

Announcement to ASX

8 July, 2019

SIGNIFICANT NEW OIL PROSPECT IN EP368

HIGHLIGHTS

- Large, conventional oil prospect delineated in exploration permit EP368
- Geological chance of success enhanced by recent seismic data reprocessing
- Robust structure with potential for excellent reservoir quality in the Kingia and High Cliff Sandstone formations
- Prospective Recoverable Resources of up to 61 MMbbls (gross, 100%)
- Follow up lead offers excellent potential in event of exploration success
- Joint Venture decision on forward plan expected in July

Norwest Energy NL (ASX: NWE) is pleased to provide further information regarding the newly developed conventional oil prospect, situated in exploration permit EP368 of the Perth Basin, as mentioned in the Company's March Quarterly Activities Report (ASX release dated 30 April 2019).

Like many Perth Basin explorers, Norwest Energy has re-evaluated the oil and gas prospectivity of its portfolio in light of the Waitsia gas discovery. Waitsia is located just 5 kms to the west of EP368 (Figure 1), which is the subject of a joint venture between Norwest Energy and Energy Resources Limited, a wholly owned subsidiary of Mineral Resources Limited. The Waitsia discovery has opened up an exciting new petroleum play within the basin by encountering a very significant hydrocarbon accumulation within the Lower Permian Kingia and High Cliff Sandstone formations.

Springy Creek was until recently a structural lead, which has been upgraded to a drillable prospect following 2D seismic reprocessing undertaken by Norwest Energy.

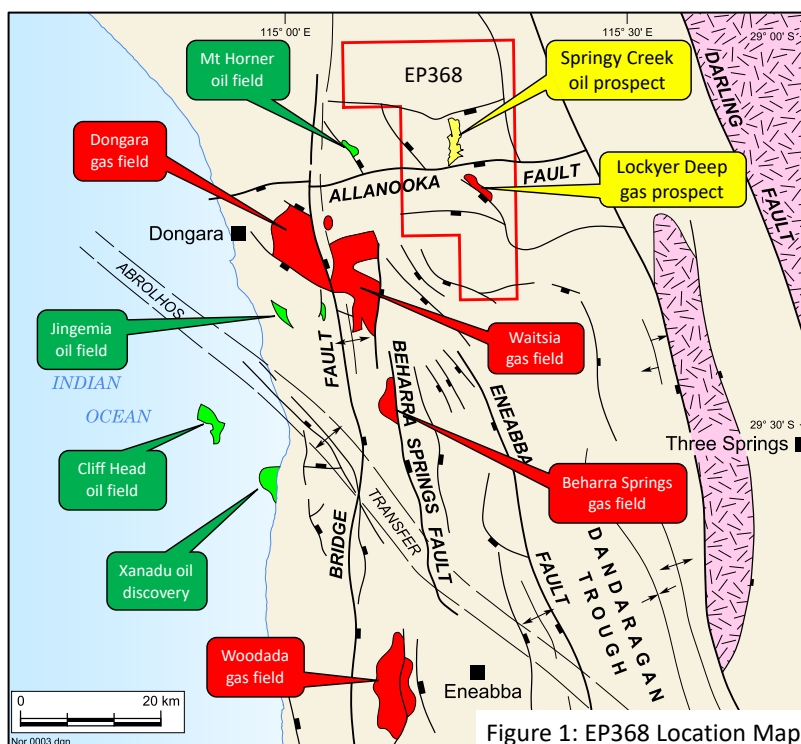


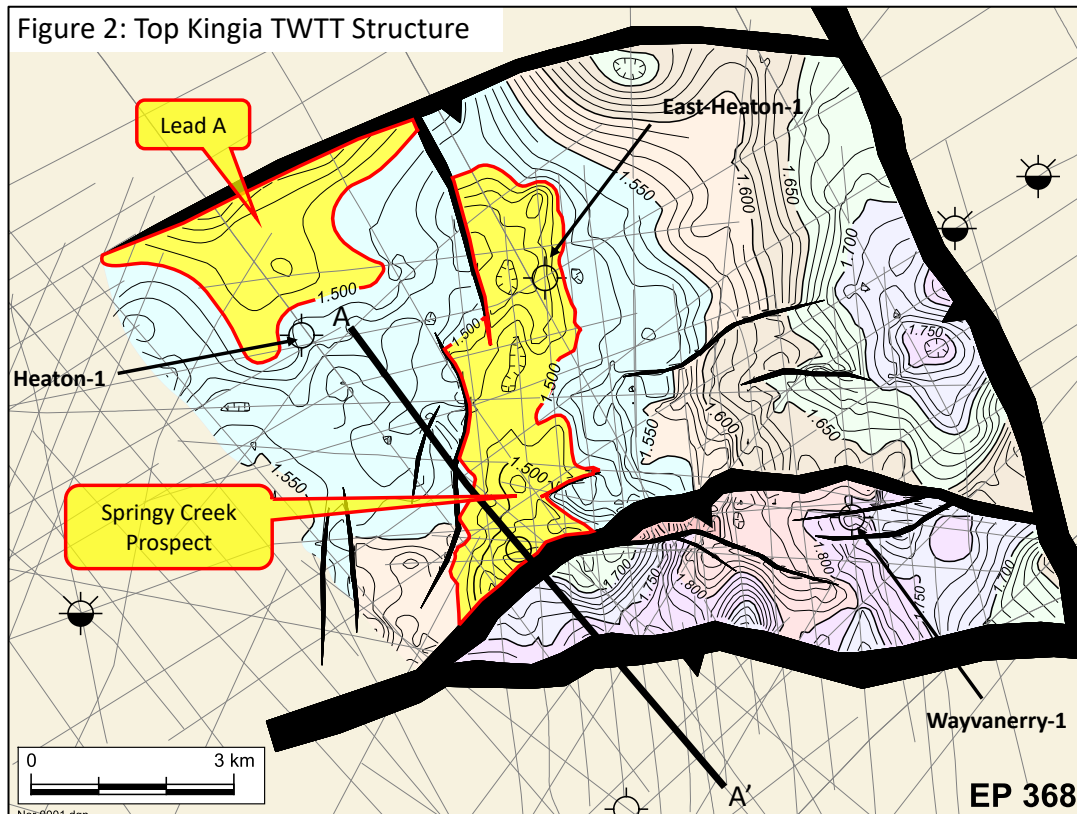
Figure 1: EP368 Location Map

The structure has been mapped with a southern culmination, abutting the Allanoooka Fault, and a northern culmination in the vicinity of the East Heaton-1 well, which was drilled in 1985 and terminated above the Kingia Formation. The prospect offers significant potential for sizeable oil accumulations within both the Kingia and the High Cliff Sandstone formations which, based on well intersections in the wider region, are prognosed to incorporate thick, high-quality reservoir sand units at the prospect location at target depths of 2,470 metres and 2,570 metres respectively.

Norwest Energy's estimate of the Prospective Resources (recoverable) for the prospect is summarised below:

Risking scenario	Trapping Structure	Reservoir formation	Gross Prospective Resources, MMbbls	NWE Interest (20%), MMbbls
Low case	South culmination	Kingia + High Cliff	8.6	1.7
Mid case	South & north culminations	Kingia only	28.7	5.7
High case	South & north culminations	Kingia + High Cliff	61.1	12.2

The greater Springy Creek structure (Figures 2 and 3), encompassing the southern and northern culminations, covers an area of 10.1 km² and is an elongate N/S trending three-way dip closure with fault closure to the south. Reservoirs within this robust structural feature are predicted to be sourced by oil migrating from the proven Kockatea Shale oil kitchen to the south. The prospect is situated within a structural setting comparable to that of the Mt. Horner oil field, located some 15kms to the west, which similarly was sourced by oil migrating from the south.



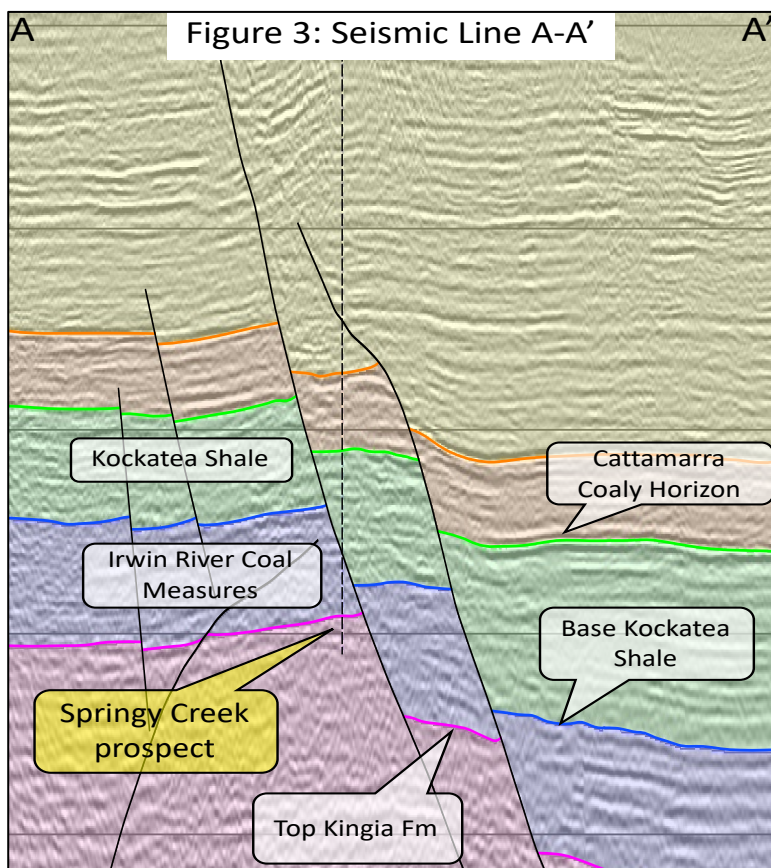
Top seal for the Kingia Fm is provided by the Lower Irwin River Coal Measures, as in the Waitsia wells. Underlying the Kingia Fm is a 50-70m interval of the Bit Basher Shale which provides the top seal for the High Cliff Sandstone. Cross-fault seal to the south is provided by the Irwin River Coal Measures.

The Heaton-1 and East Heaton 1 wells, drilled within the vicinity of Springy Creek, did not extend beyond the Carynginia and Irwin River Coal Measures formations respectively, and so did not test the underlying Kingia or High Cliff Sandstone formations. Norwest Energy's estimate of Geological Chance of Success (GCoS) for the prospect is 25%. In the event of exploration success, significant upside potential is evident in Lead A, located some 2 kms to the northwest of Springy Creek and covering an area of some 5.7 km².

Norwest Energy looks forward to providing a further update in due course. Joint Venture partners in the EP368 exploration permit are as follows:

Energy Resources Limited, a wholly owned subsidiary of Mineral Resources Limited (Operator, 80%)

Norwest Energy NL (20%)



Notes:

1. Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) and relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a chance of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
2. The estimates of Prospective Resources included in this announcement have been prepared in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE). The PRMS defines prospective resources as those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.
3. Gross Prospective Resources are 100% of the on-block volumes estimated to be recoverable from the prospect in the event that a discovery is made and subsequently developed. The Prospective Resources have been estimated deterministically.
5. The volumes reported are “unrisked” in the sense that the Geological Chance of Success (GCoS) factor has not been applied to the designated volumes.
6. The Prospective Resources reported within this ASX announcement have been estimated by Mr Dean Powell of Powell Seismic Services. Mr Powell has over 40 years' experience as a Geoscientist within the Oil & Gas Industry and is a member of Society of Exploration Geophysicists, Society of Petroleum Engineers and the Petroleum Exploration Society of Australia. Mr Powell has consented to the contents of this announcement being released to the ASX.

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