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Chairman's Address to the 2013 Annual General Meeting

Norwest Energy's Chief Executive Officer, Peter Munachen, will provide a detailed overview of the state of the shale gas industry and our activities, strategy, and outlook following the formal business of the meeting. However, I wanted to first provide you with a brief overview of what Norwest Energy has achieved over the past year and where the Company is heading.

Our core strategy has been to explore the potential of the Northern Perth Basin for shale and tight gas. The primary focus in this has been on successfully and safely developing the Arrowsmith-2 well, which is within the Arrowsmith Project (or EP413). This has been driven by encouraging results from the initial phase of testing that has been running since the hydraulic fracture stimulation program in mid-2012.

We have experienced some challenges at Arrowsmith-2, and I can understand shareholders' frustration during this process. Some of these issues directly relate to Norwest holding early mover status in the Perth Basin, including navigation of the increasingly complex regulatory processes. There were also challenges in obtaining ancillary services necessary equipment to complete the various phases of activity; equipment supply on the west coast is always going to be a challenge.

However, following several months of planning and preparation there were positive results that made these incurred delays worthwhile. On 20 September 2013, Norwest reported flow back at the Arrowsmith-2 vertical well with an initial maximum constrained gas flow rate of 3,523,000scf/d and a continuous flow back period in line with expectations for a vertical fracture stimulated, unconventional well. These results have proved invaluable for our ongoing operations.

The future at Arrowsmith

Arrowsmith-2 is currently shut-in whilst a forward plan is developed to commence the final phase of testing. The plan is to re-enter the well and remove the faulty gas mandrel, then to run a production logging tool in order to assess the gas contributions from each formation being tested. This will be the final stage in the evaluation program for Arrowsmith-2, and this final data set will enable Norwest to further enhance the existing comprehensive database of the Basin's prospectivity, enabling us to plan with confidence for the future.

Following this project phase, planning will then commence for the drilling and hydraulic stimulation of a horizontal pilot well, Arrowsmith-3, based on the results from the current completion testing program. Possibly as one of the first horizontal shale gas wells to be drilled and fractured in Western Australia, Arrowsmith-3 will represent a significant milestone for the emerging shale gas industry in WA.

Strategy

The current focus for Norwest is to finalise the proof of concept appraisal program and underpin plans for future development. Peter will provide more detail in his presentation, but on behalf of the Board I wanted to add that we are looking forward to the next stage at Arrowsmith as we continue on the development pathway.

I would like to take this opportunity to thank our joint venture partners at Arrowsmith, AWE Limited and Bharat Petro Resources Limited, for their continued support, and look forward to working alongside them into the future.

As operator, we remain mindful of the concerns that have been raised about the potential impacts of hydraulic fracturing. My fellow Board members and the team at Norwest are committed to being transparent about our operations, educating our stakeholders and forming positive, long-lasting and two-way relationships with the communities in which we operate.

Outlook

For the coming year, our core focus is on the Arrowsmith Project. The ongoing exploration and development initiatives we have planned will require access to capital and we are actively seeking partners to fund key projects. We have appointed experienced corporate advisory group, RFC Ambrian, to assist in this regard.

With such a busy year planned for 2014, I would like to take this opportunity to thank our management and consultant teams, led by our CEO Peter Munachen. Peter, the Board and executive management team are dedicated to progressing with our strategic initiatives that will help drive value to our shareholders. I would like to thank shareholders for their patience and look forward to their ongoing support.

The Perth Basin has continued to evolve and experience strong interest. Aside from the prospective resource, we are encouraged by key value drivers in the region such as the proximity to pipeline infrastructure and the high domestic gas prices. The shale industry is a developing story in this State and we are excited that Norwest is part of driving this story ahead.

I will now move to the formal proceedings of today's meeting, but invite you to ask myself or any of my fellow Board members questions after the presentation that Peter will deliver.

Thank you

MJ Fry