

Announcement to ASX

20 December 2019

INCREASED CHANCE OF SUCCESS FOR LOCKYER DEEP PROSPECT

HIGHLIGHTS

- Recent exploration success by Beach/Mitsui at Beharra Springs Deep mitigates the primary geological risk for the Lockyer Deep prospect
- Norwest Energy's Geological Chance of Success for the Lockyer Deep Prospect increased to 38%
- Lockyer Deep-1 to be drilled H1 2020 and offers prospective resources of up to 1.12 Tcf gas*

Norwest Energy NL (**ASX: NWE**) is pleased to advise that, subsequent to the Company's announcement of 9 December 2019, it has completed its internal assessment of the Geological Chance of Success (GCoS) for the Lockyer Deep prospect further to the recent gas discovery by Beach Energy and Mitsui E&P Australia at Beharra Springs Deep. As announced by Beach Energy on 16 December 2019, Beharra Springs Deep-1 was flow tested within the Kingia Formation and achieved a constrained flow rate of up to 46 MMscfd gas.

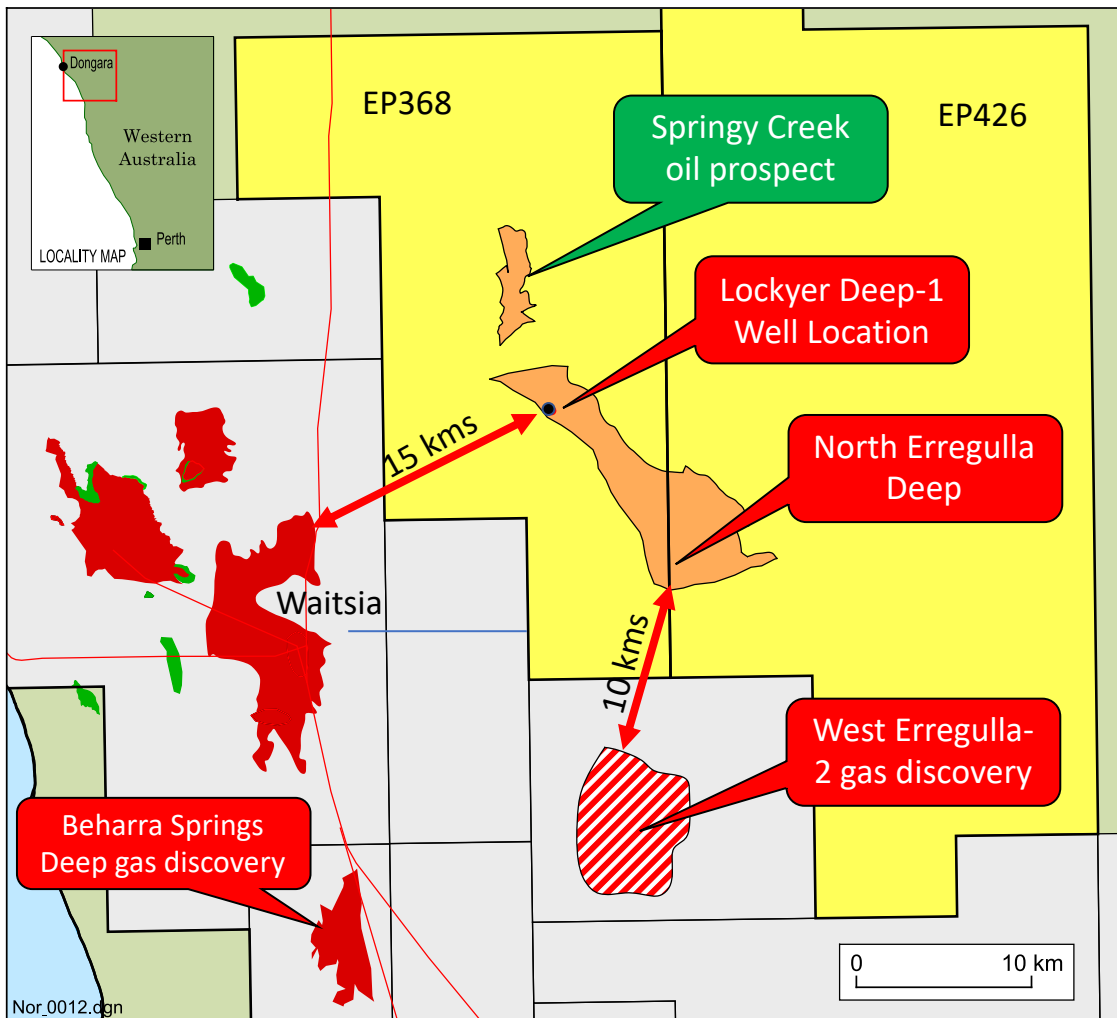


Figure 1: Lockyer Deep-1 Well Location

Prior to this recent result Norwest Energy's estimate of GCoS for Lockyer Deep-1 was 29%. However the discovery of a significant gas accumulation within the Kingia Formation at Beharra Springs Deep has substantially increased this estimate due to structural similarities between the discovery and prospect.

Figure 2 shows representative E-W trending seismic lines across the Beharra Springs Deep discovery and the Lockyer Deep prospect. The features are essentially "mirror images", being three-way-dip-closed structures that rely on sealing by major N/S trending bounding faults, to establish a trap for migrating gas. Importantly for Lockyer Deep no gas-water contact was encountered within Beharra Springs Deep-1, indicating that the structure may be "full to spill" and that the easterly bounding fault provides a fully competent seal to the trap. This seal may be provided by favourable juxtaposition of the formations across the fault and/or the fault sealing due to "clay gouge".

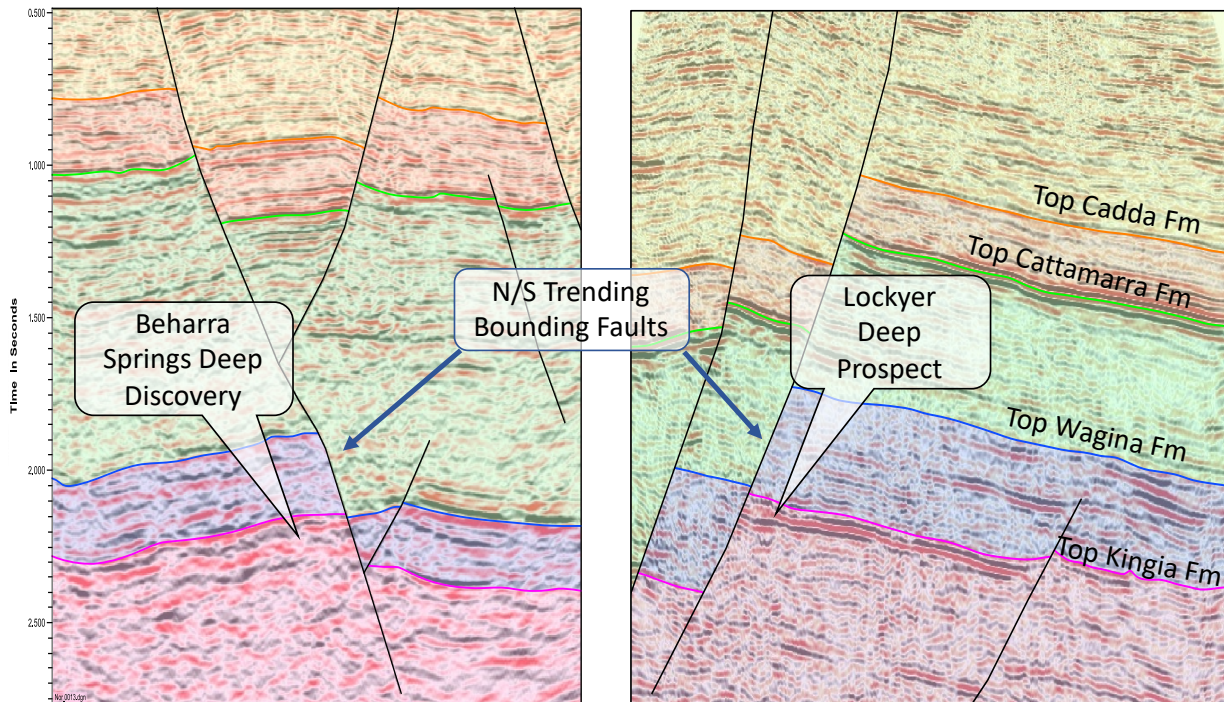


Figure 2: Seismic Examples Across Beharra Springs Deep and Lockyer Deep

Lockyer Deep exhibits a very similar structure style to Beharra Springs Deep, with comparable juxtaposition of formations across the bounding faults and a comparable compressional regime for the westerly bounding fault. Increased confidence in the presence of fault-seal has led to Norwest Energy decreasing its primary geological risk for Lockyer Deep-1, resulting in an increased GCoS for the prospect of 38%.

Norwest Energy Funded to Drill Lockyer Deep-1 in H1 2020

Further to completion of the recent placement and Share Purchase Plan Norwest Energy is funded to participate in the Lockyer Deep-1 exploration well at the Company's full 20% working interest. The EP368 Joint Venture Operator has secured land access for the surface location, and is presently working to secure a suitable drilling rig for drilling in H1 2020.

* As per its ASX Announcement of 9 December 2019, Norwest Energy has approved a Joint Venture Operating Committee resolution put forward by the Operator for drilling of Lockyer Deep-1. Subsequent signing by the Operator of the Joint Venture Operating Committee resolution remains subject to Mineral Resources' Board approval of its 2020 petroleum exploration program. The prospective resources and GCoS quoted within this announcement are based on Norwest Energy's own internal estimates; not those of the Operator.

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. Refer to Company announcement of 28 October 2019 for full details.


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 and GCoS reported within this ASX announcement have been estimated by Mr Dean Powell of Powell Seismic Services. Mr Powell has over 40 years of 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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