ANNUAL FINANCIAL REPORT

For the year ending 30 June 2022

ABN 65 078 301 505

CORPORATE DIRECTORY

NORWEST ENERGY NL

ABN 65 078 301 505
ACN 078 301 505

Directors

Mr Ernest Anthony Myers
(Non-Executive Chairman)

Mr Bruce Frederick William Clement
(Non-Executive Director)

Managing Director

Mr Iain Peter Smith

Company Secretary

Ms Jo-Ann Long

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Shareholder Enquiries

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West Perth WA 6005

Australian Securities Exchange

NWE

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Directors' Report

The Directors of Norwest Energy NL ("Norwest" or "the Company") herein present their financial report of the Company and its subsidiaries ("Consolidated entity" or "Group"), for the financial year ended 30 June 2022.

1. DIRECTORS AND OFFICERS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Ernest Myers (Independent Non-Executive Chairman) CPA

Mr Myers became a Director of Norwest on 28 November 2018. Mr Myers, an Accountant by profession, has held senior management and executive roles within a number of ASX listed companies. During his career he has been instrumental in the capital raisings and financial management of these companies. With skills and knowledge gained from vast experiences in corporate, exploration and operational areas, Mr Myers has played a key role in maintaining the Company's financial stability. Mr Myers is an executive director and CEO of Pancontinental Energy NL.

Iain Smith (Managing Director) BSc, MSc, GD-BA

Mr Smith joined Norwest Energy on 2 April 2019. Mr Smith is a petroleum geoscientist with 33 years' broad experience of the upstream oil & gas industry, both internationally and in Australia. His early career saw him work offshore UK North Sea, before joining Premier Oil as a New Ventures Explorationist. Thereafter, Mr Smith spent seven years in the geoscience services sector, before joining Woodside Energy in a commercial role. At Woodside he worked within the Exploration & New Ventures group, and subsequently the Browse LNG project, with responsibilities including commercial analysis and asset divestment. In 2008 Mr Smith joined private exploration company Neon Energy, as Commercial Manager, and was responsible for the subsequent merger with ASX-listed Salinas Energy. He managed the commercial and investor relations aspects of the company's activities in Southeast Asia and California, including the high profile farmout of Neon's two offshore Vietnam projects. In 2016 Mr Smith joined Pilot Energy as Managing Director, overseeing an aggressive new ventures campaign that resulted in the low-cost acquisition of six exploration permits within Western Australia, including within the onshore and offshore Perth Basin.

Bruce Clement (Non-Executive Director) BEng, BSc, MBA

Mr Clement became a Director on 18 December 2019. Mr Clement has 42 years' oil and gas industry experience having held engineering, senior management, and board positions with a variety of companies including ExxonMobil, Ampolex, Roc Oil, AWE and Santos. He has extensive experience and knowledge of the Perth Basin, previously managing development of the Cliff Head oil field for Roc Oil and, more recently, overseeing the discovery of the Waitsia gas field as Managing Director of AWE. Mr Clement is a non-executive director of Horizon Oil Limited.

Jo-Ann Long (Company Secretary and Chief Financial Officer) B.Comm, FCA, GAICD

Ms Long was appointed CFO and Company Secretary on 2 April 2019. Ms Long has over 33 years of experience building, leading and advising corporations on financial management, restructuring, international expansion, acquisitions and risk management, initially with Deloitte's and subsequently with 23 years spent in the Oil and Gas industry with Woodside, and a number of junior Oil & Gas companies. Ms Long has specialised expertise in joint venture operations, commercial agreements, tax strategies, risk management and governance. With strong broad commercial and business skills Ms Long brings a strong discipline of financial management and a track record of documented contributions of improved financial performance, heightened productivity and enhanced internal controls. Ms Long is Managing Director of Eco Smart Designs and West Perth Accounting Services and holds non-executive directorships with Yijiyangu Corporation Limited and B2 Yaramarri Direct Benefits Trust.

2. DIRECTORS' INTERESTS

As at the date of this report the Director’s interests in the securities of the Company are as follows:

	Ordinary Shares	Options over Ordinary Shares
Iain Smith (Managing Director)	7,337,662	160,000,000
Ernest Myers (Non-Executive Chairman)	6,731,602	55,000,000
Bruce Clement (Non-Executive Director)	-	55,000,000

3. EARNINGS PER SHARE

	2022	2021
Basic earnings per share (cents per share)	(0.034)	(0.01)
Diluted earnings per share (cents per share)	(0.034)	(0.01)

4. CORPORATE INFORMATION

Corporate Structure

The Company is a no liability company that is incorporated and domiciled in Australia.

Nature of Operations and Principal Activities

The principal activity of the Consolidated entity during the course of the financial year was exploration for hydrocarbon resources.

5. OPERATING AND FINANCIAL REVIEW

Operational Review

As at the date of this report, the Company holds interests in the following North Perth Basin exploration permits:

- 20% working interest in EP368
- 22.22% working interest in EP426
- 25% working interest in TP/15 (as Operator)

Exploration Permits EP368 and EP426
During the reporting period the EP368 Joint Venture drilled the Lockyer Deep-1 well, to a depth of 4,274 metres. The well encountered a very significant conventional gas and condensate discovery in the Permian Kingia Sandstone reservoir, with 20 metres of net pay identified within excellent quality reservoir. Reservoir pressure of 6,514 psi was measured at the top of the Kingia pay zone, indicating a gas column estimated at approximately 800 metres based on offset-well water pressure gradients. The apparent presence of such a significant column suggests that gas may extend across the greater structure, covering an area of some 100 km^2 and far exceeding the Company's pre-drill expectations.

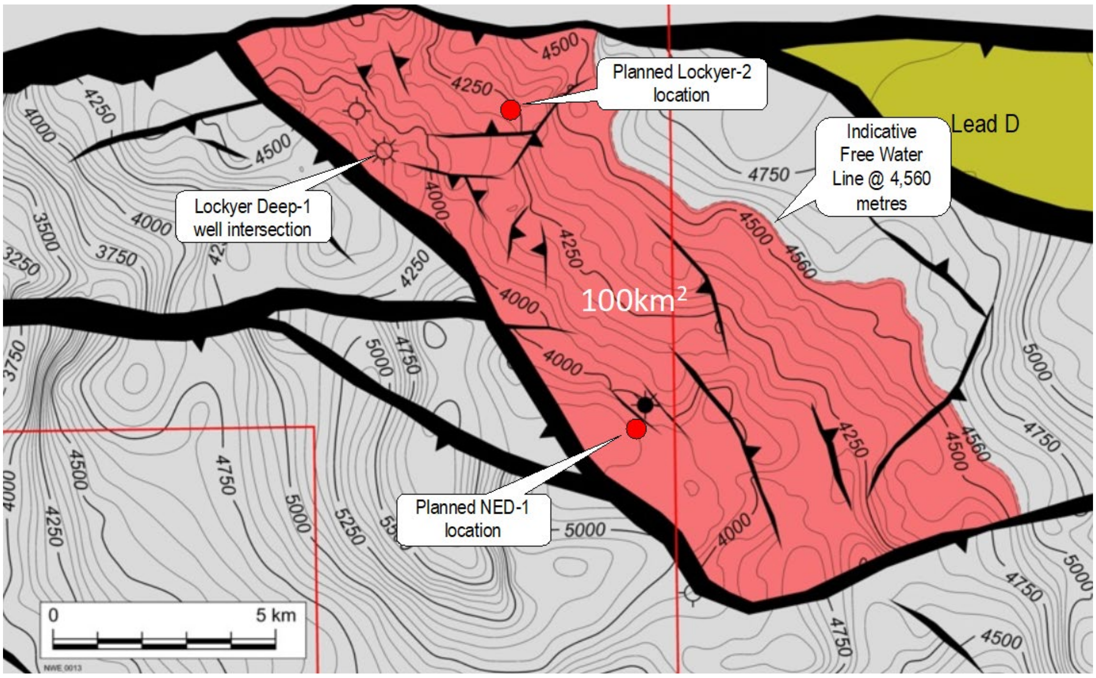

Figure 1: Top Kingia Formation Depth Map

Lockyer Deep-1 was production-tested in late March 2022, with a six-day test program designed to determine well deliverability, reservoir quality and gas composition across a 25-metre interval of the Kingia Sandstone (4041.5m to 4066.75m, MDRT). The initial main flow period ran for several hours, during which flow was increased through a number of increasing choke settings. A maximum sustained flow rate of 102 MMscf/d (million standard cubic feet per day) was achieved through a 76/64" choke, with a maximum instantaneous gas flow rate of 117 MMscf/d; one of the highest rates recorded onshore Australia.

With a well head pressure of 3,618 psi, the well was capable of higher rates of delivery, however the main flow period was stopped at this point due to indications of sand being produced to surface (at rates in excess of 50 MMscf/d). Sand production is to be expected at such exceptionally high flow rates and the produced sand was captured by the installed sand filtration system. As with the nearby Waitsia development wells, future Lockyer Deep production wells will likely be completed with appropriate sand control measures in place in order to maintain long term reservoir and well integrity.

Figure 2: Lockyer Deep-1 production test operations

The production test confirmed high quality gas with 87.5% methane, 3.9% CO_2 and low H_2S. Associated condensate was produced throughout the test, with an estimated CGR (Condensate-Gas Ratio) of 3.2 barrels per MMscf gas offering significant value upside. Subsequent analysis of test data confirms that the testing objectives were met, with a high-quality dataset recorded. Key insights from this analysis include an estimated Absolute Open Flow rate for Lockyer Deep-1 (i.e., unconstrained by tubing) of 190 MMscf/d, and an estimated 70 Bcf to 110 Bcf gas-in-place connected to the Lockyer Deep-1 well within the well test maximum radius-of-investigation (representing an area of approximately 3km^2).

With gas pay potentially present across an area of approximately 100km^2, the Lockyer Deep-North Erregulla Deep greater structure may host a very large gas field, with resources that significantly exceed the Company's pre-drill high case estimate of prospective resources (which were 1.12 Tcf gas, gross recoverable). Additional drilling is required to confirm the volume of Contingent Resources with drilling targeted to commence Q4 CY 2022 in parallel with the field-wide Rococo 3D seismic program.

Significant follow-on potential has been identified across permits EP368 and EP426, with a variety of gas leads and the Greater Springy Creek oil prospect all under consideration for future drilling subject to completing further technical studies. Exploration success at Lockyer Deep-1 has significantly de-risked a number of gas leads, and the 148 line-kms Ringneck 2D seismic survey was conducted in Q1 CY 2022 in order to mature leads for future exploration drilling, in addition to obtaining modern seismic data across the Lockyer Deep discovery area.

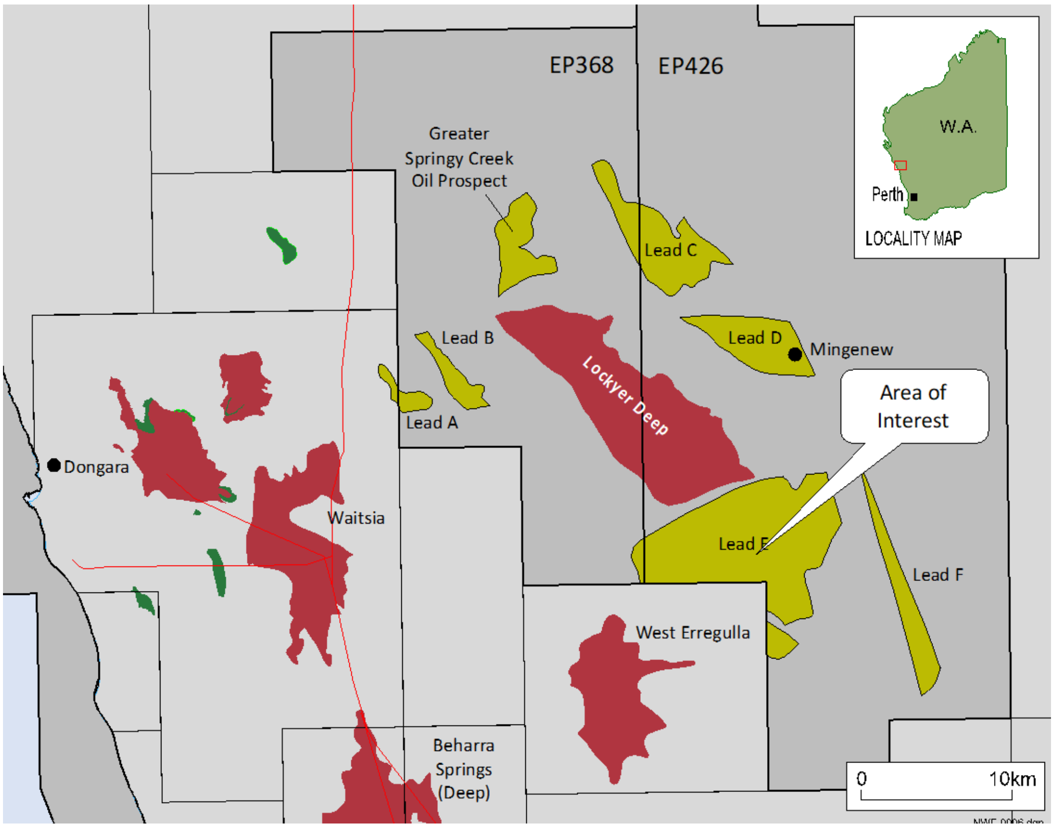

Figure 2: EP368 and EP426 - Discovery & Leads showing Ringneck 2D Area of Interest

EP368 JV Participants		
Westranch Holdings Pty Ltd[1]	20%	
Energy Resources Ltd[2]	80%	(Operator)

EP426 JV Participants		
Westranch Holdings Pty Ltd	22.22%	
Energy Resources Ltd	77.78%	(Operator)

[1] Westranch Holdings Pty Ltd is a wholly owned subsidiary of Norwest Energy NL.

[2] Energy Resources Ltd is a wholly owned subsidiary of Mineral Resources Ltd.

Exploration Permit TP/15

During the reporting period the Company gave notice to its TP/15 joint venture partners that it will withdraw from the permit and joint venture, effective 6 December 2021. Subsequently the Company has agreed to remain as Operator of the Joint Venture until the permit is surrendered by all parties, effective 6 December 2022.

TP/15 JV Participants		
Westranch Holdings Pty Ltd	25%	(Operator)
3C Group	30%	
Triangle Xanadu Pty Ltd[3]	45%	

[3] Triangle Xanadu Pty Ltd is a wholly owned subsidiary of Triangle Energy (Global) Ltd

Financial Review

Focus of the Business

Norwest Energy is focused on appraisal and potential development of the Lockyer Deep gas/condensate discovery and further exploration of the Company's North Perth Basin acreage, Western Australia.

Financial Results

The net loss of the Consolidated entity for the year ended 30 June 2022 of $1,993,894 was higher than the loss of the prior year 2021 ($445,255). The main contributing factors were:

- Increased operating and management costs due to increased activity for the business; and
- Increased Exploration activity and expenditure in EP368 and EP426.

Financial Position

At 30 June 2022, the Group had cash reserves of $22.8m (2021: $3.5m). At 30 June 2022, the Group had net assets of $27.6m (2021: $4.6m) an increase of $23.0m from the previous year. The change in the cash position is largely attributable to capital raisings, offset by expenditure on exploration activity, and the increase in net assets is attributable to the increase in cash and the increase in capitalised exploration expenditure.

Performance Indicators

Management and the Board regularly monitor the Group's overall performance by:

- assessing whether exploration activity and expenditure is adding value to the asset portfolio;
- analysis of financial budgets versus actual results; and
- the Company's share price.

The underlying drivers which contribute to the Company's performance are directly controlled using a disciplined approach to reducing the Group's non-essential costs and allocating funds to those activities which will add to shareholder value. The Company's share price may be influenced by factors outside the control of management and the Board, such as market conditions and commodity prices.

Risk Management

The Board takes a pro-active approach to risk management and is responsible for ensuring that both risks and opportunities are identified in a timely manner so that the Company's activities are focused on mitigating risks to the fullest extent possible while taking maximum advantage of opportunities.

Risk	Description
Exploration and Appraisal	Exploration, and to a lesser degree appraisal, are speculative activities with a risk of discovery of hydrocarbons in commercial quantities and an associated risk of development. If Norwest Energy is unsuccessful in locating and developing additional reserves and resources, that are commercially viable, this may have a material adverse effect on the Company's state of affairs. Norwest Energy utilises established methodologies and experienced personnel to mitigate these risks and maximise the chances of success for exploration and appraisal activities. There are a variety of physical risks associated with operating in the hydrocarbon industry. The occurrence of any event associated with these risks could result in significant losses to Norwest Energy that may have a material adverse effect on the Company's financial position. To the extent that it is reasonable and possible to do so, Norwest Energy mitigates the risk of loss associated with operating events by being insured appropriately.
Development and Production	Development and production of hydrocarbon projects may be subject to downside resource outcomes, budget overruns, and interruptions to production. Norwest Energy will undertake technical, financial, and commercial analysis in order to determine a project's readiness to proceed.
Financing	Further to successful production testing of the Lockyer Deep-1 gas discovery Norwest Energy raised funds totalling approximately $18 million via a share placement and share purchase plan. These funds, combined with the proceeds received from exercise of listed options in early 2022, provide Norwest Energy with the capacity to fund its share of planned appraisal drilling, exploration drilling and seismic acquisition in the 2022/23 financial year. Subject to successfully appraising the discovery the Joint Venture intends to proceed with development and the Company will be required to fund its net share of the cost of development funding, which may be derived from a variety of sources. The Norwest Energy Board of Directors is planning for the potential requirement to fund development activities for Lockyer Deep, and is commencing a strategic process to identify funding options available to the Company While Norwest Energy is presently debt free it is possible that the Company may need to take on debt as the Lockyer gas project progresses from appraisal through to development. Norwest Energy may at that time become more exposed to risks associated with gearing and leverage, including interest rate movements.
Climate and Sustainability	Norwest Energy recognises that the impacts of climate change may affect our operations and the markets into which the Company intends to sell its products. Direct risks include those arising from increased severe weather events and indirect risks arise from various governmental and market responses to the challenges that climate change poses during the transition to a lower emissions future. These risks may impact demand for the Company's products, the cost to produce those products, the Company's social license and the attractiveness of the Company to both the investment and financing communities. Mitigation of these risks is managed by continual assessment of the risks posed by direct physical impacts and the market risk, and identification of the manner in which the Company can minimise its future emissions impact. Consideration is given to the likely requirements of future funding partners with respect to the Company's Environmental, Social & Governance performance.

	With regards to market risk, the Board of Directors regards the Company's gas resources as facing a near term low risk to reduced demand due to climate change, particularly given that natural gas is increasingly regarded as a low emissions energy source that can provide much needed "firming" capacity to assist in the transition to a fully renewable-based economy.
Government, Regulatory and policy	Norwest Energy operates in a highly regulated environment and there is a risk that regulatory approvals to undertake activities are withheld or take longer than expected, causing project delays. Changes in Government policy and/or law (both State and Federal) may impact Norwest Energy's operations. However, the Board of Directors considers Western Australia as a jurisdiction that provides a stable environment for investment.
Market	The West Australian domestic gas market and the international LNG market are subject to fluctuations in demand, supply, and consequently price. There are risks of a reduction to the level of demand for the Company's products, attributable to (for example) changes in energy consumption preferences and the effect of the local and global economies on demand. If this occurs, it may result in reduced revenues with a consequent effect on the Company's financial position. Norwest Energy monitors developments in both the WA domestic and international gas markets as preparation for future contracting of its gas resources once the available sales volumes are well defined.
Environment	Norwest Energy's operations inherently present certain risks to the environment. The Company actively manages these risks, working with joint Venture partners to ensure compliance with regulatory and government requirements. Norwest Energy is not able to predict the effect of additional environmental laws and regulations which may be legislated in future. Further, there can be no guarantee that new laws, regulations or enforcement policies will not impede the Company's proposed activities and/or result in additional costs to the business.
COVID-19	Norwest Energy has maintained its response to the COVID-19 pandemic in line with its focus on prioritising the safety and welfare of its employees, suppliers and the community within which it operates. Minor operational delays were experienced during the drilling and testing of the Lockyer Deep-1 exploration well, and the acquisition of the Ringneck 2D seismic survey. The Company continues to monitor ongoing potential COVID-19-related threats to the business and to consider appropriate preventative actions and responses.

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Drilling success at the Lockyer Deep-1 well represents a significant change in the state of affairs of the Company.

7. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Other than the events outlined in note 24 of the financial statements, at the date of this report, there are no matters or circumstances which have arisen since 30 June 2022 that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

8. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

There were no likely developments in the operations of the Group that were not finalised at the date of this report.

9. ENVIRONMENTAL AND HEALTH & SAFETY

Norwest Energy is subject to significant environmental regulation in respect of exploration activities within its licences and permits and is committed to undertaking all operational activities in an environmentally responsible manner. The Directors believe that the Company has adequate systems in place for managing its environmental commitments and is not aware of any breach under its obligations.

Similarly, Norwest Energy operates under strict health and safety guidelines and regulations, and regards the wellbeing of its personnel, contractors, partners and all stakeholders as a priority. The Directors believe that the Company has adequate systems in place for ensuring it maintains its excellent track record with regards to health and safety and note that during the reporting period there were no lost-time injuries related to its operational activities.

10. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who has been an officer of the Company or Group for any liability caused as such by an officer and any legal costs incurred in defending an action for any liability. During or since the end of the financial year, no amounts have been paid by the Company or Group in relation to the above indemnities. During the financial year, an annualised insurance premium was paid to provide insurance cover for Directors and Officers against any potential liability and the associated legal expenses of any proceeding.

11. DIVIDENDS

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

12. REMUNERATION REPORT - Audited

This Remuneration Report, which forms part of the Directors' Report, outlines the remuneration of the Key Management Personnel ("KMP") of Norwest. For the purposes of this report, the KMP are the Directors and the Company Secretary.

Remuneration Policy

The Group's remuneration policy for its KMP has been developed by taking into account the size of the management team for the Group, the nature and stage of development of the current operations and market conditions and comparable salary levels for companies of a similar size and operating in a similar sector.

In addition, the Board, in determining the remuneration policy for KMP places emphasis on the following: the fact that the Group is currently undertaking only exploration activities, the risks associated with undertaking these activities and (other than profit from asset sales) the Company does not expect to achieve profitable operations until sometime in the future.

Executive Remuneration

The Group's remuneration policy for its executive officers is to provide a fixed component and a performance-based component (short- and long-term incentives). The Company aims to:

- reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company.
- align the interests of executives with those of shareholders and business objectives; and
- ensure total remuneration is competitive by market standards.

Fixed remuneration is reviewed regularly by the Board. The process consists of a review of Company and individual performance, comparative remuneration externally and, where appropriate, external advice on policies and practices. It also takes into account any change to the scope of the role performed by the executive and any other relevant factors of influence.

Employment Contracts with Executives

Mr Iain Smith, Managing Director – from 2nd April 2019

Mr Smith has a Services Agreement ("the agreement") which specifies the duties and obligations to be fulfilled in his role. As of 1 April 2022 Mr Smith, receives a fixed remuneration component of $500,000 per annum for the position of Managing Director (inclusive of Superannuation). The Company or the Managing Director may terminate the agreement by providing 12 months' and 3 months' notice respectively. The Company has implemented a Short-Term Incentive Plan for Mr Smith, comprising an annual cash bonus based on performance during the year, as well as a Long-Term Incentive Plan, comprised of share options and performance rights as approved by shareholders.

Ms Jo-Ann Long Chief Financial Officer and Company Secretary – from 2nd April 2019

Ms Long provides the services of part time Chief Financial Officer and Company Secretary under a services agreement that specifies the duties and obligations to be provided in her role. The contract may be terminated by either party by giving 6 months' notice. Ms Long receives a retainer of $3,500 per month for the position of Company Secretary and an hourly rate for the Chief Financial Officer and other specialised duties.

Non-Executive Director Remuneration
The Board's policy is for fees to Non-Executive Directors to be no greater than market rates for comparable companies for time, commitment and responsibilities and seeks to set remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whist incurring a cost which is acceptable to shareholders. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The non-executive directors receive a fixed fee for their services. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting (this is currently $400,000 per annum). Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and given the current size, nature and opportunities of the Company, Non-Executive Directors may receive Incentive Options subject to shareholder approval.

Fees for the Chairman are presently $100,000 per annum (2021: $48,000) and fees for Non-Executive Directors are presently set at $100,000 per annum (2021: $36,000).

Emoluments of Directors and Executive KMP

	Short term Salary & Fees $	Post-Employment Superannuation $	Short Term Incentive Payment	Share-based Payments $	Total $	Performance related %
Directors						
Iain Smith						
2022	**358,552**	**-**	**50,000**	**160,699**	**569,251**	**37.01**
2021	296,000	-	25,000	60,000	381,000	15.75
Ernest Myers						
2022	**61,000**	**-**	**-**	**58,000**	**119,000**	**48.74**
2021	48,000	-	-	10,000	58,000	17.24
Bruce Clement						
2022	**47,388**	**4,739**	**-**	**58,000**	**110,127**	**52.67**
2021	32,877	3,123	-	10,000	46,000	21.74
Other KMP						
Jo-Ann Long						
2022	**195,220**	-	**-**	**28,000**	**223,220**	**12.54**
2021	114,825	-	-	10,000	124,825	8.01
TOTAL 2022	**662,160**	**4,739**	**50,000**	**304,699**	**1,021,598**	
TOTAL 2021	491,702	3,123	25,000	90,000	609,825	

Options and rights granted to KMP

During the financial year ended 30 June 2022 the Company granted 165,000,000 options over unissued ordinary shares, (30 June 2021: 135,000,000) in the Company, to directors and executives as part of their remuneration.

Details of the values of options granted, exercised or lapsed for each KMP of the Group during the past two financial years are as follows:

	Value of Options granted (A) $	Value of Options exercised (B) $	Value of Options lapsed (C) $	Value of vested Options included in remuneration report $	Remuneration that consists of Options %
2022					
Iain Smith	84,000	-	-	160,699	28.23
Ernest Myers	48,000	-	-	58,000	48.74
Bruce Clement	48,000	-	-	58,000	52.67
Jo-Ann Long	18,000	161,000	-	28,000	12.54
2021					
Iain Smith	-	-	-	60,000	15.75
Ernest Myers	-	-	-	10,000	17.24
Bruce Clement	-	-	-	10,000	21.74
Jo-Ann Long	-	-	-	10,000	8.01

A. The value of options granted is the fair value of the options calculated at grant date using an appropriate option pricing model.

B. The value of options exercised during the year (if any) is calculated as the market price of the shares of the Company on the ASX at the close of trading on the date the options were exercised after deducting the price paid to exercise the option.

C. The value of options that lapsed during the year (if any) represents the benefit forgone and is calculated at the date of option issue using option pricing model.

For details on the valuation of the options, including models and assumptions used, please refer to Note 17 to the financial statements.

Option holdings of Key Management Personnel

	Held at 1 July	Granted as Remuneration	Exercised	Net other Change	Vested and exercisable at 30 June
2022					
Iain Smith	62,142,857	70,000,000	2,142,857	30,000,000	160,000,000
Ernest Myers	12,142,857	40,000,000	2,142,857	5,000,000	55,000,000
Bruce Clement	10,000,000	40,000,000	-	5,000,000	55,000,000
Jo-Ann Long	11,428,572	15,000,000	10,000,000	3,571,428	20,000,000

2021	Held at 1 July	Granted as Remuneration	Exercised	Net Other Change	Vested and exercisable at 30 June
Iain Smith	32,142,857	-	-	30,000,000	62,142,857
Ernest Myers	7,142,857	-	-	5,000,000	12,142,857
Bruce Clement	5,000,000	-	-	5,000,000	10,000,000
Jo-Ann Long	6,428,572	-	-	5,000,000	11,428,572

Performance Rights of Key Management Personnel

	Held at 1 July	Granted as Remuneration	Exercised	Net other Change	Vested and exercisable at 30 June
2022					
Iain Smith	-	30,000,000	-	-	-
	Held at 1 July	Granted as Remuneration	Exercised	Net Other Change	Vested and exercisable at 30 June
2021					
Iain Smith	-	-	-	-	-

Performance rights granted to KMP

During the financial year ended 30 June 2022 the Company granted 30,000,000 (30 June 2021: Nil) performance rights over unissued ordinary shares, in the Company, to the Managing Director as part of his remuneration.

The Performance Rights have been granted with the following conditions:

1. 10,000,000 performance rights upon achieving an independently verified 2C contingent resource that exceeds 1.6Tcf recoverable gas (inc. condensate equivalent) for the Lockyer Deep gas discovery;

2. 10,000,000 performance rights on achieving a 30-day VWAP of the NWE share price of equal to or greater than 5.5 cents per share;

3. 10,000,000 performance rights upon achieving a 30-day VWAP of the NWE share price of equal to or greater than 7.0 cents per share;

4. All performance rights are to expire five years after award and will vest immediately upon a Change of Control event.

Shareholdings of Key Management Personnel

	Held at 1 July	Purchases	Sales	Net Other Change	Held at 30 June
2022					
Iain Smith	4,285,715	3,051,947	-	-	7,337,662
Ernest Myers	4,285,715	2,445,887	-	-	6,731,602
Jo-Ann Long	2,857,144	12,428,572	4,285,716	-	11,000,000
2021					
Iain Smith	4,285,715	-	-	-	4,285,715
Ernest Myers	4,285,715	-	-	-	4,285,715
Jo-Ann Long	2,857,144	-	-	-	2,857,144

No loans were provided to or received from Key Management Personnel during the year ended 30 June 2022 (2021: 0).

Other Transactions with KMP

Nil.

End of Remuneration Report.

14. SHARE OPTIONS

At 30 June 2022 unissued ordinary shares under options were:

Expiry date (Options Unlisted)	Exercise price	Number of options
30 June 2024	$0.0089	32,486,172
30 June 2024	$0.0107	10,000,000
30 June 2025	$0.0089	32,060,485
30 June 2025	$0.0107	10,000,000
19 October 2025	$0.0341	191,000,000
30 June 2026	$0.0089	42,000,000
30 June 2026	$0.0107	10,000,000
Total outstanding as at 30 June 2022		**327,546,657**

15. DIRECTORS' MEETINGS

The number of Board meetings held during the year and the number of meetings attended by each Director is as follows:

		Number eligible to attend	Number attended
Mr Ernest Anthony Myers	(Non-Executive Chairman)	3	3
Mr Iain Smith	(Managing Director)	3	3
Mr Bruce Clement	(Non-Executive Director)	3	3

In addition to formal Board meetings, the Directors are in continual communication with regards to the Company's activities and strategy. As such, various matters are resolved via Circular Resolutions of the Board of Directors. During the reporting period seven such circular resolutions were approved.

Committee membership

As at the date of this report, the Company did not have any formal committees.

16. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 16 and forms part of the Directors' Report for the year ended 30 June 2022.

17. NON-AUDIT SERVICES

The Company's auditor, Rothsay Auditing and Rothsay Audit & Assurance Pty Ltd did not provide any non-audit services during the year (2021: nil).

Dated this 28th Day of September 2022 in accordance with a resolution of the Directors and signed for and on behalf of the Board by Mr Ernest Anthony Myers

Signed By:
Ernest Anthony Myers
Non-Executive Director and Chairman

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

As lead auditor of the audit of Norwest Energy NL for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Norwest Energy NL and the entities it controlled during the year.

Rothsay Audit & Assurance Pty Ltd

Donovan Odendaal
Director

28 September 2022

Corporate Governance Statement

This Corporate Governance Statement has been prepared on the basis of disclosure under the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("ASX Principles and Recommendations").

The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company. Where, after due consideration, the Company's corporate governance practices depart from the ASX Principles and Recommendations, the Board has offered full disclosure of the nature of and reason for the departure.

The Company's website (www.norwestenergy.com.au) contains a corporate governance section that includes copies of the Company's corporate governance policies and practices mentioned in this statement.

Recommendation		**Comply Yes/No**
<u>Principle 1 – Lay solid foundations for management and oversight</u>		
1.1	Disclose the respective roles and responsibilities of the Board and management and disclose those matters expressly reserved to the Board and those delegated to management.	Yes
1.2	Undertake appropriate checks before appointing a Director or putting forward for their election and provide security holders with all material information in its possession relevant to their election or re-election as a director.	Yes
1.3	Written agreement with each director and senior executive setting out the terms of their appointment.	Yes
1.4	The Company Secretary should be accountable to the Board through the Chair, on all matters to do with the proper functioning of the Board.	Yes
1.5	Have a diversity policy with the measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them. The proportion of men and woman on the Board, Senior Management and the whole organisation should be disclosed.	Yes
1.6	Disclose a process for periodically evaluating the performance of the Board, its committees and individual directors and disclose whether a performance evaluation was undertaken during the reporting period.	Yes
1.7	Disclose a process for periodically evaluating the performance of the senior executives and disclose in relation to each reporting period whether an evaluation took place during the reporting period.	Yes
<u>Principle 2 – Structure the Board to add value</u>		
2.1	If the entity does not have a Nomination Committee disclose that fact and the processes it employs to address board succession issues and to ensure the Board has the correct mix of directors to enable it to discharge its duties and responsibilities effectively.	Yes
2.2	Disclose a Board skills matrix setting out the mix of skills and diversity that the Board has or would like to achieve.	Yes
2.3	Disclose the names of the independent Directors, along with the length of service of each director.	Yes
2.4	A majority of the Board should be independent.	Yes
2.5	The Chair of a Board should be an independent director and should not be the same person as the Managing Director.	Yes
2.6	Have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes
<u>Principle 3 – Act ethically and responsibly</u>		
3.1	Articulate and disclose its values	Yes
3.2	Establish a code of conduct for its directors, senior executives and employees and ensure the Board is informed of material breaches	Yes

3.3	Have a whistleblower policy that ensures the Board is aware of material incidents.	Yes
3.4	Have an anti-bribery and corruption policy that ensures the Board is material breaches.	Yes

<u>Principle 4 – Safeguard integrity in corporate reporting</u>

4.1	If the entity does not have an Audit Committee disclose that fact and the processes it employs that independently safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Yes
4.2	Before the Board approves its' financial statements, it should receive from its CFO and Managing Director a declaration that in their opinion the financial records have been maintained properly and that the financial records comply with the appropriate accounting standards and the opinion has been formed on the basis of a sound system of risk management and internal control.	Yes
4.3	Disclose its process to verify the integrity of any periodic corporate report it releases to market that is not audited or reviewed by an external auditor.	Yes

<u>Principle 5 – Make timely and balanced disclosure</u>

5.1	The entity should have a written policy for complying with its continuous disclosure obligations under the Listing Rules.	Yes
5.2	The entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes
5.3	The entity releases a copy of any new and substantive investor or analyst presentation materials on the ASX Markets Announcements Platform ahead of the presentation.	Yes

<u>Principle 6 – Respect the rights of the shareholders</u>

6.1	Provide information about the entity and its governance to investors via its website.	Yes
6.2	Design and implement an investor relations program to facilitate effective two-way communication.	Yes
6.3	Disclose the policies and processes to facilitate and encourage participation at meetings of shareholders.	Yes
6.4	Ensure all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes
6.5	Give shareholders the option to receive and send communications to the entity and it share registry electronically.	Yes

<u>Principle 7 – Recognise and manage risk</u>

7.1	If the entity does not have a Risk Committee disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Yes
7.2	The Board should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and disclose when the review is undertaken.	Yes
7.3	If the entity does not have an internal audit function, disclose that fact and the processes it employs for evaluating and improving the effectiveness of its risk management and internal control processes.	Yes
7.4	Disclose whether it has any material exposure to economic, environmental, and social sustainability risks and if it does, how it manages or intends to manage those risks.	Yes

<u>Principle 8 – Remunerate fairly and responsibly</u>

8.1	If the entity does not have a Remuneration Committee disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior management and ensuring that such remuneration is appropriate and not excessive.	Yes
8.2	Separately disclose its policies and practices regarding the remuneration of non-executive directors, executive directors, and other senior executives.	Yes
8.3	If the entity has an equity-based remuneration scheme, it should have a policy on whether participants are permitted to enter into transactions to limit their risk, whether through the use of derivatives or otherwise.	Yes

Further information required and non-compliance explanations

Recommendation 1. 5 - Diversity Policy with measurable objectives

The Company's primary objectives with regard to diversity are as follows:

- the Company's composition of the Board, executive, management and employees to be as diverse as practicable; and
- to provide equal opportunities for all positions within the Company and continue the Company's commitment to employment based on merit.

The measurable objectives set by the Company with regard to diversity have been met, as described below:

- blend of skills – wide range of backgrounds; geology, engineering, finance and corporate experience;
- gender – both male and female members; and
- age – the age range spans over 25 years.

The above points relate to the composition of the Board and full-time employees.

The Company's annual reporting on the percentage of females in the organisation is as follows:

	% Female	
	2022	**2021**
Full Time Employees	50%	50%
Executive Employees & Board Members	25%	25%

Recommendation 1.6 and 1.7 – Performance evaluation

During the year an evaluation of the Board and its individual directors was not carried out. The Board and management's suitability, overall structure and composition to carry out the Company's objectives is however, discussed and reviewed on an as-required basis.

Performance evaluation of the Managing Director, senior executives and employees is undertaken annually through a performance appraisal process which involves reviewing and assessment of performance against agreed corporate, industry and individual key performance indicators.

Recommendation 2.1 – Nomination Committee

The Board does not have a separate Nomination Committee, rather the full Board considers those matters that would usually be the responsibility of a Nomination Committee. Given the size and composition of the Board, it is not practicable for a separate committee to be formed.

To assist it in carrying out its function in relation to nomination matters, the Board has adopted a Nomination Committee Charter which includes the following responsibilities:

- board succession planning;
- performance evaluation of the Board and individual directors;
- director induction and professional development; and
- appointment and re-election of directors.

Recommendation 2.2 – Board skills matrix – composition of the Board

The names of the Directors of the Company in office at the date of this statement and information regarding Director's skills, experience and expertise are set out in the Directors' Report. The Company seeks to maintain a Board which brings together a diverse range of skills, experience, and perspectives to support the strategic direction of the Company and enable effective management oversight and governance.

The below is the preferred combination of capabilities, skills and experience for the Board:

- technical disciplines of upstream oil and gas exploration, development and production;
- finance, taxation, treasury and accounting;
- company strategy and business planning;
- risk and governance knowledge;
- business growth and corporate development;
- corporate social responsibility including sustainability and community stakeholder;
- local and international experience; and
- ASX listed public company administration.

Each of these skills are currently represented on the Board and the Board considers that collectively it has the appropriate range of skills and experience to direct the Company.

Recommendation 2.3– Name of independent Directors and length of service of each Director

In considering the independence of a director, the “Factors relevant to assessing the independence of a director” in Box 2.3 of the ASX Principles and Recommendations ("Independence Criteria") have been applied.

Recommendation 2.4 – Majority of the Board should be independent

As at 30 June 2022, Ernest Myers and Bruce Clement are considered to be independent.

Given the size and scope of the Company's operations the Board considers that it is appropriately structured to discharge its duties in a manner that is in the best interests of the Company. Further, mechanisms are in place so that if a director considers it necessary, they may obtain independent professional development.

Recommendation 4.1 – Audit Committee

The Board does not have a separate Audit Committee, rather the full board fulfils the function of an audit committee and therefore no separate audit committee has been formed in accordance with the compositional recommendation. Given the size and composition of the Board, it is not practicable that a separate audit committee be formed.

To assist it in carrying out its function in relation to audit matters, the Company has adopted an Audit Committee Charter to assist it to fulfil its role as the Audit Committee, which includes the following responsibilities:

- monitor and review the integrity of the financial reporting of the Company;
- review the Company’s internal financial control system; and
- monitor, review and oversee the external audit function including matters concerning appointment, remuneration, independence and non-audit services.

The Charter provides that independent directors may meet with the external auditor.

Recommendation 7.1 – Risk Committee

The Company believes that it is crucial for all Board members to be a part of overseeing the risk management process, and as such the Board has not established a separate committee to oversee risk. This along with the size and composition of the Board has meant that the full Board fulfils the function of a risk committee. The Board is responsible for reviewing the Company’s policies on risk oversight and management and satisfying itself that management has developed a sound system of risk management and internal control.

Recommendation 7.2 – Risk Management Framework review

The Company takes a proactive approach to risk management. The Board is responsible for ensuring that risks and opportunities are identified on a timely basis and that the Company’s objectives and activities are aligned with the risks and opportunities identified by the Board. The Company has a risk management policy in place.

The Board is ultimately responsible for risk management, however, implementation of the risk management system and day to day management of risk is the responsibility of the Managing Director, with the assistance of senior management reports to the Board annually, or more frequently as required, on the Company's key risks and the extent to which it believes these risks are being managed.

The Board has a number of active mechanisms in place to ensure that management's objectives and activities are aligned with the business risks identified. These include the following:

- Implementation of approved operating plans and cash flow forecasts and Board monitoring of progress against these plans and forecasts;
- Management reporting on specific business risks, including matters such as environmental issues and occupational health and safety concerns.
- The Company has advised each director, manager and employee that they must comply with a set of ethical standards maintaining appropriate core company values and objectives. Such standards ensure shareholder value is maintained and developed. Standards cover legal compliance, conflict resolution, employment best practices, privileged information and fair dealing.

Recommendation* 7.3 *– Internal Audit function or process for reviewing internal controls

The Company does not have a dedicated internal audit function, however strong internal control policies and procedures are in place to effectively manage potential risks and detect any control breakdowns. These are reviewed (and if necessary improved) on an annual basis, as well as when any new risks are identified, or changes occur in the business or industry. The processes for the review are as follows:

- External auditors independently evaluating the Company's internal control environment and its compliance with the International Financial Reporting Standards on an annual basis;
- Ongoing oversight of strategic matters by executive management and of operational matters ensuring that risks identified are assessed and proactively managed;
- Written internal control assurance from the Managing Director and CFO prior to sign off of financial statements by the Board; and
- Monthly reporting and review of financial and budgetary information.

Recommendation 7.4 – Material exposure to environmental and social risks

The Company has identified a series of environmental and social risks which the Group believes to be inherent in the industry.

The Board and management are committed to developing and building a sustainable business, ensuring the Company is an active and responsible member of the communities in which we operate. Corporate environmental policies and procedures are in place and communicated to and adhered to by all employees.

External impact-assessment surveys and audits are conducted using third-party consultants who are specialists in their field and Norwest works closely with the respective parties and associated communities to come to a mutually beneficial agreement.

Recommendation* 8.*1 – Remuneration Committee

The Board does not have a separate Remuneration Committee, rather the non-executive directors fulfil the function of a remuneration committee and therefore no remuneration committee has been formed in accordance with the compositional recommendation. Given the size and composition of the Board, it is not practicable that a separate remuneration committee be formed.

To assist it in carrying out its function in relation to remuneration matters, the Company has adopted a Remuneration Committee Charter to assist it to fulfil its role as the Remuneration Committee, which states the function of the committee is to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making appropriate recommendations on:

- Remuneration packages of directors and senior executives; and
- Employee incentive and equity-based plans.

Recommendation 8.2 – Remuneration policies and practices

The Company's remuneration policy has been developed by taking into account the size of the management team, the nature and stage of development of the current operations and market conditions and comparable salary levels for companies of a similar size and operating in a similar sector.

For details of the Company's policies and practices regarding the remuneration of directors and senior executives refer to the Remuneration Committee Charter on the Company's website as well as the Remuneration Report included within the Directors' Report which includes the remuneration paid to Key Management Personnel and other relevant information.

Recommendation 8.3 – Transactions to limit exposure to economic risk from participating in equity-based remuneration schemes

The Company prohibits executives entering into arrangements to limit their exposure, whether through the use of derivatives or otherwise, to Incentive Options granted as part of their remuneration package.

ROTHSAY
AUDIT & ASSURANCE PTY LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NORWEST ENERGY NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Norwest Energy NL ("the Company") and its controlled entity ("the Group") which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter - Share-Based Payments	*How our Audit Addressed the Key Audit Matter*
The Group recorded share-based payments in the current year of $245,899. Share based payments are considered to be a key audit matter due to: • the complexities involved in the recognition and measurement of these instruments; and • the judgement involved in determining the inputs used in the valuations. Management used the Black-Scholes option valuation model to determine the fair value of the options and performance rights granted. In both cases the process involved estimations and judgements to determine the fair value of the equity instruments granted.	Our procedures over the existence of the Group's share-based payments included but were not limited to: • Assessing the amount recognised during the year in accordance with the vesting conditions of the agreements; • Reviewing management's valuation of share-based payments; and • Reviewing the compliance of accounting treatment of the share-based payments with AASB 2 *Share-based Payment*. We have also assessed the appropriateness of the disclosures included in the financial report.
Key Audit Matter - Exploration and evaluation expenditure	***How our Audit Addressed the Key Audit Matter***
The Group has capitalised a significant amount of exploration and evaluation expenditure during the year. We do not consider exploration and evaluation expenditure to be at a high risk of significant misstatement, or to be subject to a significant level of judgement. However due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.	Our procedures in assessing exploration and evaluation expenditure included but were not limited to the following: • We assessed exploration and evaluation expenditure with reference to AASB 6 *Exploration for and Evaluation of Mineral Resources*. • We tested a sample of exploration and evaluation expenditure to supporting documentation to ensure they were bona fide payments; and • We documented and assessed the processes and controls in place to record exploration and evaluation transactions. We have also assessed the appropriateness of the disclosures included in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/Home.aspx.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NORWEST ENERGY NL (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2022.

In our opinion the remuneration report of Norwest Energy NL for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay Audit & Assurance Pty Ltd

Donovan Odendaal
Director

Dated 28 September 2022

Directors' Declaration

The Directors of the Company declare that, in the opinion of the Directors:

(a) The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position and performance of the consolidated entity; and

(ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.

(b) The financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1 and other mandatory professional reporting requirements.

(c) The Directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

(d) There are reasonable grounds to believe that Norwest Energy NL will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

Dated in Perth on this 28th Day of September 2022.

Signed By:
Ernest Anthony Myers
Non-Executive Director and Chairman

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022

	Note	Consolidated Entity	
		2022 $	2021 $
Continuing Operations			
Interest income	2	517	691
Other Income	2	228,994	577,784
		229,511	**578,475**
Depreciation	2	(82,813)	(81,329)
Audit fees	2,21	(34,000)	(41,000)
Legal expense	2	(8,970)	(999)
Exploration expense and Exploration write off	2,10	(84,331)	(26,369)
Provision for Restoration	2,14	(36,320)	263,820
Employee, consulting, and administration expenses	2	(1,976,971)	(1,137,853)
(Loss) from continuing operations before income tax		**(1,993,894)**	**(445,255)**
Income tax benefit	4	-	-
(Loss) from continuing operations for the year		**(1,993,894)**	**(445,255)**
Other Comprehensive Income			
Exchange differences on translation of foreign operations		-	-
Net change in fair value of available for sale financial assets transferred to profit and loss		-	-
Total Comprehensive (Loss) attributable to Members of Norwest Energy NL		**(1,993,894)**	**(445,255)**
Profit/(Loss) per share attributable to the ordinary equity holders of the company:			
Basic and diluted earnings/(loss) per share (Cents)	5	**(0.034)**	**(0.01)**

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 30 June 2022

	Note	Consolidated Entity	
		2022 $	2021 $
Current Assets			
Cash and cash equivalents	6	22,807,806	3,524,952
Trade and other receivables	8	22,221	204,161
Total Current Assets		**22,830,027**	**3,729,113**
Non-Current Assets			
Property, plant, and equipment	9	384	2,008
Exploration and evaluation expenditure	10	6,171,672	1,394,382
Other Assets	11	235,010	81,188
Total Non-Current Assets		**6,407,066**	**1,477,578**
Total Assets		**29,237,093**	**5,206,691**
Current Liabilities			
Trade and other payables	12	1,301,786	499,863
Provision for Annual Leave		10,853	7,134
Provision for Long Service Leave		5,945	13,287
Other Liabilities	13	73,029	91,440
Total Current Liabilities		**1,391,613**	**611,724**
Non-Current Liabilities			
Provision for Restoration	14	47,500	11,180
Other Liabilities	13	161,981	-
Total Non-Current Liabilities		**209,481**	**11,180**
Total Liabilities		**1,601,094**	**622,904**
Net Assets		**27,635,999**	**4,583,785**
Equity			
Contributed equity	15(a)	90,678,445	65,822,236
Reserves	16	509,899	320,000
Accumulated losses	16	(63,552,345)	(61,558,451)
Total Equity		**27,635,999**	**4,583,785**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year ended 30 June 2022

Consolidated Entity	Contributed Equity $	Share-Based Payment Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2021	**65,822,236**	**320,000**	**(61,558,451)**	**4,583,785**
Comprehensive income for the year				
Profit/(Loss) for the year	-	-	(1,993,894)	(1,993,894)
Total Comprehensive Income for the Year	**65,822,236**	**320,000**	**(63,552,345)**	**2,589,891**
Transactions with owners in their capacity as owners:				
Share issue (net of costs)	24,856,209		-	24,856,209
Unlisted Options Exercised	-	(56,000)		(56,000)
Unlisted Options Granted	-	229,200		229,200
Performance Rights Granted	-	16,699		16,699
Balance at 30 June 2022	**90,678,445**	**509,899**	**(63,552,345)**	**27,635,999**
Balance at 1 July 2020	**63,920,369**	**320,000**	**(61,113,196)**	**3,127,173**
Comprehensive income for the year				
Profit/(Loss) for the year	-		(445,255)	(445,255)
Total Comprehensive Income for the Year	**63,920,369**	**320,000**	**(61,558,451)**	**(2,681,918)**
Transactions with owners in their capacity as owners:				
Share issue (net of costs)	1,901,867	-	-	1,901,867
Share options expired/exercised (1)	-			
Share based payments expense	-			
Balance at 30 June 2021	**65,822,236**	**320,000**	**(61,558,451)**	**4,583,785**

(1) During the year options valued at $10,400 expired.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows
for the year ended 30 June 2022

	Note	Consolidated Entity	
		2022 $	2021 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		(1,529,834)	(1,208,226)
Joint Venture Operator Management fees		67,614	81,702
R&D Incentive Grant		-	174,278
Recoveries and Government Grants		169,482	237,789
Interest received		517	691
Net Cash Used In Operating Activities	6(b)	**(1,292,221)**	**(713,767)**
Cash Flows from Investing Activities			
Payments for property, plant, and equipment		-	100
Proceeds from sale of Production Assets		100,000	-
Payments for exploration and evaluation expenditure		(4,107,371)	(704,885)
Net Cash Used In Investing Activities		**(4,007,371)**	**(704,775)**
Cash Flows from Financing Activities			
Proceeds from share issue		25,754,328	2,033,858
Share issue costs		(1,171,882)	(145,190)
Net Cash Provided by Financing Activities		**24,582,446**	**1,888,668**
Net Increase/ (Decrease) in Cash Held		**19,282,854**	**470,117**
Cash and Cash Equivalent at the Beginning of the Financial Year		3,524,952	3,054,835
Effects of exchange rate changes on cash held		-	-
Cash and Cash Equivalents at 30 June	6(a)	**22,807,806**	**3,524,952**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1 ABOUT THIS FINANCIAL REPORT

Reporting Entity

This financial report of Norwest Energy NL ('the Company') for the year ended 30 June 2022 comprises the Company and its subsidiary (collectively referred to as 'the consolidated entity' or 'Group'). Norwest Energy NL is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The notes to the financial statements are organised into the following sections:

(a) Key Performance: Provides a breakdown of the key individual line items in the statement of comprehensive income that is most relevant to understanding performance and shareholder returns for the year:

Notes

2 Revenue from continuing operations
3 Segment information
4 Income tax expense
5 Profit/(Loss) per share

(b) Financial Risk Management: Provides information about the Consolidated Entity's exposure and management of various financial risks and explains how these affect the Consolidated Entity's financial position and performance:

Notes

6 Cash and cash equivalents
7 Financial risk management

(c) Other Assets and Liabilities: Provides information on other balance sheet assets and liabilities that do not materially affect performance or give rise to material financial risk:

Notes

8 Trade and other receivables
9 Property, plant, and equipment
10 Exploration and evaluation expenditure
11 Other assets
12 Trade & other payables
13 Other liabilities
14 Provision for restoration

(d) Capital Structure: This section outlines how the Consolidated Entity manages its capital structure and related financing costs (where applicable), as well as capital adequacy and reserves. It also provides details on the dividends paid by the Company:

Notes

15 Contributed equity
16 Reserves and accumulated Losses
17 Share-based payments

(e) Consolidated Entity Structure: Provides details and disclosures relating to the parent entity of the Consolidated Entity, controlled entities, investments in associates and any acquisitions and/or disposals of businesses in the year. Disclosure on related parties is also provided in the section:

Notes

18 Parent entity information
19 Investment in controlled entities
20 Key management personnel disclosures & related party transactions

(f) Other: Provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements, however, are not considered significant in understanding the financial performance or position of the Consolidated Entity:

Notes

21 Remuneration of auditors
22 Commitments for expenditure
23 Contingencies
24 Events occurring after reporting date
25 Summary of Significant Accounting Policies
26 Critical Accounting Estimates and Judgements

1a Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations, and the *Corporations Act 2001*. Norwest Energy NL is a for-profit entity for the purposes of preparing the financial statements.

Compliance with IFRSs

The financial statements of Norwest Energy NL also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

New Accounting standards and interpretations

Standards and Interpretations applicable to 30 June 2022

In the year ended 30 June 2022, the Directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there are no new or revised Standards and Interpretations with respect to the Company and, therefore, no change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2022. As a result of this review the Directors have determined there are no new or revised Standards and Interpretations with respect to the Company and, therefore, no change is necessary to Group accounting policies.

1b Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company as at 30 June 2022 and the results of its subsidiaries for the year then ended. The Company and its subsidiaries are referred to in this financial report as Reward or the Consolidated Entity.

All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation.

1c GST

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated as inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

	2022 $	2021 $
2 REVENUE AND EXPENSES FROM CONTINUING OPERATIONS		
Interest income	517	691
JV Operator fees and other recoveries	228,994	303,506
Proceeds of Sale of Exploration Asset	-	100,000
Research and development tax rebate received	-	174,278
	229,511	578,475
Employee Remuneration and Benefits:		
Wages and Salaries	111,127	100,951
Superannuation Expense	12,706	10,386
Provisions for Annual and Long Service Leave	(3,623)	4,124
Consulting Fees	712,110	485,891
Short Term Incentive Payment	107,000	75,000
Share-based Payments	465,298	-
Directors Fees	108,388	80,877
	1,513,006	757,229
Other Expenses:		
Professional Fees	56,545	69,984
Depreciation	82,813	81,329
ASX fees	78,762	48,582
Consultant Costs	112,000	66,000
Share Registry	31,719	21,574
Office Costs	172,741	155,510
Administration Costs	55,168	60,973
All Other Expenses	120,651	(237,451)
	710,399	266,501

3 SEGMENT INFORMATION

The Group has adopted AASB 8 Operating Segments which requires operating segments to be identified based on internal reports of the Group that are reviewed by the chief operating decision-maker in order to allocate resources to the segment and to assess its performance.

The Board reviews internal reports prepared as Consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. During the period the Group operated in one business segment, being the oil and gas sector. Accordingly, under the management approach outlined only one operating sector has been identified and no further disclosures are required in the notes to the Consolidated financial statements.

4 INCOME TAX EXPENSE

	2022 $	2021 $
(a) The major components of income tax expense are		
Income statement		
Current income tax:		
Current income tax benefit	(1,626,332)	512,972
Deferred income tax:		
Relating to origination and reversal of temporary differences	1,244,536	(344,641)
Unused tax losses not recognised as a DTA	381,796	(168,331)
Income tax (expense)/income reported in the income statement	-	-

The aggregate amount of income tax attributable to the financial period differs from the amount calculated on the operating loss.

The differences are recorded as follows:

	2022 $	2021 $
Accounting loss	(1,993,894)	(445,255)
Prima facie tax payable at 25% (2021:26%)	(498,474)	(115,766)
Non-deductible expenses	353	324
Add tax effect of items not brought to account:		
Non-deductible and non-assessable permanent items	116,325	(52,889)
Tax losses not brought to account	381,796	168,331
	-	-

(b) Deferred income tax

	2022 $	2021 $
Deferred income tax at 30 June relates to the following:		
Deferred tax liabilities		
Tax effect of exploration expenses	1,542,918	362,539
Tax effect of other	58,753	23,991
Set-off against carry forward losses	(1,601,671)	(386,530)
Deferred tax liability balance	-	-
Deferred tax assets		
Tax value of carry forward losses	13,018,235	11,847,579
Set off against deferred tax liability	(1,601,671)	(386,529)
Deferred tax assets – temporary differences	402,385	125,568
Non-recognition of deferred tax asset	(11,818,949)	(11,586,618)
Deferred tax asset balance	-	-
(c) Tax losses		
Deferred tax assets		
Tax losses – revenue	11,247,510	10,006,026
Tax losses – capital	1,770,725	1,841,553
	13,018,235	11,847,579

At 30 June 2022, the Consolidated entity has $52,072,949 (2021: $45,567,612) of tax losses that are available indefinitely for offset against future taxable profits of the Company. A net deferred tax asset balance has not been recognised on the Statement of Financial Position in respect of the amount of these losses.

The recognition and utilisation of losses is subject to the loss recoupment rules being satisfied. The potential deferred tax asset will only be obtained if:
- assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised or the benefit can be utilised by the Company and/or the Consolidated entity providing that;
- the conditions for deductibility imposed by the law are complied with; and
- no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

(d) Tax consolidation legislation

The Company had not elected to consolidate for tax purposes at balance date.

5 PROFIT/(LOSS) PER SHARE	2022 Cents Per Share	2021 Cents Per Share
Basic loss per share	(0.034)	(0.01)

	2022 $	2021 $
The profit/(loss) for the year and the weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:		
Loss for the year after income tax	(1,993,894)	(445,255)

	2022 No.	2021 No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	5,792,620,673	4,834,127,428

	2022 $	2021 $
6 CASH AND CASH EQUIVALENTS		
6a Reconciliation of Cash		
For the purposes of the Statements of Cash Flows, cash includes cash on hand and in banks. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and short-term deposits	22,807,806	3,524,952
6b Reconciliation of Net Cash used In Operating Activities to Operating Profit/(Loss) after Income Tax		
Profit/(Loss) for the year	(1,993,894)	(445,255)
Depreciation	82,813	81,329
Bad Debts	10,539	
Director & Employee Options	189,898	
Exploration costs written off	57,916	26,369
Equity settled share-based payment	275,400	-
Rental adjustment for right of use asset	(94,257)	(84,549)
Interest Lease Liability Office	2,817	13,248
Accrued expenditure	24,000	(294,089)
Restoration Provision	36,320	
Change in assets and liabilities during the financial year:		
Trade and other receivables	71,400	(173,463)
Investments and assets	-	-
Provisions	32,697	(259,697)
Trade and other payables	12,130	422,340
Net cash inflow/(outflow) from operating activities	**(1,292,221)**	**(713,767)**

7 FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and cash flow interest rate risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022 $	2021 $
Financial Assets			
Cash and cash equivalents	6a	22,807,806	3,524,952
Loans and receivables	8	22,221	204,161
Total Financial Assets		**22,830,027**	**3,729,113**
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	12	**1,301,786**	**499,863**
Total Financial Liabilities		**1,301,786**	**499,863**

Risk management is carried out by the Board of Directors, who identify, evaluate and manage financial risks as they consider appropriate.

7a Market Risk

(i) Cash Flow Interest Rate Risk

Refer to (d) below.

7b Credit Risk

The Group does not have any significant concentrations of credit risk. Credit risk is managed by the Board and arises from cash and cash equivalents as well as credit exposure including outstanding receivables and committed transactions.

All cash balances held at banks are held at internationally recognised institutions. The majority of receivables are immaterial to the Group. Given this, the credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about default rates. The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as summarised at the start of this note.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. Financial assets that are neither past due nor impaired are as follows:

	2022 $	2021 $
Cash and cash equivalents		
‘AA’ S&P rating	22,807,806	3,524,952

7c Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and, the availability of funding through the ability to raise further equity or through related party entities. Due to the dynamic nature of the underlying businesses, the Board aims at maintaining flexibility in funding through management of its cash resources. The Group has no financial liabilities at the year-end other than normal trade and other payables incurred in the general course of business. All financial liabilities mature in less than 6 months.

7d Cash Flow Risk

As the Group has significant interest-bearing assets in the form of cash, the Group's income and operating cash flows are exposed to changes in market interest rates.

Based on the year-end balances, a 1% increase in interest rates would have decreased the consolidated loss by $199,389 (2021: $35,250) and increased the cash balances by a corresponding amount. There were no other amounts included in Net Assets subject to material interest rate risks.

	2022 $	2021 $
8 TRADE AND OTHER RECEIVABLES		
GST receivable	12,097	6,471
Trade and other receivables	10,124	197,690
	22,221	**204,161**

No receivables are impaired or past due but not impaired. Refer to Note 7 for Financial Risk considerations. The carrying value of all receivables approximates their fair value.

	2022 $	2021 $
9 PLANT AND EQUIPMENT		
Office Furniture and Equipment at cost	262,374	262,374
Accumulated depreciation	(261,990)	(260,366)
	384	**2,008**

Movements in carrying amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

2022	Office Furniture and Equipment $	Total $
Balance at the beginning of the year	2,008	2,008
Additions	-	-
Disposals	-	-
Depreciation	(1,624)	(1,624)
Balance at end of the Year	**384**	**384**

2021

Balance at the beginning of the year	6,422	6,422
Additions	-	-
Disposals	-	-
Depreciation	(4,414)	(4,414)
Balance at end of the Year	**2,008**	**2,008**

10 EXPLORATION AND EVALUTION EXPENDITURE

	2022 $	2021 $
	6,171,672	**1,394,382**
Exploration and evaluation phase:		
Carrying amount at the beginning of the year	1,394,380	408,677
Additions	4,861,346	1,012,074
Exploration expenditure impairment	(84,054)	(26,369)
Carrying amount at the end of the year	**6,171,672**	**1,394,382**

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest. This is assessed at balance date on an annual basis.

11 OTHER ASSETS

	2022 $	2021 $
Right to Use Asset	235,010	233,992
Accumulated Depreciation	-	(152,804)
	235,010	**81,188**

The right to use asset relates to the capitalisation of the Office lease under AASB 16

12 TRADE AND OTHER PAYABLES

	2022 $	2021 $
Trade Payables	56,963	103,596
Accrued Expenses	1,232,548	389,089
Other payables	12,275	7,178
	1,301,786	**499,863**

13 OTHER LIABILITIES

	2022 $	2021 $
Lease Liability (Office Lease) - Current	**73,029**	**91,440**
Lease Liability (Office Lease) – Non-Current	**161,981**	**-**

The lease liability relates to the capitalisation of the Office lease under AASB 16 (See note 11)

	2022 $	2021 $
14 PROVISION FOR RESTORATION		
Balance at 1 July 2021	11,180	275,000
Provision made during the year	36,320	(263,820)
Balance at 30 June 2022	**47,500**	**11,180**

	2022 $	2021 $
15 CONTRIBUTED EQUITY		
15a Issued capital		
6,707,582,956 fully paid ordinary shares (30 June 2021: 5,073,443,410)	**90,678,443**	**65,822,237**

15b Movements in Ordinary Shares during the past two years

Date	Details	No. of Ordinary Shares	Issue price $	$
01-Jul-20	Opening balance	4,734,467,074		63,920,369
29-Jan-21	Share Placement	338,976,336	0.0060	2,033,858
01-Sep-21	Share Placement	343,750,000	0.0080	2,750,000
24-Jan-22	Exercise of Listed Options	704,650,752	0.0060	4,227,905
01-Apr-22	Share Placement	465,545,550	0.0330	15,398,003
01-Apr-22	Share Purchase Plan	100,739,901	0.0330	3,289,420
30-Jun-22	Exercise of Unlisted Options	10,000,000	0.0089	89,000
30-Jun-22	Exercise of Unlisted Options	9,453,343	0.0291	275,400
	Share Issue Costs			(1,305,510)
		6,707,582,956		**90,678,445**

15c Terms of Conditions of Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

15d Unissued Capital - Options

There are no unissued Options as at 30 June 2022.

15e Capital Risk Management

The Group defines its Capital as total equity of the Group, being $27,635,999 for the year ended 30 June 2022 (2021: $4,583,785). The Group manages its capital to ensure that it can continue as a going concern while financing the development of it projects through primarily equity-based financing. The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Group, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares.

There were no changes in the Consolidated entity's approach to capital management during the year.

	2022 $	2021 $

16 RESERVES AND ACCUMULATED LOSSES

16a Accumulated Losses

	2022 $	2021 $
Accumulated losses at the beginning of the year	(61,558,451)	(61,113,196)
Net loss for the year	(1,993,894)	(445,255)
Other comprehensive income	-	-
Transfer of reserves due to cancelled incentive options	-	-
Accumulated Losses at the end of the year	**(63,552,345)**	**(61,558,451)**

16b Reserves

	2022 $	2021 $
Share based payments reserve (i)	509,899	320,000
	509,899	**320,000**

(i) Share-Based Payments Reserve

The share-based payments reserve is used to recognise the fair value of incentive options issued by the Group.

	2022 $	2021 $
Balance at beginning of the year	320,000	320,000
Granted during the Year	229,200	
Exercised during the period	(56,000)	-
Performance Rights Granted	16,699	
Balance at the End of the Year	**509,899**	**320,000**

17 SHARE-BASED PAYMENTS

(a) Recognised Share-based Payments Expense

The Group provides Incentive Options to officers, employees, and consultants as part of remuneration and incentive arrangements from time to time. The number of options granted, and the terms of the options are determined by the Board. Shareholder approval is sought where required. During the past two years, the following equity settled share-based payments have been recognised:

(b) Summary of Incentive options granted as Share-based payments

The following table illustrates the number and weighted average exercise prices ("WAEP") of Incentive Options granted as share-based payments at the beginning and end of the financial year.

Incentive Options

	Number 2022	WAEP 2022	Number 2021	WAEP 2021
Outstanding at the beginning of year	156,000,000	0.0047	156,000,000	0.0092
Expired/lapsed during the year	-		-	
Exercised during the year	**(19,453,343)**			
Granted during the year	191,000,000		-	
Outstanding and exercisable at end of year	**327,546,657**		**156,000,000**	

Performance rights

	Number 2022	WAEP 2022	Number 2021	WAEP 2021
Outstanding at the beginning of year	-	Nil	-	-
Expired/lapsed during the year	-	-	-	-
Exercised during the year	-	-		-
Granted during the year	30,000,000	-	-	-
Outstanding and exercisable at end of year	**30,000,000**	-	-	-

(c) Valuation models and key assumptions used

The fair value of the equity-settled share options granted is estimated as at the date of grant using a Binomial option valuation model taking into account the terms and conditions upon which the options were granted.

The table below lists the inputs to the valuation model used for the share options granted by the Group that are currently on issue and outstanding at the end of year:

Incentive Options

Grant Date	**October 2019**	**October 2021**
Number of options	136,546,657	191,000,000
Fair value at grant date	$0.002	$0.0012
Share price at grant date	$0.006	$0.025
Exercise price	$0.0089 and $0.0107	$0.0341
Expected volatility[1]	150%	50%
Expected life[3]	4 years	4 years
Dividend yield (%)[2]	Nil	Nil
Risk-free interest rate	1.75%	1.75%

[1] The expected volatility is indicative of future trends, which may not necessarily be the actual outcome.
[2] The dividend yield reflects the assumption that the current dividend pay-out will remain unchanged.
[3] The expected life of the options is based on the expiry date of the options as there is limited track record of early exercise of options.

Performance Rights[4]

Grant Date June 2022	**Grant A**	**Grant B**	**Grant C**
Number of Performance rights	10,000,000	10,000,000	10,000,000
Fair value at grant date	$0.0139	$0.0168	$0.0139
Probability of result	50%	75%	50%
Share price at grant date	$0.044	$0.044	$0.044
Exercise price	Nil	Nil	Nil
Expected volatility[1]	50%	50%	50%
Expected life[3]	5 years	5 years	5 years
Dividend yield (%)[2]	Nil	Nil	Nil
Risk-free interest rate	1.6%	1.6%	1.6%

[1] The expected volatility is indicative of future trends, which may not necessarily be the actual outcome.
[2] The dividend yield reflects the assumption that the current dividend pay-out will remain unchanged.
[3] The expected life of the options is based on the expiry date of the options as there is limited track record of early exercise of options.
[4] The Performance Rights have been granted with the following conditions:

- Grant A – 10,000,000 performance rights upon achieving an independently verified 2C contingent resource that exceeds 1.6Tcf recoverable gas (inc. condensate equivalent) for the Lockyer Deep gas discovery;

- Grant B – 10,000,000 performance rights on achieving a 30-day VWAP of the NWE share price of equal to or greater than 5.5 cents per share;

- Grant C – 10,000,000 performance rights upon achieving a 30-day VWAP of the NWE share price of equal to or greater than 7.0 cents per share;

- All performance rights are to expire five years after award and will vest immediately upon a Change of Control event.

(d) Weighted Average Remaining Contractual Life

As 30 June 2022, the weighted average remaining contractual life of Incentive Options on issue that had been granted as share-based payments was 3.22 years (2021: 3.67 years).

(e) Range of Exercise Prices

At 30 June 2022, the range of exercise prices of Incentive Options granted as share-based payments is $0.0089 - $0.0341.

(f) Weighted average Fair Value

The weighted average fair value of Incentive Options granted as share-based payments by the Group is $0.00153 (2021: $0.0092).

18 PARENT ENTITY INFORMATION

18a Summary Financial Information

	Parent 2022 $	Parent 2021 $
Financial Position		
Assets		
Current assets	22,747,268	3,604,755
Non-current assets	6,077,027	1,874,829
Total Assets	**28,824,295**	**5,479,584**
Liabilities		
Current liabilities	313,799	244,752
Non-current liabilities	161,981	-
Total Liabilities	**475,780**	**244,752**
Net Assets	**28,348,515**	**5,234,832**
Equity		
Issued capital	90,678,449	65,822,239
Reserves	509,899	320,000
Accumulated losses	(62,839,833)	(60,907,407)
Total Equity	**28,348,515**	**5,234,832**
Financial Performance		
Profit/(Loss) for the year	(1,932,426)	(709,838)
Other comprehensive income		
Total comprehensive profit/ (loss) for the year	(1,932,426)	(709,838)

18b Guarantees

Norwest Energy NL has not entered into any guarantees in relation to the debts of its subsidiary.

18c Other Commitments and Contingencies

Norwest Energy NL has no commitments to acquire property, plant, and equipment. Refer to Note 24 for the Company's contingent liabilities.

19 INVESTMENTS IN CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding 2022 %	Equity Holding 2021 %
Westranch Holdings Pty Ltd	Australia	Ordinary	100	100

	2022 $	2021 $
20 KEY MANAGEMENT PERSONNEL DISCLOSURES & RELATED PARTY TRANSACTIONS		
20a Details of Remuneration of Key Management Personnel		
Short-term salary and fees	712,160	516,702
Post-employment benefits	4,739	3,123
Share-based payments	304,699	90,000
	1,021,598	609,825

Detailed remuneration disclosures are provided in the remuneration report.

	2022 $	2021 $
21 REMUNERATION OF AUDITORS		
Australia – Rothsay Audit & Assurance Pty Ltd	24,000	-
Australia – Rothsay Auditing	10,000	41,000
	34,000	**41,000**

No non-audit services have been provided to the Group by the auditor. The Audit fees for 2022 are $34,000.

22 COMMITMENTS FOR EXPENDITURE

22a Exploration expenditure commitments

	2022 $	2021 $
Within one year	1,491,660	3,570,000
One year or later and no later than five years	3,002,640	4,277,640
Later than five years	-	-
	4,494,300	7,847,640

In order to maintain current rights of tenure to exploration permits, the Consolidated entity is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various Governments. These obligations are subject to renegotiation. Notwithstanding the minimum requirements management has estimated the commitments for expenditure based on reasonable expectation of activities on the exploration permits. These obligations are not provided for in the financial report.

The permit commitments above will be met through either capital raisings, free carry from farm-in partners, or asset sales. In order to ensure that the Group's permits remain in good standing, discussions and negotiations with the relevant regulatory bodies take place as required to manage the timing of permit commitments where possible. Should the Group not be permitted to amend the timing of the permit commitments, or have sufficient funds to satisfy those commitments, the Group risks having to relinquish title to those permits and return the permit(s) to the relevant regulatory body.

22b Other commitments

Management have identified the operating lease for the registered office as commitments (other than the exploration commitments disclosed above):

Within one year	73,029	131,327
One year or later and no later than five years	161,981	-
Later than five years	-	-
	235,010	**131,327**

23 CONTINGENCIES

23a Contingent Assets

There are no contingent assets at reporting date.

23b Contingent Liabilities

There are no contingent liabilities at reporting date.

24 EVENTS OCCURRING AFTER REPORTING DATE

On 29th August 2022 the Company completed an Unmarketable Sale Facility which resulted in a reduction of 609 shareholders.

No matters or circumstances have arisen other than the above, since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of the Consolidated Entity, or the state of affairs of the Consolidated Entity as reported to the year ended 30 June 2022.

25 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

25a Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 27.

25b Income Tax

The consolidated entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

25c Leases

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g., CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e., leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

25d Adoption of new and revised accounting standards

The Company adopts all Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

25e Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for major business activities as follows:

(i) Interest Income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(ii) Other Services

Other debtors are recognised at the amount receivable and are due for settlement within 30 days from the end of the month in which services were provided.

25f Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against operating results in the year in which the decision to abandon the area is made. When production commences the accumulated costs for the relevant area of interest are classified as development costs and amortised over the life of the project area according to the rate of depletion of the economically recoverable reserves.

Where independent valuations of areas of interest have been obtained, these are brought to account. Subsequent expenditure on re-valued areas of interest is accounted for in accordance with the above principles. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

At 30 June 2022 the Directors considered that the carrying value of the oil and gas tenement interests of the consolidated entity was as shown in the Statement of Financial Position and no further impairment arises other than that already recognised.

25g Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all plant and equipment is depreciated on a diminishing value over their useful lives to the consolidated entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	27% Declining Balance

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

25h Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. An allowance for bad debts is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the Statement of Comprehensive Income. They are recognised initially at fair value and subsequently at amortised cost.

Deposits with maturity periods in excess of three months but less than twelve months are included in receivables and not discounted if the effect of discounting is immaterial.

25i Trade and Other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid, together with assets ordered before the end of the financial year. The amounts are unsecured and are usually paid within 30 days of recognition.

25j Employee Entitlements

(i) Wages, salaries and annual and sick leave

A liability for wages, salaries and annual leave expected to be settled within 12 months of the reporting date is recognised in other payables and is measured as the amount unpaid at balance date at current pay rates in respect of employees' services up to that date. No liability exists for sick leave.

(ii) Long service leave

A liability for long service leave is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees' up to balance date.

25k Equity-Based Payments

Equity-based compensation benefits are provided to Directors and executives.

The fair value of options granted to Directors and executives is recognised as an employee benefit expense with a corresponding increase in contributed equity. The fair value is measured at grant date and recognised over the period during which the Directors and/or executives becomes unconditionally entitled to the options. Where options are issued to consultants the fair value of the options given is valued by the market value of the service being provided.

The fair value at grant date is independently determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected divided yield and the risk-free interest rate for the term of the option.

25l Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

25m Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the steering committee that makes strategic decisions.

The standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

25n Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

25o Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

25p Provisions

Provisions are recognised when the consolidated entity has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

25q Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, e.g., as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the Statement of Comprehensive Income and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

25s Comparative Figure

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

25t Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group satisfies all attached conditions.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the Consolidated Statement of Profit or Loss and other Comprehensive Income over the expected useful life of the relevant asset by equal annual instalments.

Where a grant is received in relation to the tax benefit of research and development costs, the grant shall be credited to other income in the Consolidated Statement of Profit or Loss and other Comprehensive Income in the year of receipt.

27 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

i) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of exploration and evaluation expenditure

The Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped. As at 30 June 2022, the carrying value of capitalised exploration expenditure is $6,171,672.

ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Valuation of share-based payments

The Group measures the cost of equity settled share-based payments at fair value at the grant date using the Black-Scholes model taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Where options are issued to consultants, the Group values the service provided based on market rates. In the absence of market rates, the share-based payments are valued as above.

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