

Announcement to ASX

27 September 2021

LOCKYER DEEP-1 OPERATIONAL UPDATE

Perth Basin oil and gas exploration company Norwest Energy NL ("**Norwest**" or the "**Company**") provides the following update regarding operations at the Lockyer Deep-1 conventional gas discovery well.

Further to the Company's announcement of 22 September 2021, the 5-1/2" production casing was run from surface to Total Depth. During casing cementing operations the cement was not displaced into the annulus, due to a suspected wiper plug held up in the casing hanger. This has resulted in the cement remaining within the 5-1/2" production casing, with only minimal cement in the production annulus. The cement wiper plugs and cement are currently being milled out to attain well access and re-cement the production casing for future completion and production testing.

The Ensign 970 rig will remain on location to progress the milling operation while additional milling equipment is being sourced, should it be required. The resulting delay to well completion is not anticipated to materially affect the timing of production testing of the Kingia Sandstone reservoir, for which the necessary test equipment is currently being procured and mobilised.

Up to this point the costs associated with drilling the Lockyer Deep-1 well have remained within the Joint Venture AFE of approximately A\$14.5 million (gross cost). The necessary additional time and equipment for completion will result in incremental costs to the joint venture that are not expected to exceed A\$5 million (NWE share being up to A\$1 million). The Company remains more than adequately funded to complete the remedial works, conduct the production test, and complete the planned 3D and 2D seismic programs that will inform future appraisal and exploration programs.

Norwest Energy Managing Director, **Iain Smith**, commented: "*While this operational event is a frustration we do not anticipate a material delay to the production testing program. As such we remain on track to test the exceptional quality Kingia reservoir during Q4 CY 2021, whereupon we expect to confirm that the Lockyer Deep-1 discovery is one of the highest deliverability onshore gas reservoirs in Australian history.*"

The Company will provide further announcements at key milestone during the next stage of operations.

Authorised for release to ASX by the Board of Directors.

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