manager to the capital raising.

Share Purchase Plan

The Company is pleased to offer eligible shareholders an opportunity to participate in a SPP on the same terms as the Placement to raise up to a maximum of \$500,000. Those shareholders will be able to contribute up to A\$30,000 by applying for fully paid ordinary shares in the Company at an issue price of \$0.0035 per share without incurring brokerage or other transaction costs. Participants in the SPP will also be issued with one Option for every two shares subscribed for in the SPP. The SPP will be open to Norwest Energy shareholders as at 5pm AWST on the Record Date of 8 November 2019 and whose registered address is in Australia or New Zealand. An SPP booklet will be distributed to eligible shareholders shortly. The SPP will be subject to shareholder approval, and a prospectus will be issued.

Major Shareholder Participation

One of Norwest's largest shareholders, 3C Group IC Limited ("3C"), which holds a 9.9% shareholding in Norwest Energy, holds an anti-dilution right that allows it to maintain its level of equity interest in the Company. 3C are required to notify the Company by 15th November 2019 as to whether it intends to participate in the capital raising.

For further information please contact/follow Norwest Energy at:

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