

NORWEST ENERGY NL

ACN 078 301 505

PROSPECTUS

For an offer of:

- (a) up to 617,157,069 Options exercisable at \$0.006 on or before 5.00pm (WST) on 24 January 2022 (**Offer**). This Offer is made and is only being sent to Eligible Applicants who participated in the Share Purchase Plan and the Placement;
- (b) 100,000,000 Options exercisable at \$0.006 on or before 5.00pm (WST) on 24 January 2022 to Hartleys Limited (or its nominee/s) (**Hartleys Offer**); and
- (c) 9,030,062 Options exercisable at \$0.006 on or before 5.00pm (WST) on 24 January 2022 to 3C Group IC Ltd (**3C Group Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Options offered by this Prospectus should be considered as speculative.

TABLE OF CONTENTS

1.	CORPORATE DIRECTORY	1
2.	IMPORTANT NOTES	2
3.	INDICATIVE TIMETABLE*	4
4.	DETAILS OF THE OFFERS	5
5.	PURPOSE AND EFFECT OF THE OFFER	9
6.	RIGHTS AND LIABILITIES ATTACHING TO SECURITIES	11
7.	RISK FACTORS	15
8.	ADDITIONAL INFORMATION	19
9.	DIRECTORS' AUTHORISATION	26
10.	DEFINITIONS	27

1. CORPORATE DIRECTORY

Directors

Mr Ernest Anthony Myers
Non-Executive Chairman

Mr Iain Peter Smith
Managing Director

Mr Henry David Kennedy
Non-Executive Director

Mr Bruce Frederick William Clement
Non-Executive Director

Company Secretary

Mrs Jo-Ann Long

Registered Office

Level 2
30 Richardson Street
WEST PERTH WA 6005

Telephone: +61 8 9227 3240

Facsimile: +61 8 9227 3211

Email: info@norwestenergy.com.au

Website: www.norwestenergy.com.au

Auditor*

Rothsay Auditing
Level 1, Lincoln House
4 Ventnor Avenue
WEST PERTH WA 6000

Share Registry*

Computershare Investor Services Pty
Ltd
Level 11
172 St Georges Terrace
PERTH WA 6000

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. They have been included for information purposes only.

2. IMPORTANT NOTES

This Prospectus is dated 20 January 2020 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus or the merits of the investment to which this Prospectus relates. No Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Options the subject of this Prospectus should be considered highly speculative.

Important – if you wish to accept your entitlement to free Options, you do not need to take any action.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.1 Risk factors

Potential investors should be aware that subscribing for Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

2.2 Website

A copy of this Prospectus can be downloaded from the website of the Company at www.norwestenergy.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.3 Forward-looking Statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

3. INDICATIVE TIMETABLE*

Lodgement of Prospectus with the ASIC and ASX	20 January 2020
Lodgement of Appendix 3B	20 January 2020
Opening Date	20 January 2020
Closing Date*	23 January 2020
Issue of Options*	24 January 2020

* The Directors reserve the right to bring forward or extend the Closing Date of the Offer at any time after the Opening Date of the Offer without notice.

4. DETAILS OF THE OFFERS

4.1 Background to the Offers

The Company announced on 11 November 2019 its intention to undertake a capital raising to raise up to \$3.75 million through a placement and share purchase plan at \$0.0035 per new Share issued (**Capital Raising**).

Tranche 1 of the placement was completed and the Shares issued on 19 November 2019. Tranche 2 of the placement was completed, following the receipt of the approval of Shareholders at a meeting that occurred on 24 December 2019, on 13 January 2020. Together tranche 1 and tranche 2 are referred to in this Prospectus as the **Placement**.

At the same time, the Company undertook a share purchase plan that raised \$795,100 under a share purchase plan (**Share Purchase Plan**). As announced on 18 December 2019, the Company originally intended to raise only \$500,000 under the Share Purchase Plan, but decided to accept all applications received under the Share Purchase Plan, increasing the amount raised to \$795,100.

The Company received approval from Shareholders at the shareholder meeting on 24 December 2019 to issue 1 new Option for every 2 Shares subscribed for to applicants under the Placement and the Share Purchase Plan. No amount is payable for the Options.

The purpose of this Prospectus therefore is to make an Offer of Options to the parties that participated and received Shares under the Placement and the Share Purchase Plan (**Eligible Applicants**).

The Hartleys Offer is being made to Hartleys Limited (or their nominee/s) as part consideration for the fee payable to Hartleys for acting as lead manager of the Capital Raising.

The 3C Group Offer is being made to 3C Group Ltd pursuant to the Company's obligations under the Strategic Cooperation Agreement between the Company and 3C Group Ltd.

4.2 Offer and Entitlement

This Prospectus contains

- (a) the Offer, being made available only to Eligible Applicants on the basis of one (1) Option (exercisable at \$0.006 on or before 24 January 2022) for every two (2) Shares subscribed for and issued to those Eligible Applicants under the Placement and the Share Purchase Plan. Fractional Entitlements will be rounded down to the nearest whole number; and
- (b) the Hartleys Offer. The Hartleys Offer will only be made to Hartleys or parties nominated by Hartleys to the Company; and
- (c) the 3C Group Offer. The 3C Group Offer will only be made to 3C Group Ltd,

(together the **Offers**).

Approximately 726,187,139 Options will be issued under the Offers, subject to rounding.

All of the Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.1 of this Prospectus. All of the Shares issued upon the future exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.2 for further information regarding the rights and liabilities attaching to the Shares.

(a) **What is my Entitlement under the Offer?**

The number of Options for which you are entitled to apply and receive is set out on your Entitlement Form accompanying this Prospectus.

No payment is required to take up your Entitlement.

Entitlements are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you will be unable to transfer your Entitlement to another party.

If you choose to accept your Entitlement to Options under the Offer, you must accept your Entitlement in full.

(b) **How do I accept my Entitlement?**

Detailed instructions on how to accept your Entitlement are set out in Section 4.4 below.

If you choose not to accept your Entitlement under the Offer then your Entitlement will lapse at the Closing Date.

All Applications, once received, are irrevocable.

(c) **Why should you accept the Offer for your Options?**

The Options, if applied for, will be issued for nil consideration. There are no brokerage fees or other costs payable by Eligible Applicants to acquire Options. It is noted that in order to be entitled to these Options, Eligible Applicants paid \$0.0035 for each Share subscribed for in the Placement or the Share Purchase Plan.

There is no obligation to apply for or exercise any of the Options that you are entitled to. However, Eligible Applicants should note that they will be deemed to have accepted their respective Entitlement if the Company does not receive notice to the contrary prior to the Closing Date in response to an Entitlement Form accompanying this Prospectus.

Eligible Applicants should seek and rely on their own taxation advice regarding the exercise of Options as the taxation consequences will depend on the particular circumstances of the individual.

4.3 Offer Period: Opening and Closing Dates

The Offer opens for receipt of acceptances on 20 January 2020 and closes at 5:00pm (WST) on 23 January 2020, subject to any variation of the Closing Date by the Directors.

4.4 How to accept the Offer

Applications for Options can only be made by Eligible Applicants at the direction of the Company.

No subscription monies are payable for the Options offered pursuant to this Prospectus as the Options are being issued as an entitlement to Eligible Applicants on the basis of one (1) Option for every two (2) Shares subscribed for and issued under the Placement and the Share Purchase Plan.

Eligible Applicants will be deemed to have accepted their respective Entitlement if the Company does not receive notice to the contrary prior to the Closing Date in response to an Entitlement Form accompanying this Prospectus. Accordingly, an Eligible Applicant does not need to do anything to accept the Offer applicable to them.

The Company will correspond directly with applicants under the Hartleys Offer and the 3C Group Offer to ensure all applications for those Options are received prior to the Closing Date. No person should apply for Options under the Hartleys Offer or the 3C Group Offer unless instructed to do so by the Company or Hartleys.

4.5 Minimum Subscription

There is no minimum subscription.

4.6 Issue

The issue of the Options offered under the Offers will take place as soon as practicable after the Closing Date, and otherwise in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus. Holding statements for Options issued under the Offers will be mailed in accordance with the timetable set out at the commencement of this Prospectus.

4.7 ASX Listing

The Company will apply for Official Quotation of Options offered under this Prospectus within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Options offered under the Offers pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Options under the Offers. No Application monies will be repayable if the Options are not issued within this time period as the Options are to be issued as freely attaching to Shares under the Share Purchase Plan and Placement.

The fact that ASX may grant Official Quotation to the Options is not to be taken in any way as an indication of the merits of the Company or the Options now offered for subscription.

4.8 Overseas shareholders

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Options will not be issued to Shareholders with a registered address which is outside Australia.

Eligible Applicants resident outside of Australia are responsible for ensuring that taking up the Offers does not breach regulations in the relevant overseas

jurisdiction. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.9 New Zealand

The Options are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

4.10 Clearing House Electronic Sub-Register System and Issuer Sponsorship

The Company participates in the Clearing House Electronic Sub-register System (**CHES**). ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHES. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with separate statements (similar to a bank account statement) that set out the number of Options issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of Securities can be transferred without having to rely upon paper documentation. Further, monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month. Shareholders may request a holding statement at any other time, however a charge may be made for such additional statements.

4.11 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary, Jo-Ann Long, on +61 8 9227 3240.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer was to incentivise Eligible Applicants to participate in the Placement and the Share Purchase Plan. No funds will be raised from the issue of the Options under the Offer, the Hartleys Offer or the 3C Group Offer.

5.2 Effect of the Offer

The principal effect of the Offer will be to increase the number of Options on issue from 161,200,000 as at the date of this Prospectus to 887,387,139 Options.

5.3 Effect on capital structure

The principal effect of the Offers on the capital structure of the Company, assuming all Options offered under the Prospectus are issued and no existing Options are exercised is set out below.

Shares

	Number
Shares on issue as at the date of this Prospectus ¹	4,634,467,074
Shares issued under the Offer	Nil
Total Shares on completion of the Offer	4,634,467,074

Options

	Number
Options currently on issue:	
Unquoted exercisable at \$0.006 each on or before 30 June 2020	5,200,000
Unquoted exercisable at \$0.0089 each on or before 30 June 2024	42,000,000
Unquoted exercisable at \$0.0089 each on or before 30 June 2025	42,000,000
Unquoted exercisable at \$0.089 each on or before 30 June 2026	42,000,000
Unquoted exercisable at \$0.0107 each on or before 30 June 2024	10,000,000
Unquoted exercisable at \$0.0107 each on or before 30 June 2025	10,000,000
Unquoted exercisable at \$0.0107 each on or before 30 June 2026	10,000,000
Options issued under the Offer	617,157,069
Options issued to Hartleys as Advisory Fees	100,000,000
Options issued to 3C Group IC Ltd	9,030,062

Total Options on issue after completion of the Offer

887,387,131

5.4 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Mineral Resources Limited	804,000,000	17.36%
3C Group IC Limited	367,179,171	7.93%

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.006 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 24 January 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company (or by such other manner as may be required by the Company) (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

6.2 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares that may be issued pursuant to this Prospectus and subject to exercise of the Options. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meeting and notices**

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by an attorney; representative or proxy has one vote on a show of hands and one vote per share on a poll.

A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Where there are 2 or more joint holders of a share and more than one of them is present at a meeting and tenders a vote in respect of the share, the Company will count only the vote cast by the member whose name appears first in the Company's register of members.

(c) **Issues of further Shares**

The Directors may, on behalf of the Company, issue, grant options over unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, Listing Rules, the Corporations Act and any rights for the time being attached to the shares in any special class of those shares.

(d) **Variation of Rights**

Unless otherwise provided by the terms of issue of a class of shares and subject to the Corporations Act, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(e) **Transfer of Shares**

Subject to the Constitution, the Corporations Act and Listing Rules, Shares are freely transferable.

The Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by any other method of transferring or dealing with Shares introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by either the Directors or ASX that is permitted by the Corporations Act.

The Directors may decline to register a transfer of Shares (other than a proper transfer in accordance with the ASX Settlement Operating Rules) where permitted to do so under the Listing Rules. If the Directors decline to register a transfer, the Company must, within 5 Business Days after the

transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for the refusal. The Directors must decline to register a transfer of Shares when required by law, by the Listing Rules or by the ASX Settlement Operating Rules.

(f) **Dividends**

The Directors may from time to time determine dividends to be distributed to members according to their rights and interests. The Directors may fix the time for distribution and the methods of distribution. Subject to the terms of issue of shares, the Company may pay a dividend on one class of shares to the exclusion of another class.

Each share carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the share (not credited) bears to the total amounts paid and payable (excluding amounts credited) in respect of such shares.

(g) **Dividend reinvestment and Share plans**

Subject to the requirements in the Corporations Act and the Listing Rules, the Directors may implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company).

(h) **Capitalisation of profits**

Subject to the Listing Rules and any rights or restrictions attaching to any class of shares, the Company may capitalise profits. Members are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

(i) **Winding-up**

Subject to the rights of holders of shares with special rights in a winding-up and the Corporations Act, if the Company is wound up all monies and property that are to be distributed among Shareholders on a winding-up, shall be distributed in proportion to the Shares held by them respectively, irrespective of the amount paid-up or credited as paid-up on the Shares.

(j) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(k) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7. RISK FACTORS

7.1 General

The Options offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus or to exercise the Options once issued.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Options.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Reliance on Key Personnel

The success of the Company in part will depend on the ability of the Directors, management team and other executive personnel (employed by the Company or its business partners) to develop the Company's project portfolio and enhance project value. Should one or more of the key personnel cease to be involved, for whatever reason, then the capability of the Company may be expected to be impaired pending a suitable replacement being identified and retained by the Company or its business partners.

(b) Contractual Risk

The Company is reliant to a certain extent on the cooperation and compliance of parties to the agreements to which it is a party. In particular, the Company has entered into various joint venture agreements and the ability of the Company to achieve its objectives will depend on the performance by each of the parties of their respective obligations under these agreements. If a party defaults in the performance of their obligations it may adversely affect the Company or its projects. In the event of dispute, there can be no guarantee that seeking enforcement or of compensation under such agreements will provide an efficient or satisfactory outcome.

(c) Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under this capital raising. There can be no assurance that the Company will be able to raise that finance on acceptable terms or in a timely manner. Any additional equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope

of its operations, and scale back its exploration programs and surrender permits and licences, as the case may be.

7.3 Risks specific to Oil & Gas Exploration and Development Companies

(a) Exploration Success

The future profitability of the Company and the value of its securities are directly related to the results of exploration. The prospects held by the Company are at various stages of exploration, and potential investors should understand that exploration is a high-risk undertaking.

There can be no assurance that exploration of the Company's prospects, or any other prospects that may be acquired in the future, will result in the discovery of a commercial oil or gas reserve. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited or will flow at commercial rates.

The estimated exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company viability.

(b) Development and Operating Risks

If the Company achieves exploration success that leads to a decision to conduct feasibility work and then develop production operations, the development and ongoing production from such operations may be adversely affected by various factors, including failure to locate or identify hydrocarbon reserves; failure to achieve predicted well production flow rates; operational and technical difficulties encountered in production; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated reservoir problems which may affect field production performance; adverse weather conditions; industrial and environmental accidents; industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(c) Hydrocarbon Resources & Commercial Hydrocarbon Flow

Hydrocarbon resources are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, estimates of hydrocarbon resources are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and commercial hydrocarbon flow plans which may, in turn, adversely affect the Company's operations.

(d) **Commodity Price Volatility, Exchange Rate & Government Risks**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company and the value of its assets. In particular, changes in the current and expected future price of hydrocarbons and other commodities can change rapidly and significantly and this can have a substantial effect on the value of the Company's assets and the potential future revenue and profits that might be earned from any successful development of those assets.

If the Company achieves exploration success leading to commercial hydrocarbon production, the revenue it will derive through the sale of hydrocarbons exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors affecting their demand and supply beyond the control of the Company. Such factors include global industrial production levels and economic sentiment, inflation and interest rates, industrial disputes, wars and other military activity, technological advancements, forward selling activities, government environmental policies, infrastructure investment, weather conditions and general exploration success.

Furthermore, international prices of some commodities (e.g. crude oil) are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

Changes in government, monetary policies, taxation and other laws and regulations can also have a significant influence on the outlook for projects and companies and the actual and potential returns to investors.

(e) **Native Title & Community Risks**

Many countries have native title, community title / empowerment, or heritage legislation and / or regulations. These rules impose certain requirements on Oil and Gas companies who undertake or plan to undertake various exploration, development or drilling activities. The risks associated with the rules are generally associated with the imposition of various uncertainties as to timetables and costs. No assurance can be given that the Company will be able to explore or conduct drilling activities within acceptable timeframes or on terms acceptable to it.

(f) **Environmental Risks**

The operations and proposed activities of the Company are subject to laws and regulation concerning the environment. As with most production operations, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities in compliance with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities such as accidental leakages or spills, or other unforeseen circumstances which could subject the Company to extensive liability.

(g) **Conditions of Permits & Licences**

The Company has entered into agreement with joint venture parties to jointly lease rights and permits to explore and implement the projects. There is a risk that the Company does not have or might lose any or all of those permits or licences required for the operation of the projects, or that the Company will not comply with the ongoing requirements imposed under those permits or licences. There is also a risk that the permits and licences required or the conditions imposed on the Company under them will change from time to time. The Company's ongoing compliance costs may increase as a result. Any of the above may adversely affect the Company's financial performance.

7.4 General Risks

(a) **Economic Risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Share Market Conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors, such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

7.5 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Options offered under this Prospectus.

Therefore, the Options to be issued pursuant to this Prospectus, if exercised in to Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Options.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in Section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
16/01/2020	L14 Sale Completion
13/01/2020	Appendix 3B
24/12/2019	Results of Meeting
24/12/2019	Ceasing to be a substantial holder
20/12/2019	Appendix 3B
20/12/2019	Becoming a substantial holder from MIN
20/12/2019	Change of Director's Interest Notice
20/12/2019	Change of Director's Interest Notice
20/12/2019	Change of Director's Interest Notice
20/12/2019	Increased Chance of Success for Lockyer Deep Prospect
18/12/2019	Bruce Clement joins Norwest Board
18/12/2019	Norwest Share Purchase Plan Closes
16/12/2019	Appendix 3B
16/12/2019	Change in substantial holding
09/12/2019	NWE Approves Lockyer Deep for Drilling H1 2020
29/11/2019	Results of Meeting
29/11/2019	Managing Director's Presentation to Shareholders
29/11/2019	Chairman's Address to Shareholders
28/11/2019	Share Purchase Plan
26/11/2019	Notice of General Meeting/Proxy Form
21/11/2019	Change in substantial holding
19/11/2019	Appendix 3B Amended
19/11/2019	Cleansing Notice and Appendix 3B

Date	Description of Announcement
11/11/2019	Capital Raising to Fund Perth Basin Exploration Drilling
07/11/2019	Amended Appendix 3B unlisted options
07/11/2019	Trading Halt
01/11/2019	Appendix 4G Corporate Governance Statement
31/10/2019	Appendix 5B Quarterly Cashflow Report
31/10/2019	Quarterly Activities Report
30/10/2019	Notice of Annual General Meeting/Proxy Form
30/10/2019	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.norwestenergy.com.au.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent respective dates of those sales were:

Highest	\$0.007	23, 27 and 31 December 2019
Lowest	\$0.003	25 October, 21 and 26 November, 4 December 2019
Last	\$0.006	20 January 2020

8.4 Directors' and proposed Directors' Interests

Other than as set out in this Prospectus, no Director or proposed director holds or has held within 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with
 - (i) its formation or promotion or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify him as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

8.5 Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	%Interest	Options
Iain Peter Smith	4,285,715	0.09%	90,000,000
Ernest Anthony Myers	4,285,715	0.09%	15,000,000
Henry David Kennedy	176,094,130	3.9%	15,000,000
Bruce Clement	Nil	0%	Nil

As set out in the Notice of Meeting for the Shareholder meeting held on 24 December 2019, the Directors have participated in the Placement and will be entitled to the following Options:

- (a) Iain Peter Smith – 2,142,857 Options;
- (b) Ernest Anthony Myers – 2,142,857 Options;
- (c) Henry David Kennedy – 4,300,000 Options; and
- (d) Bruce Clement – Nil.

Remuneration of Directors

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares. The maximum aggregate remuneration for non-executive Directors has been set at no more than \$120,000 per annum.

In addition, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

The table below shows the total annual remuneration paid to both executive and non-executive directors and proposed directors in each of the past two financial years and the proposed remuneration for the current financial year.

Director	Financial year ended 30 June 2019	Proposed financial year ending 30 June 2020
Iain Peter Smith	\$69,000	\$276,000
Ernest Anthony Myers	\$21,000	\$48,000

Henry David Kennedy	\$30,000	\$36,000
Bruce Clement	\$Nil	\$19,500

Notes

1. Mr Smith was appointed as a Director on 2 April 2019;
2. Mr Myers was appointed as a Director on 28 November 2018; and
3. Mr Clement was appointed as a Director on 17 December 2019.

8.6 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held, within 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company: or
- (h) the Offer.

Steinepreis Paganin has acted as solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin approximately \$7,500 (excluding GST and disbursements) for these services and other services relating to the Offer generally. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$9,605 (excluding GST and disbursements) for legal services provided to the Company.

8.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the

Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus, Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.8 Estimated Expenses of Offer

The total expenses of the Offer are estimated to be approximately \$14,206 (excluding GST), and are expected to be applied towards the items set out in the table below:

Expenses of the Offer	\$
ASIC lodgement fee	3,206
Legal expenses	7,500
Share Registry	1,500
Printing, distribution and other expenses	2,000
Total	14,206

8.9 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 8 9227 3240 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.norwestenergy.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.10 Privacy Act

If you complete an Application for Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your Application, service your needs as a holder of equity securities in the Company, facilitate

distribution payments and corporate communications to you as a security holder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application for Options, the Company may not be able to accept or process your Application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors and Proposed Directors.

In accordance with section 720 of the Corporations Act, each Director and Proposed Director has consented, and as at the date of this Prospectus has not withdrawn his consent, to the lodgement of this Prospectus with the ASIC.



Ernest Myers
Non-Executive Chair
Signed for and on behalf of
Norwest Energy NL

10. DEFINITIONS

\$ means Australian dollars.

Application means an application for Options made on an Application Form.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the Listing Rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a Business Day.

Closing Date means the closing date specified in Section 3 of this Prospectus (unless extended or closed earlier).

Company means Norwest Energy NL (ACN 078 301 505).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Applicant is an applicant entitled to participate in the Offer as described in Section 4.1 of this Prospectus.

Hartleys means Hartleys Limited (ACN 104 195 057).

Offer means the offer of Options the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Opening Date means the opening date specified in Section 3 of this Prospectus.

Option means an option to acquire a Share.

Placement means the placement announced to ASX on 11 November 2019 and described in this Prospectus.

Prospectus means this prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Share Purchase Plan means the share purchase plan announced to ASX on 11 November 2019 and described in this Prospectus.

Shareholder means the holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.