

Norwest Energy

ABN 65 078 301 505
Level 2, 30 Richardson Street
West Perth, WA 6005
T: +61 8 9227 3240
F: +61 8 9227 3211



Announcement to ASX

29 November 2019

CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING

Dear Shareholders,

It is my pleasure to welcome you to what is my second Annual General Meeting as Chairman of Norwest Energy, having joined the company's Board at the last AGM. It has been a busy year for the Norwest Energy team, and it is gratifying that recent exploration success in the Perth Basin has highlighted the tremendous potential offered by two of the Company's exploration permits in particular.

During the course of the year Norwest Energy has:

- Completed acquisition and preliminary interpretation of the Xanadu 3D Transition Zone seismic survey.
- Continued to develop a strong working relationship with Joint Venture Partner Energy Resources Ltd as the Joint Venture prepares to drill a high-impact exploration well in EP 368 in H1 2020.
- Developed an exciting new oil prospect in EP 368, in addition to the very significant gas potential offered by the Lockyer Deep and North Erregulla Deep prospects.
- Experienced strong investor interest further to Strike Energy and Beach Energy's recent successes in the basin.
- Monetised its minority interest in the Jingemina L14 oil production permit, in order to rationalise the company portfolio and focus financial resources on activity offering very significant potential investment returns.
- Appointed Iain Smith as Managing Director

A primary focus of the year was of course the Company's appraisal of the 2017 Xanadu-1 oil discovery, through acquisition of a 40km² "Transition Zone" 3D seismic survey. The purpose of the survey was to improve our geological understanding of the Xanadu structure, in order to determine the discovery's potential and guide future appraisal efforts. After a prolonged regulatory approvals process, the Company commenced seismic operations in June 2019 and completed the program in mid-July 2019. The final, processed 3D seismic volume is of good quality and preliminary interpretation has been completed.

The updated interpretation shows a significantly different structural form at Xanadu, compared with the pre-drill interpretation which was based only upon regional gravity/magnetic data and limited 2D seismic data. We now understand that the targeted updip potential is smaller than first thought and that the downdip potential, while potentially containing a commercial resource, requires further analysis. While the limited updip potential comes as a disappointment, it does validate the TP/15 Joint Venture's decision to acquire the 3D seismic survey before continuing with appraisal drilling. The team will now work with the TP/15 joint venture partners to agree a low cost, desktop work program that will determine whether appraisal drilling of the updip area is warranted, and whether the larger downdip potential can be de-risked.

Meanwhile Norwest Energy has experienced significant investor interest in recent months, further to Strike Energy's "staggering" West Erregulla-2 gas find and Beach Energy's subsequent find at Beharra Springs Deep. This exciting development is important for Norwest Energy, as it greatly enhances the prospectivity of the Company's EP 368 and EP 426 exploration permits, located just a few kilometres north of Strike's discovery. The existence of a one trillion cubic feet plus gas field at West Erregulla-2 confirms that the 2014 Waitsia gas discovery is not an anomaly, and that

the play fairway for thick and good quality reservoir formations is likely to extend into Norwest Energy's acreage.

Having recently raised sufficient funds to participate in drilling at our full working interest, Norwest is perfectly placed within this emerging gas play. We have the same Permian rocks in our permits, and a large structure to drill. The recent successes have increased both our chances of exploration success and our estimate of prospective resources. Together with Operator Energy Resources Ltd, we will shortly be making a well location decision for a high-impact exploration well to be drilled in H1 2020 - a well that is perhaps the most exciting in the company's history, and which I have no doubt is a potential "company maker" for Norwest Energy.

I am excited about your Company's potential over the coming twelve months, and wish to take this opportunity to thank you for your ongoing support, and to thank the small, dedicated Norwest Energy team for their ongoing efforts and commitment.

Yours faithfully,



Ernie Myers
Non-Executive Chairman

For further information please contact/follow Norwest Energy at:

Web:	www.norwestenergy.com.au
Phone:	+61 8 9227 3240
Email:	info@norwestenergy.com.au
	@Norwest_Energy