

23 December 2016



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Extension of Farmout End Date for TP15 Joint Venture to 15 February 2017

Norwest Energy would like to update its shareholders on the progress of the farmout of the drilling of Xanadu-1 located within TP/15, a block currently 100% owned by Norwest Energy (Norwest) via subsidiary Westranch Holdings Pty Ltd (Westranch).

As previously announced on 23rd September 2016, the Company executed termsheets with two parties - Transerv Energy Ltd (Transerv) and Triangle Energy (Global) Limited (Triangle).

- Transerv will contribute 20% of the costs to earn a 15% interest; and
- Triangle will contribute 40% of the costs to earn a 30% interest.

These parties have agreed to extend the Termsheet End Date of 31 December 2016 to 15 February 2017 to enable Norwest to complete the funding arrangements for the remaining 40%. Whilst these arrangements are well advanced, due to pending office closures over the festive season, it may be difficult to complete by 31 December 2016 and so an extension was deemed prudent.

Norwest CEO Shelley Robertson said *“Finalisation of this joint venture and the subsequent drilling of the well will be a significant achievement for Norwest in the current environment, and will represent a major milestone for Norwest shareholders who I am sure look forward with great anticipation to the drilling of Xanadu.”*

The timing of Xanadu-1 remains dependent upon regulatory approvals and rig availability, however Norwest is currently working closely with rig companies and other operators planning wells in 2017, to ensure the well can be drilled as efficiently and cost-effectively as possible.

The Application to Drill and associated documentation has now been lodged with the Department of Mines and Petroleum. This is the first step in the approvals process and signals our intent to drill in 2017.

Unrisked recoverable oil volumes have been estimated deterministically and are summarised in Table 1 below. A 50% recovery factor has been assumed.

Table 1.

Un-risked Prospective Resource: recoverable volumes oil (MMstb) ¹			
Reservoir	Low estimate	Best estimate	High estimate
Dongara Sandstone	3	12	22
Irwin River Coal Measures	13	88	159
High Cliff Sandstone	29	60	256
Total	45	160	437

¹*The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

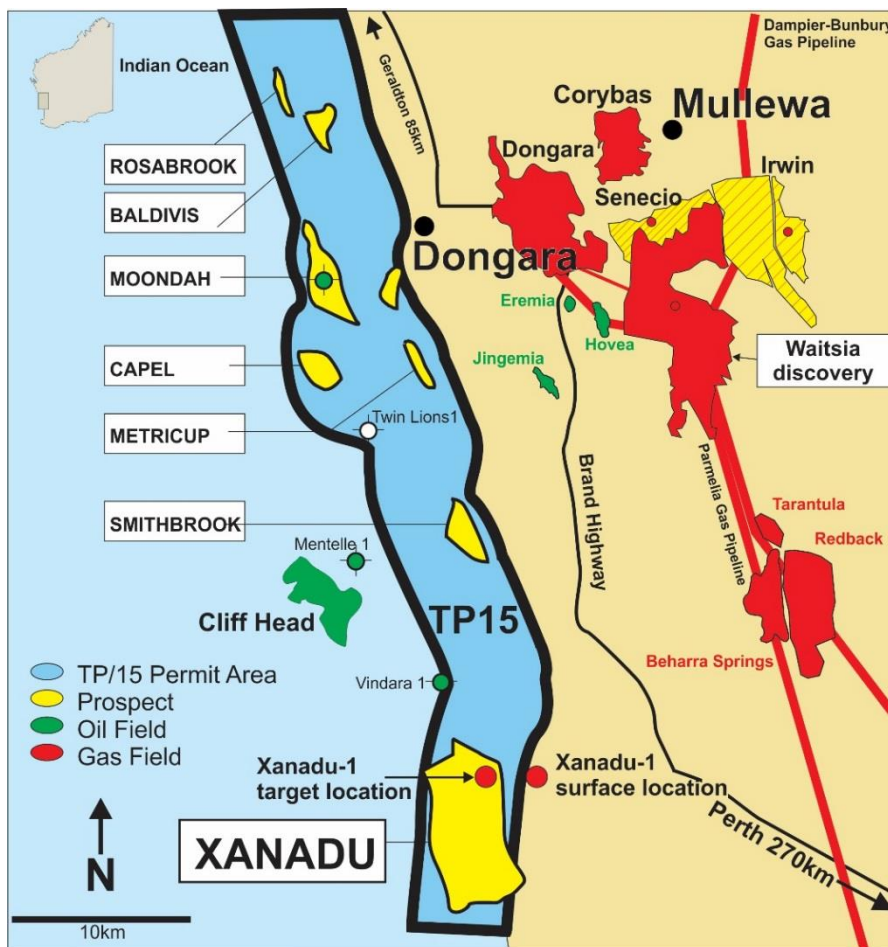


Figure 1. TP/15 location map, northern Perth Basin, Western Australia

Norwest’s assessment of the chance of discovery and chance of development associated with the Xanadu prospect are provided in Table 2.

Table 2.

Reservoir	Chance of Success
Dongara Sandstone	14%
Irwin River Coal Measures	13%
High Cliff Sandstone	6%

Refer announcement released to ASX on 29/10/2014.

For further information, please contact Norwest Energy:

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Competent Person

The information on the Xanadu prospect is based on information compiled by Mr. Dean Powell of Powell Seismic Services. Mr. Powell holds a Bachelor Degree of Applied Science (Physics) and is a member of the Society of Exploration Geophysicists. He has over 40 years of experience in petroleum exploration.

Mr. Powell has consented in writing to the inclusion of the information stated in the form and context in which it appears.