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Approval granted for TP15 Xanadu Seismic Survey

HIGHLIGHTS

- **40 km² 3D seismic survey acquisition approval granted**
- **Ordering of long-lead items commencing**
- **Mobilisation expected to commence mid-April upon receipt of long-lead items, with seismic acquisition planned to begin during the first week of May**

Norwest Energy NL (ASX:NWE) (Norwest or the Company) is pleased to report that the company has today received the required necessary State Government regulatory approvals to proceed with its planned Xanadu 3D seismic survey.

Ordering of long-lead items for the planned Xanadu 3D seismic survey will now commence. Now that these approvals have been granted it is anticipated that mobilisation to site will begin in mid-April, with the survey acquisition commencing in the first week of May, pending arrival of the necessary equipment and suitable weather conditions. Processing and interpretation of the data will follow, the results of which should become available during Q4 CY2019.

Norwest Managing Director and CEO, Shelley Robertson, commented:

“We are very pleased to finally be granted approval to proceed with the survey. It has been a long process, however now it is time to begin with project implementation, to get the acquisition program underway as soon as possible.”

“Notwithstanding the delays, the timing of this approval has worked in our favour, as the mid-year period usually provides optimal weather conditions relating to wave height and wind strength, which should improve the quality of our data and minimise the acquisition timeframe. The results of the survey will make a significant contribution toward defining the commercial potential of the Xanadu project.”

“Norwest has recently updated the market on increased exploration potential within the L14 production licence and, coupled with this Xanadu approval, we have had a run of good news. Additional work on our other permits is also continuing and shareholders will be notified of any material developments as they arise.

“2019 is shaping up to be an exciting year for Norwest shareholders, and I look forward to a busy and productive year for the Norwest team.”

Shareholders should refer to the Company’s announcement dated 11 February 2019 for information regarding the additional exploration potential within the L14 production licence.

The Company will keep shareholders informed of progress regarding this 3D seismic survey program in due course.

BACKGROUND

The Xanadu Prospect is located in state waters in exploration permit TP/15, approximately 300km north of Perth, Western Australia. The Xanadu Prospect targets Permo-Triassic sands from a depth of approximately 800m, located in shallow water immediately adjacent to the coast.

The Xanadu-1 well was spudded on 4 September 2017 and reached a total depth of 2035m MDRT on Sunday 17 September 2017, 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.

Subsequent oil and fluid testing from Xanadu-1 samples confirmed similarity with the oil produced at Cliff Head, meaning that Cliff Head can be used as an analogue in developing future exploration, appraisal, production and development scenarios at Xanadu. The Cliff Head oil field and onshore production processing facility is located approximately 14km to the north of Xanadu.

XANADU 3D SEISMIC ACQUISITION PROGRAM

Due to the successful drilling program at Xanadu-1, the Joint Venture agreed to commence planning a 3D seismic acquisition program over the Xanadu structure, and a tender process was subsequently carried out. Leading global service provider Synterra Technologies Pty Ltd was awarded the contract, and the Joint Venture subsequently approved the associated budget and AFE for the program, meaning the ordering of long-lead items can now begin.

The TP/15 permit has limited 2D seismic coverage, and by acquiring 3D seismic, the Xanadu structure can be mapped in much greater detail. The 40 km² area is designed to fully map the

northern up-dip region, and the southern down-dip region extending out to the western flank of the Xanadu structure. Refer to Figure 1 below for the survey acquisition envelope, highlighting the up-dip and down-dip areas of interest.

Once the survey data has been processed, interpreted and integrated with Norwest’s existing dataset, the TP/15 Joint Venture will consider an appraisal well on the Xanadu structure. The seismic data will enable the well surface location and trajectory to be optimally designed to provide the best chance for a significant commercial appraisal.

The TP/15 Joint Venture remains fully committed to the development of the Xanadu Discovery, and a five-year permit renewal was granted during CY2018, with the Xanadu 3D seismic survey fulfilling the Year One commitment of the approved 5-year work program.

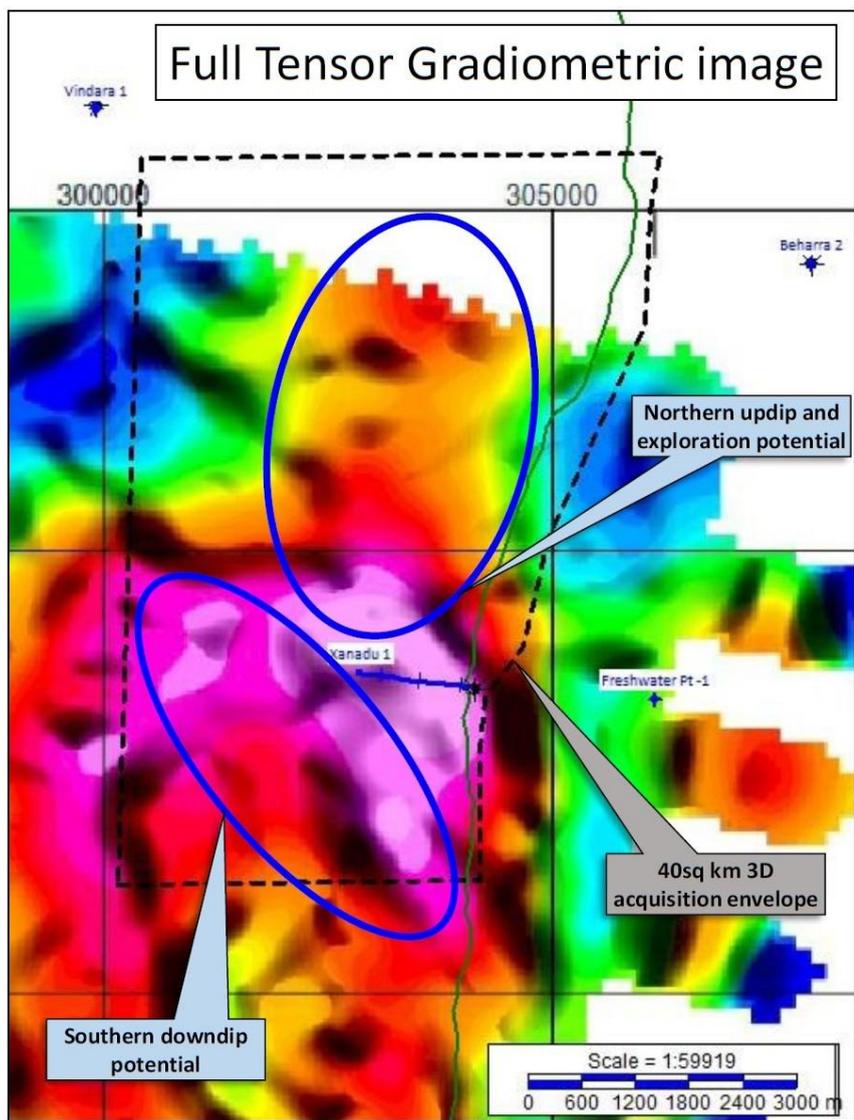


Figure 1. Xanadu 40 KM² 3D Seismic Survey Acquisition area overlying a full tensor gradiometric image, highlighting up-dip and down-dip potential at Xanadu.

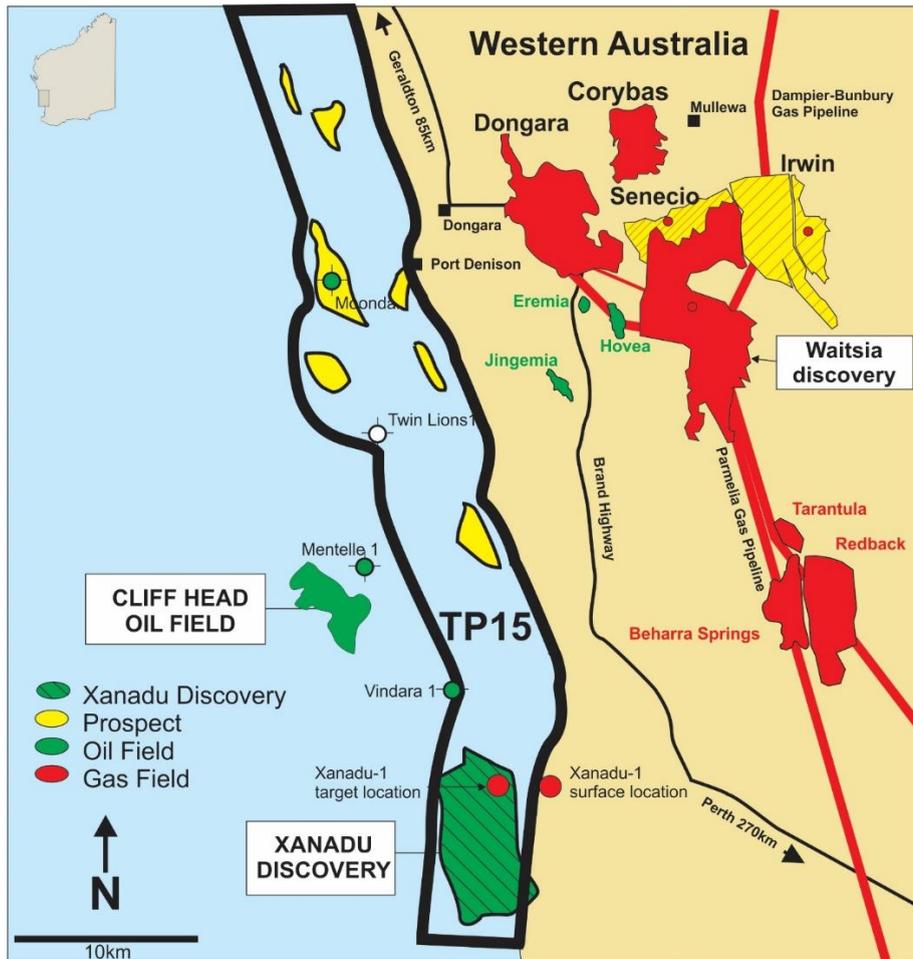


Figure 2. Xanadu Location Map

XANADU-1 WELL DETAILS

Permit	TP/15
Well Name	Xanadu-1
Well Location	GDA 94: 29°33' 29.117"S114°58' 42.074"E
Type of Well	Deviated
NWE Working Interest	25%
Geology	Interbedded sequence of shale and sand

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	45%
3C Group IC Limited (via subsidiaries)		30%

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