



**Norwest Energy NL**

**Interim Financial Report**

**Half-Year Ended 31 December 2017**

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## **Directors' Report**

### **31 December 2017**

The Directors present their report together with the consolidated financial report of Norwest Energy NL ("Norwest" or "the Company") and its controlled entities ("Consolidated Entity" or "the Group") for the financial half-year ended 31 December 2017 and the independent review report thereon.

#### **1. General Information**

##### ***Directors***

The names of the Company's Directors in office at any time during, or since the end of, the half-year are:

- Mr Michael John Fry (Non-Executive Chairman)
- Ms Shelley Maree Robertson (Managing Director and CEO)
- Mr Ronald Gordon Currie (Non-Executive Director)
- Mr Henry David Kennedy (Non-Executive Director)

Mr Fry and Mr Kennedy held their office from 1 July 2017 until the date of this report. Mr Currie resigned on 31 October 2017 and Ms Robertson was appointed on 31 October 2017.

##### ***Principal Activities***

The principal activity of the Consolidated Entity during the course of the half-year was exploration for hydrocarbon resources. Norwest is also operator of the EP413 Joint Venture and its subsidiary Westbranch Holdings Pty Ltd is operator of the TP/15 Joint Venture.

There have been no significant changes in the nature of the Group's principal activities during the financial half-year.

#### **2. Review of Operations**

##### **Operating Results**

The net profit of the Group for the half-year ended 31 December 2017 was \$271,634 (31 December 2016: Net loss of \$615,972).

The main activities and highlights for the Group during the half-year comprised:

##### **Operations**

###### **AUSTRALIA**

- 27.945% in EP413 (as Operator);
- 25% in TP/15 (as Operator)
- 20% in EP368;
- 22.22% in EP426; and
- 6.278% in L14 Jingemia Oilfield.

###### **TIMOR SEA**

- 1.25% ORR in AC/L6 (Royalty) Vulcan Sub-Basin, NT

## TP/15

The Xanadu-1 well was spudded on 4<sup>th</sup> September 2017, and reached a total depth of 2035 mMDRT on Sunday 17<sup>th</sup> September, when it was confirmed that the Xanadu-1 well had intersected hydrocarbon bearing intervals as demonstrated by elevated gas readings, oil shows, fluorescence and cut-fluorescence whilst drilling.

A Discovery Report was lodged with the regulator in December 2017, forming the basis for the future work program for the permit.

Currently the TP/15 permit has limited 2D seismic coverage and a 3D seismic survey has been designed to test the extent of the Xanadu Discovery (refer to the Company's ASX announcement dated 18 September 2017 for further information) and map the Xanadu structure in greater detail. The 40km<sup>2</sup> 3D seismic survey will form the basis for future well locations, expected commercial production rates, a conceptual development plan, oil-in-place analysis, and recoverable volume calculations.

On 23 February 2018 Norwest announced the award of the seismic contract to leading global provider Synterra Technologies Pty Ltd. An extensive due diligence process commenced in November 2017, with testing of the acquisition equipment completed within the permit area to fine-tune and confirm the survey design.

Following award of the contract, the program is subject only to final regulatory approvals, which are well advanced. The Company expects the acquisition to occur in the second half of the June 2018 quarter.

In February 2018 Norwest applied for a renewal of the TP/15 permit on behalf of the Joint Venture, with the Year One commitment being the 3D seismic acquisition program.

## TP/15 JOINT VENTURE

JV Participant	ASX Code	Percentage Interest
Norwest (via subsidiary) (Operator)	ASX:NWE	25%
Triangle (Global) Energy Ltd (via subsidiary)	ASX:TEG	30%
Whitebark Energy Ltd (via subsidiary)	ASX:WBE	15%
3C Group IC Limited (via subsidiaries)		30%

## EP413

Exploration Permit EP413 is located in the northern Perth Basin between the Brand Highway and the coast, approximately 250km north of Perth between Dongara and Eneabba in Western Australia. Norwest Energy NL is the operator for EP413, in which it has a 27.945% interest.

The permit covers an area of 508km<sup>2</sup>, extending from immediately north of L4/L5 which hosts the Woodada Gas Field, to the southern boundary of L14 in which the Jingemia Oil Field is located. The Waitsia Gas Project is located NNE in L1/L2, with the Beharra Springs and Redback gas fields located to the east in L11.



The work program for EP413 is currently on hold pending results from the Western Australian state government scientific inquiry into hydraulic fracture stimulation. Norwest has submitted an application for an initial 12-month suspension on the work program commitment for Year 4 of the work program, and an initial 12-month extension to the permit term, pending results of the inquiry.

EP413 remains a valuable asset in the Norwest portfolio, and the Company is actively involved in providing a submission to the inquiry panel and working closely with other onshore operators to ensure all necessary information and support is provided to the panel in a timely manner. The inquiry findings are due in August 2018.

#### EP413 JOINT VENTURE

JV Participant	ASX Code	Percentage Interest
Norwest Energy NL (via subsidiary) (Operator)	ASX:NWE	27.945%
AWE Limited (via subsidiary)	ASX:AWE	44.252%
Bharat PetroResources Ltd		27.803%

#### EP368 and EP426

EP368 contains several exploration leads and prospects, with the primary two being the Lockyer Deep and North Erregulla prospects. Lockyer Deep remains the focus of the next well to be drilled in EP368 and contains the same gas-producing formations as the nearby massive Waitsia Gas Field. EP426 lies adjacent and to the east of EP368, covering an area of 1197km<sup>2</sup>, located on the north-eastern flank of the Dandaragan Trough in the onshore northern Perth Basin. North Erregulla offers an excellent follow up prospect to Lockyer Deep, straddling the two permits EP368 and EP426, and offers a future drilling opportunity in this highly prospective acreage.

During H2 2017, the assets of the operating company of EP368 & EP426 (Empire Oil & Gas) were 100% acquired by Mineral Resources Limited (ASX:MRL), an Australian based mining services and processing company. MRL has confirmed their commitment and support for EP368 & EP426, and Norwest looks forward to working closely with a newly invigorated joint venture partner that has the financial and technical capacity to develop these projects.

As operator, MRL is working closely with the government to ensure the continuity of these permits and to obtain appropriate extensions on the work program commitments to enable sufficient time for implementation.

#### EP368 JOINT VENTURE

JV Participant	ASX Code	Percentage Interest
Mineral Resources (via subsidiary, Empire Oil Company (WA) Limited) (Operator)	ASX:MRL	80%
Norwest Energy NL (via subsidiary)	ASX:NWE	20%

#### EP426 JOINT VENTURE

JV Participant	ASX Code	Percentage Interest
Mineral Resources (via subsidiary, Empire Oil Company (WA) Limited) (Operator)	ASX:MRL	77.78%
Norwest Energy NL (via subsidiary)	ASX:NWE	22.22%

#### L14

L14 contains the Jingemia Oil Field, estimated to have initially contained 12 million barrels of oil in place, with 4.6 million barrels produced to date. The area of L14 is 39.8 km<sup>2</sup>.

Jingemia production recommenced in December 2017, and the first tanker of oil was dispatched to BP Kwinana Refinery in late December.

Operator Cyclone Energy is currently conducting well enhancement activities on both the producers and injectors, designed to optimise and enhance production from the field. Once the well enhancement program is complete, commercial production is expected to recommence.

L14 has excellent exploration prospectivity both within the Jingemia Oil Field and other prospects within the license boundaries, and the Joint Venture Partners are keen to explore these opportunities once stable production from the existing wells has been achieved.

#### L14 JOINT VENTURE

JV Participant	ASX Code	Percentage Interest
Cyclone Energy Pty Ltd (Operator)		33.722%
RCMA Australia		60%
Norwest Energy NL (via subsidiary)	ASX:NWE	6.278%

#### AC/L6 (Royalty)

The Puffin Field, which is located within AC/P22 and governed by Production Licence AC/L6, covers a combined area of approximately 900km<sup>2</sup>, and is situated in the Commonwealth waters of the southern Timor Sea. The Puffin Field is operated by Chinese major Sinopec Limited (60% interest) with AED Oil Limited (Subject to Deed of Company Arrangement) (AED - 40%).

Oil production from the Puffin Field ceased in 2009. Norwest still holds a 1.25% ORRI on any future production generated by Sinopec and AED from the AC/P22 permit area however any future royalty payments are highly unlikely given AC/P22 was surrendered by the operator in Q3 CY2014 and the AC/L6 petroleum production licence ceased to be in force with effect from 21 April 2015.



## Corporate

In August 2017 a Share Purchase Plan raised before costs A\$510,000. A further placement to sophisticated and professional investors ('the Placement') raised A\$536,000 bringing total funds raised to A\$1,046,000. The Placement shares were issued on the same terms as existing ordinary shares in the Company.

The shares were issued at \$0.0032. This represented a 20% discount to the VWAP of Shares of \$0.004 over the five-day trading period ending Thursday 15<sup>th</sup> June 2017. The allotment took place on 4<sup>th</sup> August 2017.

In December 2017, following shareholder approval, Norwest raised \$1,000,000 in a placement to institutional and sophisticated investors. 250,000,000 shares were issued at \$0.004 per share. The Placement shares were issued on the same terms as existing ordinary shares in the Company. The allotment took place on 6<sup>th</sup> December 2017.

### 3. Other items

#### *Significant Changes In State of Affairs*

No significant changes in the Group's state of affairs occurred during the half-year.

#### *Subsequent Events*

On 6<sup>th</sup> February the 3C Group exercised 60,000,000 million Unlisted Options that had an exercise price of \$0.0024 per option. The Company raised A\$144,000 from the issue. 60,000,000 shares were allotted on 10<sup>th</sup> February 2018.

On 13<sup>th</sup> February the Company issued a total of 66.5 million new shares to the 3C Group at an exercise price of \$0.0024 per share under a Follow On Placement right granted in February 2017. The Company raised A\$160,000 from the issue.

#### *Lead Auditors' Independence Declaration under section 307C of the Corporations Act 2001*

The lead auditors' independence declaration for the half-year ended 31 December 2017 is set out on page 7 and forms part of the Directors Report for the six months ended 31 December 2017.

Signed in accordance with a resolution of the Directors.



.....  
Michael John Fry  
Director

Perth  
12 March, 2018



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The Directors  
Norwest Energy NL  
PO Box 1264  
Perth WA 6872

Directors

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2017 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**Graham Swan FCA (Lead auditor)**

**Rothsay Auditing**

Dated *12* March 2018



Chartered Accountants



## Directors' Declaration

In the opinion of the Directors of Norwest Energy NL (the Company):

1. the financial statements and notes are in accordance with the Corporations Act 2001 including:
  - (a) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2017 and of its performance for the six-month period ended on that date; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



.....  
Michael John Fry  
Director

Perth  
12 March 2018

**Consolidated Interim Statement of Comprehensive Income  
For the Half-Year Ended 31 December 2017**

	Note	31 December 2017 \$	31 December 2016 \$
<b>Continuing Operations</b>			
Financing income		2,349	1,559
Other income			69,250
Operating costs	3		(36,125)
Joint Venture management recharges		262,410	5,732
Research and Development rebate			31,428
Exploration expenditure & write down	3		(234,458)
Depreciation expense		(7,640)	(8,167)
Directors' remuneration		(38,000)	(48,000)
Personnel expenses		(198,346)	(294,023)
Personnel & overhead recovery		502,239	98,349
Professional fees		(54,400)	(41,375)
Other expenses		(196,978)	(115,408)
Share based payment expense			(42,000)
<b>Net loss for the year</b>		<b>271,634</b>	<b>(613,238)</b>
<b>Other Comprehensive Income/(Loss)</b>			
Exchange differences on translation of foreign operations		-	(867)
Net change in fair value of available-for-sale financial assets transferred to profit or loss		-	(1,867)
<b>Total Comprehensive Income/(Loss) for the Period</b>		<b>271,634</b>	<b>(615,972)</b>
Basic loss per share (cents per share)		0.01	(0.03)
Diluted loss per share (cents per share)		0.01	(0.03)

The Consolidated Interim Statement of Comprehensive Income is to be read in conjunction with the notes to the interim financial statements set out on pages 14 to 17.

**Consolidated Interim Statement of Changes in Equity  
For the Half-Year Ended 31 December 2017**

Consolidated	Contributed Equity	Share Based Payment Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2016	56,076,464	1,409,600	(53,347,956)	4,138,108
Profit or loss	-	-	(613,238)	(613,238)
Other comprehensive income/(loss)	-	-	(2,734)	(2,734)
Shares issued (net of costs)	793,386	-	-	793,386
Share based payments	-	42,000	-	42,000
Share options expired/exercised	-	(1,367,600)	1,367,600	-
<b>Balance at 31 December 2016</b>	<b>56,869,850</b>	<b>84,000</b>	<b>(52,596,328)</b>	<b>4,357,522</b>
Balance at 1 July 2017	57,345,391	101,000	(52,136,661)	5,309,730
Profit or loss	-	-	271,634	271,634
Shares issued (net of costs)	2,000,366	(9,600)	-	1,990,766
Share options expired/exercised	-	-	-	-
<b>Balance at 31 December 2017</b>	<b>59,345,757</b>	<b>91,400</b>	<b>(51,865,027)</b>	<b>7,572,130</b>

The Consolidated Interim Statement of Changes in Equity is to be read in conjunction with the notes to the interim financial statements set out on pages 14 to 17.

**Consolidated Interim Statement of Financial Position  
As at 31 December 2017**

	Note	31 December 2017 \$	30 June 2017 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,803,335	541,919
Trade and other receivables		114,763	71,255
Other financial assets		25,000	25,000
<b>Total current assets</b>		<b>1,943,098</b>	<b>638,174</b>
<b>Non-current assets</b>			
Investments		-	133
Property, plant and equipment		12,715	17,732
Deferred exploration, evaluation and development	3	5,754,151	4,950,269
<b>Total non-current assets</b>		<b>5,766,866</b>	<b>4,968,134</b>
<b>TOTAL ASSETS</b>		<b>7,709,964</b>	<b>5,606,308</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		87,683	228,359
Provisions		10,481	31,675
<b>Total current liabilities</b>		<b>98,164</b>	<b>260,034</b>
<b>Non-current liabilities</b>			
Provisions		39,670	36,544
<b>Total non-current liabilities</b>		<b>39,670</b>	<b>36,544</b>
<b>TOTAL LIABILITIES</b>		<b>137,834</b>	<b>296,578</b>
<b>NET ASSETS</b>		<b>7,572,130</b>	<b>5,309,730</b>
<b>EQUITY</b>			
Issued capital	4	59,345,757	57,345,391
Reserves	5	91,400	101,000
Accumulated losses		(51,865,027)	(52,136,661)
<b>TOTAL EQUITY</b>		<b>7,572,130</b>	<b>5,309,730</b>

The Consolidated Interim Statement of Financial Position is to be read in conjunction with the notes to the interim financial statements set out on pages 14 to 17.



**Consolidated Interim Statement of Cash Flows  
For the Half-Year Ended 31 December 2017**

	<b>31 December 2017 \$</b>	<b>31 December 2016 \$</b>
<b>Cash flows from operating activities:</b>		
Cash payments to suppliers and employees	(427,429)	(460,055)
Interest received	2,349	1,559
Other - Recoveries	502,239	-
<b>Net cash from operating activities</b>	<b>77,159</b>	<b>(458,496)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant & equipment	(2,624)	-
Expenditure on oil & gas interests	(803,885)	(264,674)
<b>Net cash used in investing activities</b>	<b>(806,509)</b>	<b>(264,674)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from the issue of share capital	1,990,766	793,386
<b>Net cash from financing activities</b>	<b>1,990,766</b>	<b>793,386</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>1,261,416</b>	<b>70,216</b>
Cash and cash equivalents at 1 July	541,919	335,143
Effect of exchange rates on cash held	-	(867)
<b>Cash and cash equivalents at 31 December</b>	<b>1,803,335</b>	<b>404,492</b>

The Consolidated Interim Statement of Cash Flows is to be read in conjunction with the notes to the interim financial statements set out on pages 14 to 17.

## **Notes to the Consolidated Interim Financial Statements For the Half-Year Ended 31 December 2017**

### **1. Basis of Preparation**

This general purpose financial report for the half-year ended 31 December 2017 has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Act 2001.

The financial statements have been prepared on an accruals basis and are based on historical cost except for share based payments and available-for-sale financial assets which have been measured at fair value. All amounts are presented in Australian dollars.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report of Norwest Energy NL for the year ended 30 June 2017 and public announcements made by Norwest Energy NL and its controlled entities during the half-year period in accordance with any continuous disclosure obligations arising under the Corporations Act, 2001.

The accounting policies and methods of computation adopted in the preparation of the consolidated half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the year ended 30 June 2017.

#### **Going concern**

The ability of the Consolidated Entity to continue as a going concern is dependent on it being able to raise additional funds as required in order for it to meet ongoing commitments in the Perth Basin and for working capital. These commitments are detailed in note 7.

The Directors believe that they will be able to raise additional capital through either one or a combination of capital raisings, a farm-in, or a sale of assets. The Group has a history of being able to raise equity as required and as such the Directors believe that the Consolidated Entity will continue as a going concern. As a result the financial statements have been prepared on a going concern basis of accounting, which contemplates the continuity of normal business activity and the Group being able to realise its assets and the settlement of its liabilities in the ordinary course of business. Should the Group be unable to obtain sufficient funding, there is significant uncertainty whether the Group will continue as a going concern.

No adjustments have been made as to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

As at 31 December 2017, the Group had cash available of \$1.8m, reported a profit of \$0.3m and had a net cash inflow from operating activities of \$0.1m.

Subsequent to 31 December 2017, the Company issued 126,500,000 fully paid ordinary shares at \$0.0024 per share to 3C Group, raising \$303,600.

**Notes to the Consolidated Interim Financial Statements  
For the Half-Year ended 31 December 2017**

**1. Basis of Preparation (continued)**

**New Standards, Interpretations and Amendments**

The Group has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the interim reporting period.

**Impact of standards issued but not yet applied by the Group**

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

**2. Segment Reporting**

The economic entity operates predominately in the exploration industry in Australia and internal reporting is conducted on an entity wide basis. As such, segment information is presented on the same basis as that used for internal reporting purposes provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors who make strategic decisions.

**3. Deferred exploration, evaluation and development costs**

	<b>31 December 2017</b>	<b>31 December 2016</b>
	<b>\$</b>	<b>\$</b>
<b>Transactions for the six months to 31 December</b>		
<i>Exploration and evaluation phase:</i>		
<b>Balance at 1 July</b>	4,950,269	4,897,697
Capitalised expenditure during the period	710,430	242,058
Write off	-	(211,842)
<b>Balance at 31 December</b>	<u>5,660,699</u>	<u>4,927,913</u>
<i>Production phase:</i>		
<b>Balance at 1 July</b>	-	-
Capitalised expenditure during the period	93,452	58,741
Write back of operating expenses capitalised	-	(36,125)
Write off	-	(22,616)
<b>Balance at 31 December</b>	<u>93,452</u>	<u>-</u>
<b>Total</b>	<u>5,754,151</u>	<u>4,927,913</u>



**Notes to the Consolidated Interim Financial Statements  
For the Half-Year ended 31 December 2017**

**4. Contributed equity**

**(a) Issued and Unissued capital**

	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
3,255,592,727 fully paid ordinary shares (30 June 2017: 2,673,902,727)	<u>59,345,757</u>	<u>57,345,391</u>

**(b) Movements in Ordinary Shares**

<b>Date</b>	<b>Details</b>	<b>No. of Ordinary</b>	<b>Issue price \$</b>	<b>\$</b>
<b>01-Jul-17</b>	<b>Opening Balance</b>	<b>2,673,902,727</b>		<b>57,345,391</b>
02-08-17	Share placement	326,890,000	0.0032	1,046,048
19-09-17	Exercise of Options	4,800,000	0.006	38,400
06-12-17	Share placement	250,000,000	0.004	1,000,000
31-Dec-17	Share issue costs	-	-	(84,082)
<b>31-Dec-17</b>	<b>Closing balance</b>	<b>3,255,592,727</b>	<b>-</b>	<b>59,345,757</b>
<b>01-Jul-16</b>	<b>Opening Balance</b>	<b>2,050,569,394</b>		<b>56,076,464</b>
20-07-16	Share placement	215,000,000	0.002	430,000
01-09-16	Share placement	200,000,000	0.002	400,000
10-02-17	Share Placement	208,333,333	0.0024	500,000
30-Jun-17	Share issue costs	-	-	(61,073)
<b>30-Jun-17</b>	<b>Closing balance</b>	<b>2,673,902,727</b>	<b>-</b>	<b>57,345,391</b>

**5. Reserves**

	<b>31 December 2017 \$</b>	<b>30 June 2017 \$</b>
Share based payment reserve	<u>91,400</u>	<u>101,000</u>
	<b>91,400</b>	<b>101,000</b>

**(a) Nature and purpose**

The share-based payment reserve is used to record the fair value of Incentive Options issued by the Group.



## (b) Movements in share-based payments reserve during the past two years

	Number of options 31 December 2017	Number of options 31 December 2016	\$ 31 December 2017	\$ 31 December 2016
Opening balance	20,000,000	54,150,000	84,000	1,409,600
Expired during the period	(10,000,000)	(34,150,000)	(*)(42,000)	(1,367,600)
Exercised during the period	(4,800,000)	-	(9,600)	-
Granted during the period	13,000,000	-	59,000	(*)42,000
Closing balance	18,200,000	20,000,000	91,400	84,000

(\*):20,000,000 options were granted to John Annand (previous Company Secretary) and Shelley Robertson (CEO) on 10 July 2015 and they were fully vested by 30 June 2017. The 10,000,000 options granted to John Annand lapsed upon his resignation in July 2016.

## 7. Commitments

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 when application is made and at other times. These obligations are not provided for in the financial report and are payable:

	\$
Within one year	308,090
One year or later and no later than five years	10,804,870
Later than five years	-
<b>Total</b>	<b>11,112,960</b>

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 order, discussions and negotiations with the relevant regulatory bodies take place on an as required basis to amend the timing of permit commitments where possible so as to align the permit commitments with the financial capacity of the Group. 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.

## 8. Subsequent Events

On 6<sup>th</sup> February the 3C Group exercised 60,000,000 million Unlisted Options had an exercise price of \$0.0024 per option. The Company raised A\$144,000 from the issue. 60,000,000 shares were allotted on 10<sup>th</sup> February 2018.

On 13<sup>th</sup> February the Company issued a total of 66.5 million new shares to the 3C Group at an exercise price of \$0.0024 per share under a Follow On Placement right granted in February 2017. The Company raised A\$160,000 from the issue.



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### Independent Review Report to the Members of Norwest Energy NL

#### The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Norwest Energy NL for the half-year ended 31 December 2017.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2017 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Norwest Energy NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

#### Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

#### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Norwest Energy NL is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2017 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay Auditing

Graham R Swan FCA  
Partner

Dated 12 March 2018



Chartered Accountants