



**norwest**  
ENERGY NL



# 2015 Annual General Meeting

11 November 2015





# Agenda

OPEN MEETING – WELCOME

CHAIRMAN'S ADDRESS

CORPORATE PRESENTATION – JOHN ANNAND

FORMAL BUSINESS

CLOSE OF MEETING



**norwest**  
ENERGY NL



# Chairman's Address

Michael Fry





**norwest**  
ENERGY NL



# Corporate Presentation

John Annand







# Contents

- Year in review
- Perth Basin overview
- Portfolio overview
- Strategy and outlook
- Summary





# Disclaimer

- The information contained in this Presentation or subsequently provided to the Recipient of this Presentation whether orally or in writing by or on behalf of Norwest Energy NL (“NWE”) or their respective employees, agents or consultants (“Information”) is provided to the Recipients on the terms and conditions set out in this notice.
- The Presentation contains reference to certain intentions, expectations and plans of NWE. Those intentions, expectations and plans may or may not be achieved. They are based on certain assumptions which may not be met or on which views may differ. The performance and operations of NWE may be influenced by a number of factors, many of which are outside the control of NWE. No representation or warranty, express or implied, is made by NWE or any of its respective directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved.
- The Presentation does not purport to contain all the information that any existing or prospective investor may require. It is not intended to be a complete or accurate statement of material information. In all cases, before acting in reliance on any information, the Recipient should conduct its own investigation and analysis in relation to the business opportunity and should check the accuracy, reliability and completeness of the Information and obtain independent and specific advice from appropriate professional advisers.
- The Recipient should not treat the contents of this Presentation as advice relating to legal, taxation or investment matters and should consult its own advisers. NWE and its advisers take no responsibility for the contents of the Presentation.
- NWE makes no representation or warranty (express or implied) as to the accuracy, reliability or completeness of the information. NWE and its respective directors, employees, agents and consultants shall have no liability (including liability to any person by reason of negligence or negligent misstatement) for any statements, opinions, information or matters (express or implied) arising out of, contained in or derived from, or for any omissions from the Presentation, except liability under statute that cannot be excluded.
- NWE is not aware of any new information or data that materially affects the information included in any market announcement referenced throughout the Presentation and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.



# Year in review

## Update on the last 12 months

- Successful completion of EP413 Arrowsmith Project 3D seismic acquisition
  - within budget and incident free
  - achieved with local stakeholder support
- Identification of Lockyer Deep prospect within EP368
  - successful completion of airborne geophysical survey
- Farm-out of TP/15
  - macro economic conditions were not conducive to a successful farm-out process
  - we are encouraged by the continued interest in the Xanadu prospect
  - farm-out remains a priority in the year ahead and the permit remains in good standing with DMP while this process is ongoing
- Increased our footprint within the northern Perth Basin
  - formal award of EP492
  - acquired rights over SPA-16 AO
  - combined these permits add over 1,600km<sup>2</sup> to our footprint
- Awarded P2265 in the Wessex Basin, southern United Kingdom
- Strengthened relationships with other Perth Basin operators to investigate opportunities to achieve common goals



# Year in review

## Market conditions

- Collapse in global oil prices
- Oil and gas sector in Australia has been impacted, for both producers and explorers
- Supermajors down to the micro-cap companies have all suffered
- Broad range of forecasts from analysts and markets for 2016 oil prices, but consensus is oil price environment will remain low
- However, global downturn does provide opportunities for Perth Basin explorers and developers
  - exploration costs continue to fall in the Perth Basin
  - with reduced activity elsewhere, service providers and investors are looking to the Perth Basin
  - ability now exists to competitively tender for major contracts

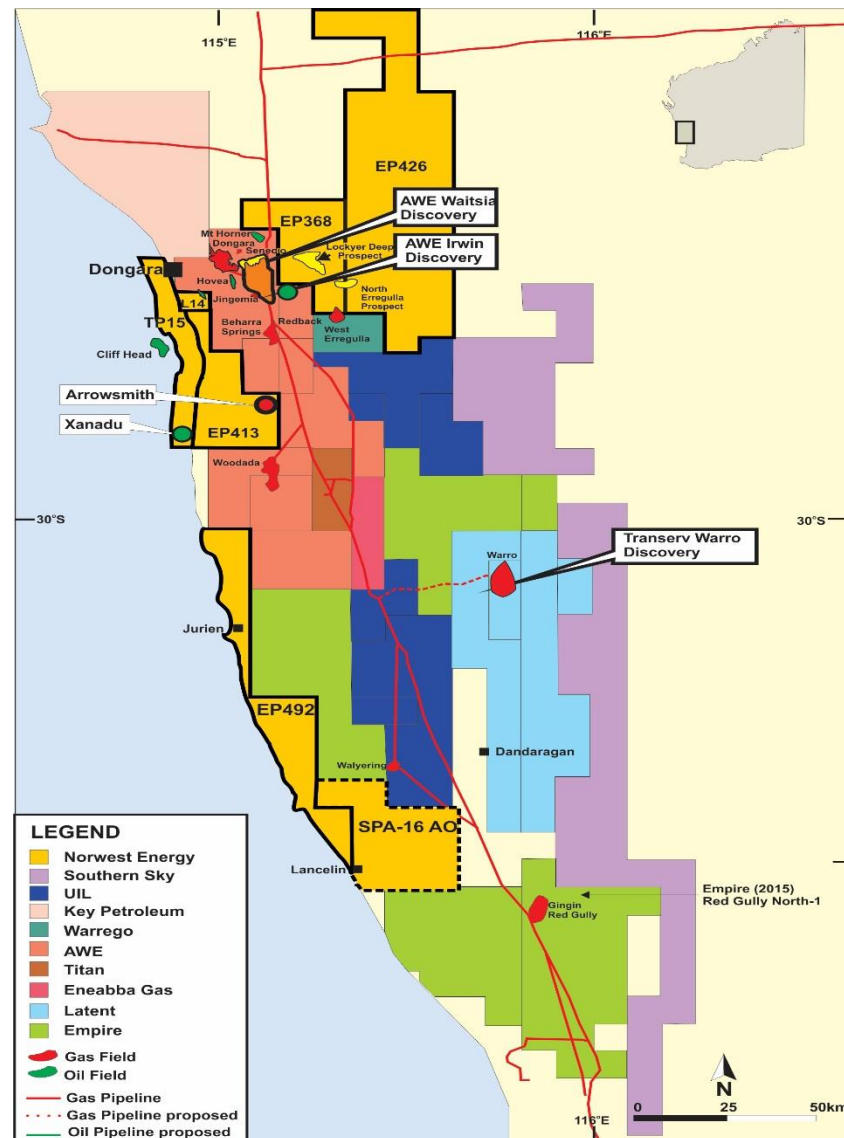




# Perth Basin - overview

## We are in the right place

- ✓ Proven hydrocarbon province with multiple producing oil and gas fields
- ✓ Even though underexplored, since 1990 the Perth Basin has demonstrated a 1 in 4 chance of commercial success
- ✓ Recent drilling success highlights the opportunity for major new discoveries to be made
- ✓ In close proximity to pipeline infrastructure servicing the Western Australian domestic gas market
- ✓ Attractive economics resulting from falling service and drilling costs within a strong gas market
- ✓ Perth Basin continues to position itself to become a centre of growing exploration, development and corporate activity





# Perth Basin - overview

## Recent activity has brought a renewed focus to the Basin

- AWE's recent 4 well drilling program identified the Waitsia field
- Transerv's recent 2 well drilling program confirms the existence of the Warro field
- Norwest completed EP413 Arrowsmith 3D seismic acquisition program
- Empire Oil and Gas completed an airborne geophysical survey over a large portion of the basin including Norwest's EP368/EP426; Lockyer Deep prospect identified
- Warrego Energy completed West Erregulla 3D seismic acquisition program
- Empire Oil and Gas to spud the Red Gully North well in the near future
- Elixir Petroleum announces the acquisition of AWE's share of the producing Cliff Head oil field
- Origin Energy to place it's Perth Basin assets on the market

Norwest has the opportunity to capitalise on the increased activity in the Basin through renewed investor interest and cheaper contracting prices for future exploration activity

---

# NORWEST'S ASSETS





# Portfolio Overview

## Perth Basin

- Attractive area with recent exploration success
- Norwest permits are optimally located within the basin
- Norwest permits cover both conventional and unconventional prospects

## Wessex Basin

- Adds optionality to our portfolio of assets
- Targeting conventional oil prospects
- P2265 located directly adjacent to the producing Wytch Farm oil field

Primary focus will remain on the Perth Basin



# Perth Basin – permit overview

Permit	Acreage (100%)	Interest	Operator
EP413	508.3 km <sup>2</sup>	27.945%	Norwest Energy NL
TP/15	645.8 km <sup>2</sup>	100%	Norwest Energy NL
EP492	860.0 km <sup>2</sup>	100%	Norwest Energy NL
SPA-016 AO	805.0 km <sup>2</sup>	100%	Norwest Energy NL
EP368	600.3 km <sup>2</sup>	20%	Empire Oil & Gas
EP426	2360.0 km <sup>2</sup>	22.22%	Empire Oil & Gas
L14	39.8 km <sup>2</sup>	6.278%	Origin Energy

## Norwest has three near term drill ready targets within the Perth Basin

EP413	Arrowsmith-3	horizontal multi-stage stimulated well
EP368	Lockyer Deep-1	targeting the Kingia Formation, directly adjacent to Waitsia discovery
TP/15	Xanadu-1	targeting 160 mmbbls <sup>1</sup> conventional oil

1. Refer Norwest Energy NL (ASX: NWE) ASX Announcement dated 29 October 2014

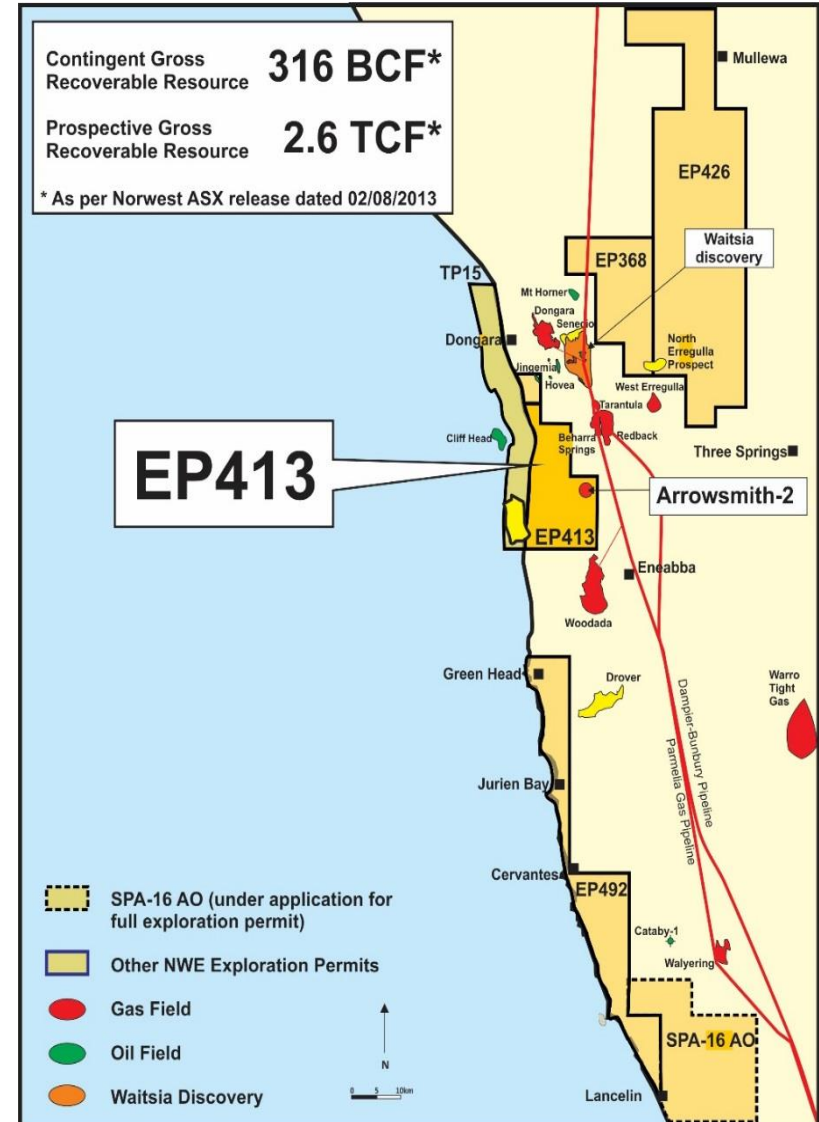




# EP413 – Arrowsmith Project

## 2015 achievements and progress

- ✓ The EP413 3D seismic acquisition program is now complete
- ✓ Final stages of processing and interpretation are due for completion late Q4 CY2015 / early Q1 CY2016
- ✓ Results will allow the EP413 JV to decide upon the target formation and surface location for Arrowsmith-3 (A3) horizontal well



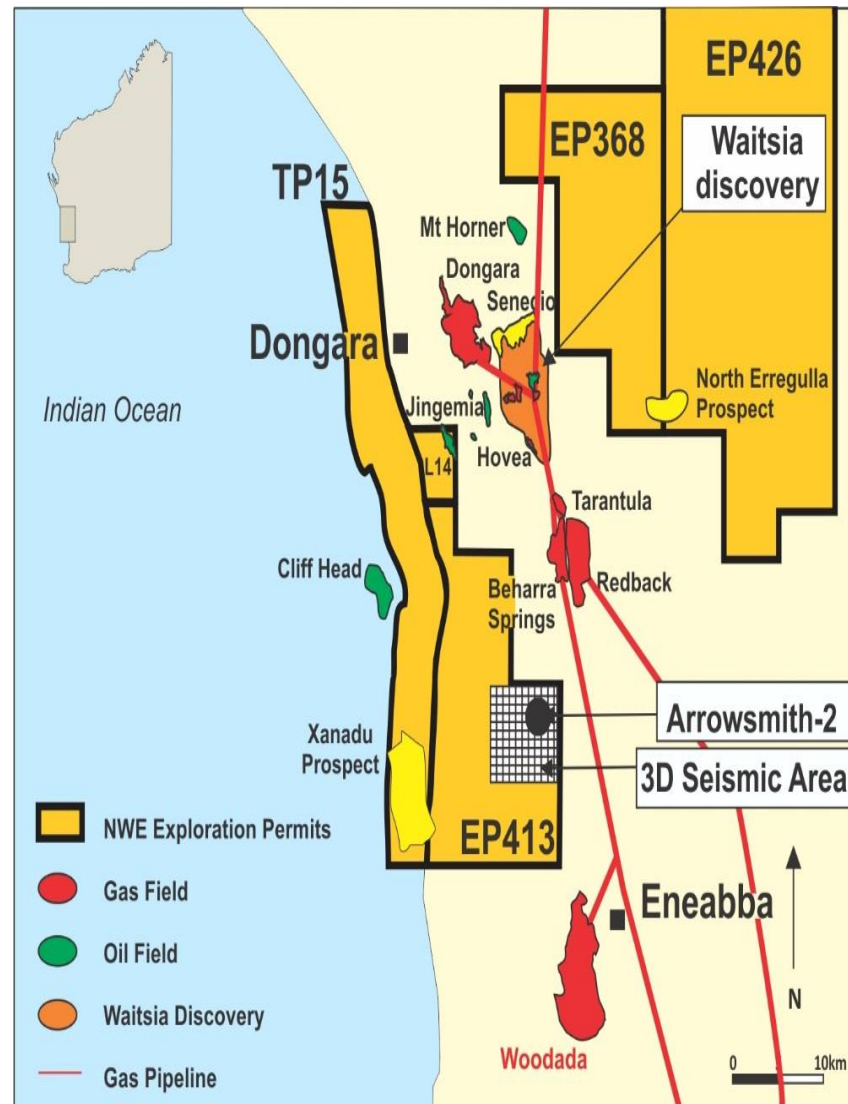


# EP413 – Arrowsmith Project

## Looking ahead

- ✓ Pending a final decision by the JV, the much anticipated drilling of A3 will commence as soon as the necessary planning and approvals phases are complete
- ✓ EP413 presents an enormous opportunity for the company, with the drilling of A3 placing Norwest one step closer to the reality of developing the Arrowsmith Field

EP413	Interest
Norwest (Operator)	27.945%
AWE	44.252%
Bharat PetroResources	27.803%





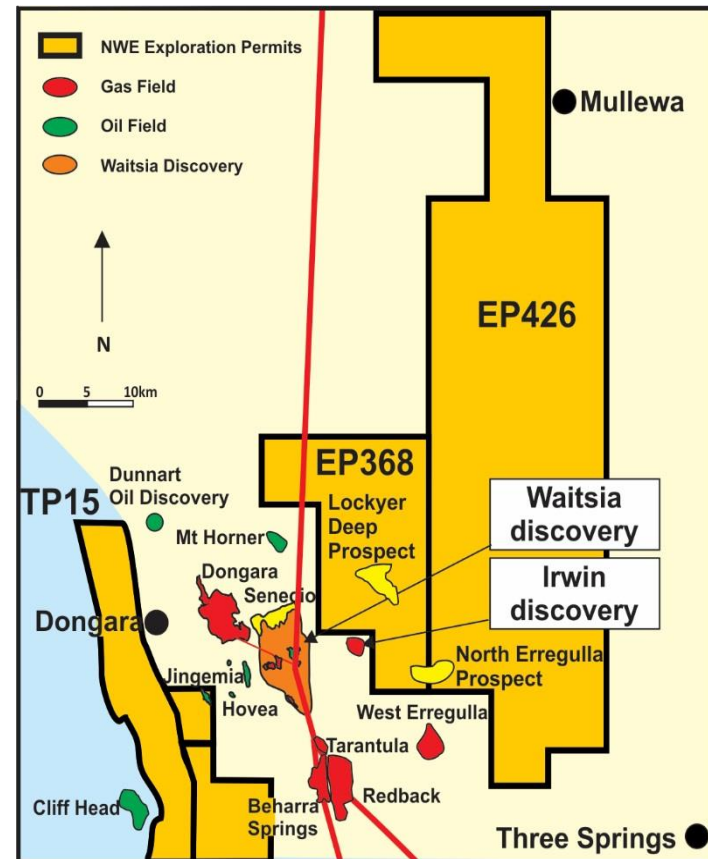
# EP368 and EP426

## 2015 achievements and progress

- ✓ Airborne geophysical survey completed in Q2 CY2015 over EP368 & EP426
- ✓ Lockyer Deep prospect identified as potential extension of the Waitsia – Kingia Formation play

## Looking ahead

- ✓ Planning is underway to drill the Lockyer Deep prospect in CY2016
- ✓ North Erregulla still considered an excellent follow up prospect, with an estimated potential of 25\* MMbbls un-risked prospective recoverable oil with prospective gas at greater depths
- ✓ Additional prospective trends highlighted in the aerial survey are also being worked up
- ✓ The Waitsia discovery has opened up a new play to chase in the Kingia Formation and EP368 is in an optimal location, immediately adjacent to the Waitsia discovery



\* As reported by Empire Oil and Gas NL in ASX release dated 31<sup>st</sup> October 2013

	EP368	EP426
Norwest	20%	22.22%
Empire Oil & Gas (Operator)	80%	77.78%



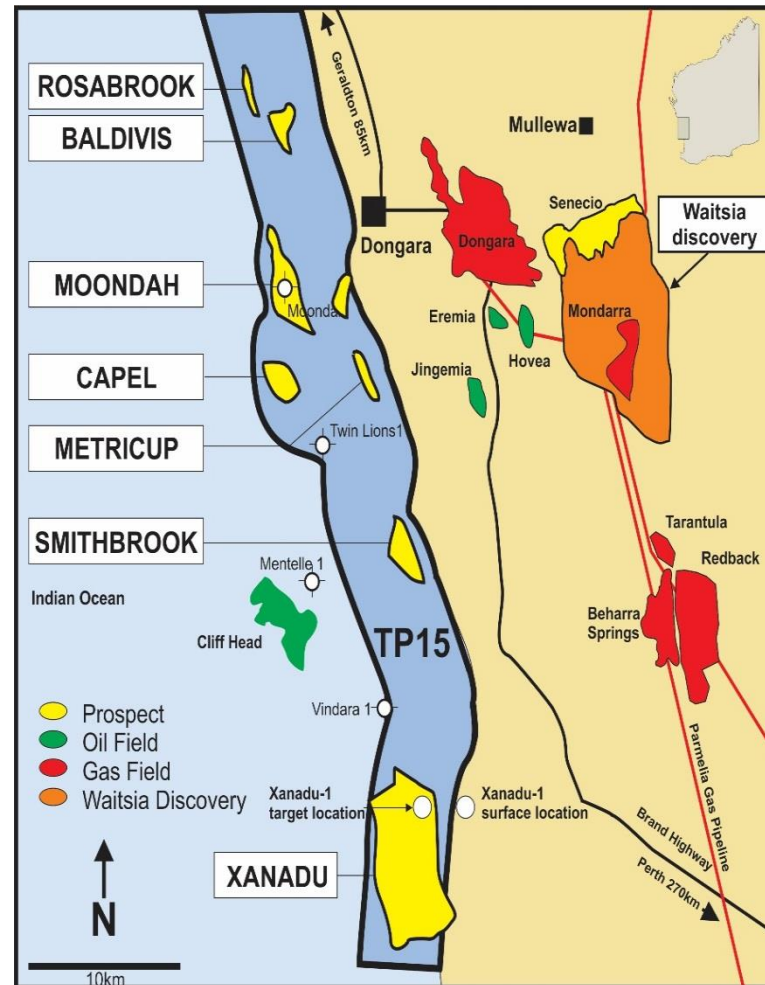
# TP/15 – Xanadu Prospect

## 2015 achievements and progress

- ✓ Current state of oil and gas sector has made it challenging to secure a farm-in partner for TP/15
- ✓ A number of parties remain interested in participating, but preference is to see 3D seismic completed prior to drilling

## Looking ahead

- ✓ Farm out process remains a priority
- ✓ Recent tender process indicates a dramatic reduction in seismic acquisition costs, making this concept more attractive as a pre-cursor to drilling. Consideration being given for completing a targeted 3D acquisition over the Xanadu structure to confirm Xanadu-1 optimal drilling location
- ✓ Farm-in terms likely to be more attractive to Norwest with supporting evidence provided by 3D data
- ✓ Acquisition of 3D seismic still allows Xanadu-1 to be drilled in 2016



TP/15	Interest
Norwest	100%





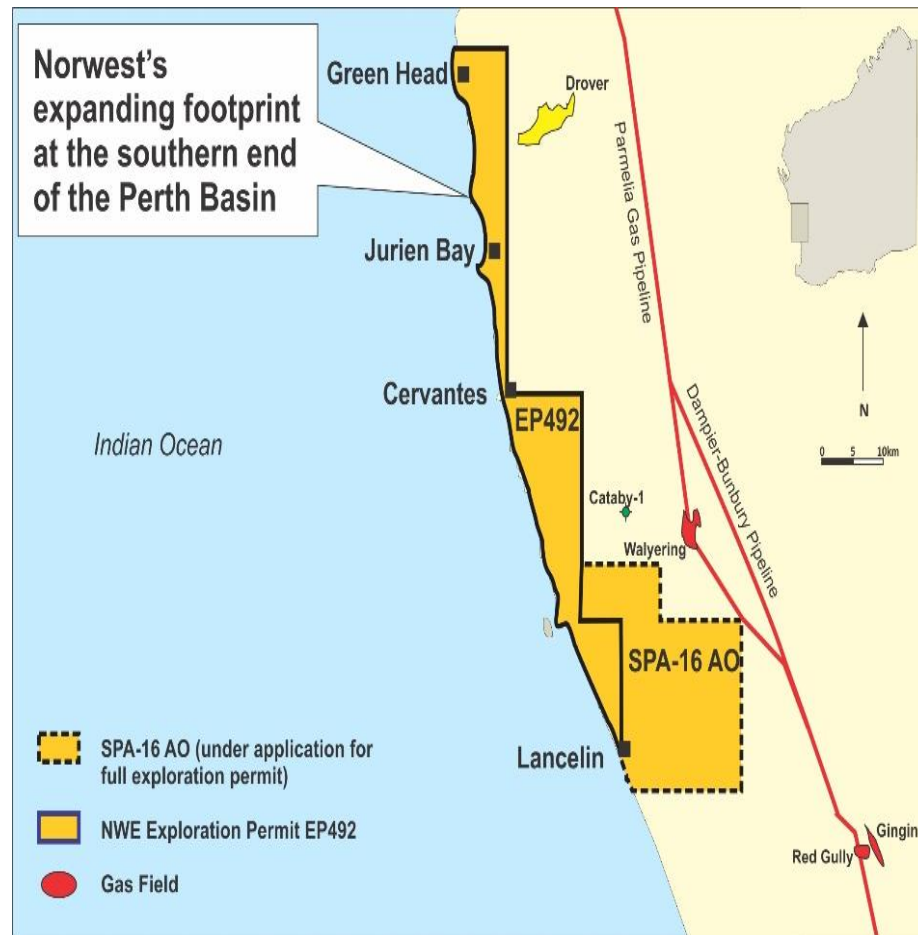
# EP492 and SPA

## 2015 achievements and progress

- ✓ Formal award of EP492
- ✓ Acquired the rights over SPA-16 AO (SPA)
- ✓ Increased basin footprint by 1,665km<sup>2</sup>
- ✓ At a time when acreage in the basin is highly sought after, this is seen as a strategic highlight for the company

## Looking ahead

- ✓ A modest work program over EP492 including acquisition of minimal 2D seismic keeps commitment low so that focus can remain on the more advanced projects in the project pipeline during the current market downturn
- ✓ Norwest is committed to working through the process to have the SPA converted into a full exploration permit



	EP492	SPA-016 AO
Norwest	100%	100%





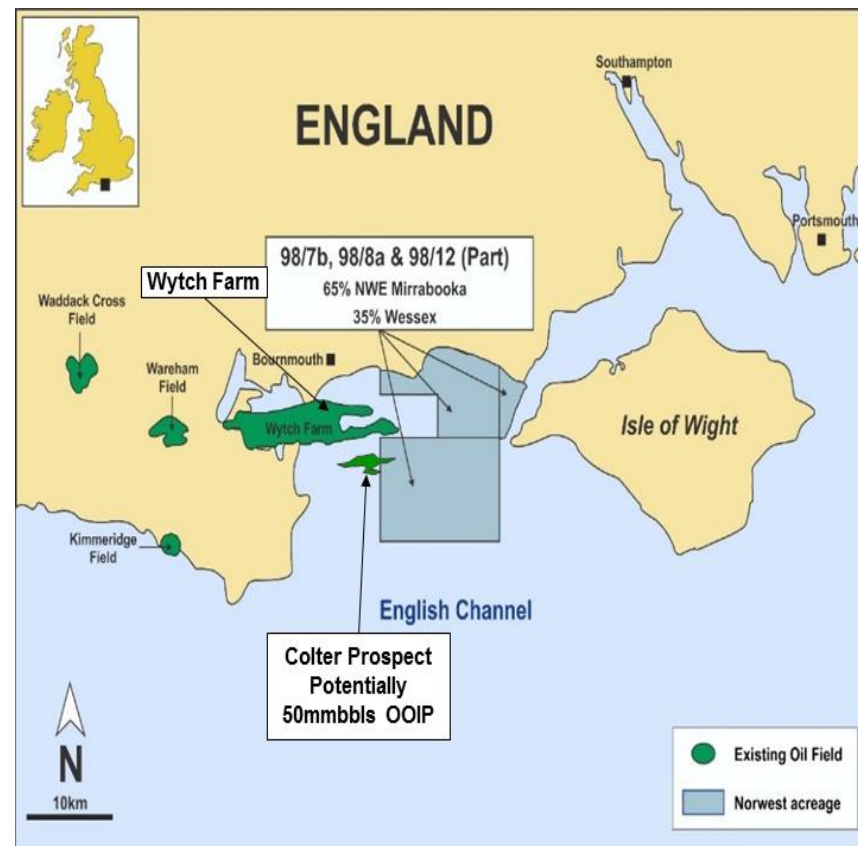
# Wessex Basin – United Kingdom

## 2015 achievements and progress

- ✓ Maintained foothold in southern England via the recent award of a promote licence over three blocks 98/7b, 98/8a and 98/12 (part), providing geographical diversification in a highly prospective area
- ✓ Blocks lie east of the producing Wytch Farm oil field, situated in Bournemouth Bay and include conventional oil targets that can be drilled from onshore

## Looking ahead

- ✓ Currently finalising the reprocessing of a significant 2D & 3D dataset over the area, which will provide the basis for both the work program going forward, and the decision to drill



P2265	Interest
Norwest	65%
Hague and London Oil (Operator)	35%



# Project Pipeline

A suite of excellent projects with the opportunity to participate in three near-term wells



Permit	Complete	Next Steps	
EP368/426	AGG Survey ✓	Complete review	Drill Well
EP413	3D ✓	Complete review	Drill Well
TP/15		3D Complete review	Drill Well
EP492		2D acquisition	
SPA-016 AO		Progress application for EP	

---

# STRATEGY & OUTLOOK





# Strategy

## To be an active explorer for oil and gas with strong prospects for growth

- Ensure we have three drill ready targets in place during 2016
- Target project funding to be in a financial position to drill Lockyer Deep-1, Arrowsmith-3, Xanadu-1
- Best position the Company to attract investment interest
  - parties want to invest in the Perth Basin, but they want to invest in the “play”, not individual small cap companies with limited work programmes
- Future proof Norwest to ensure it is in a position to capitalise on its investment already made in the Perth Basin
  - funding in place
  - drill ready prospects in place
  - best in class corporate governance practices in place
- Help shape the regulatory and political environment for oil and gas operations in WA
- Work closely with the local community and stakeholders to instil confidence in the company and our work practices



# Strategy

## To become a Tier 2 Perth Basin player

### Tier 4

Dynasty Metals Australia  
Southern Sky Energy  
CalEnergy Gas  
Perseverance Energy  
Whicher Range Energy  
Dragon Energy  
Bunbury Energy

### Tier 3

Norwest Energy  
Eneabba Gas  
UIL  
Rey Resources  
Key Petroleum  
Warrego Energy  
Pilot Energy  
Elixir Petroleum

### Tier 2

Norwest Energy  
Empire Oil and Gas  
Transerv Energy

### Tier 1

AWE  
Origin Energy

- ✓ Size / Scale
- ✓ Funding
- ✓ Exploration success
- ✓ Producing assets

Norwest to continue to strengthen relationships with other Perth Basin operators to investigate opportunities to achieve common goals

Greater scale = increased opportunities for funding to drive exploration success and value for shareholders

**Norwest shareholder value will increase as we move from Tier 3 to Tier 2**





# Strategy

## Funding

- Norwest proactively exploring a range of funding options that seek to strike a balance between enabling Norwest to drive value from its permits while ensuring shareholders can benefit from that value
- Placement capacity to be refreshed, providing greater flexibility
- Short-term funding will allow the company the time to position itself to best consider any opportunities that will attract medium and longer-term investment in the company and its suite of projects
- Cost cutting initiatives have been implemented across executive salaries, office costs and administration costs in order to conserve future cashflow
- Given the current investment market, thinking “outside of the box” will be required to attract longer term project investment



# Outlook

## Norwest has a very attractive suite of projects

- Given the current market conditions, different thinking is required; it can not be “business as usual” as investor sentiment may remain cautious for the foreseeable future
- However, Norwest has a suite of projects that are investment ready – we need to ensure we are in a position to act when the opportunity presents itself as market conditions improve
- We will continue to drive an active exploration program for our assets and look to capitalise on renewed interest in the Perth Basin
- In order to become a Tier 2 Perth Basin player, Norwest requires the scale to attract the required funding which will provide the opportunity for exploration success

**The northern Perth Basin is the right place to be for Norwest.**

**Recent drilling success in the basin reaffirms Norwest’s strategy of acquiring a large footprint and to remain focussed on progressing its optimally positioned exploration targets.**



# Summary

## Norwest is poised to become the next Tier 2 player in the Perth Basin

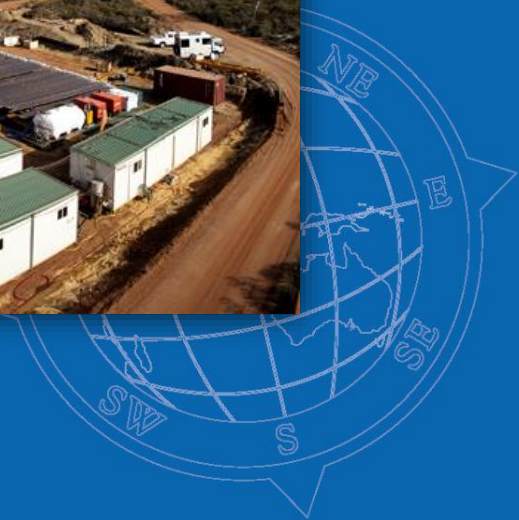
- ✓ Norwest has the portfolio of assets to be an active oil and gas explorer and a clear work program intended to demonstrate the value of those assets
- ✓ The northern Perth Basin is the right place to be
- ✓ With 3 near term drill ready targets, Norwest is well positioned to benefit from the renewed interest in the basin
- ✓ Smaller companies within the basin will need to work together to achieve their common goals
- ✓ Different thinking is required going forward
- ✓ When the right opportunity presents itself, Norwest will be ready

**Norwest shareholders are ideally positioned to leverage off future exploration success in the Perth Basin in 2016**



**norwest**  
ENERGY NL

# Questions?





**norwest**  
ENERGY NL

For further information please contact:

John Annand

Tel: +61 8 9227 3240

Email: [info@norwestenergy.com.au](mailto:info@norwestenergy.com.au)

[www.norwestenergy.com.au](http://www.norwestenergy.com.au)