

Announcement to ASX

28 October 2019

PROSPECTIVE GAS RESOURCES UPGRADE

HIGHLIGHTS

- Significant prospective resource upgrade to Norwest's Lockyer Deep and North Erregulla Deep prospects
- Situated directly on trend with Strike Energy's "staggering" West Erregulla-2 discovery, which recently flowed gas at 69 mmscfd from the Kingia Formation
- High case prospective resource of 1,122 Bcf gas
- Seismic data amplitude "brightening" suggests presence of gas-charged reservoirs
- Joint Venture decision pending on well location for drilling in H1 2020

Norwest Energy NL (ASX: NWE) is pleased to provide the following update regarding its revision of prospective resources for the Lockyer Deep and North Erregulla Deep gas prospects in light of Strike Energy's exploration success at the nearby West Erregulla-2 gas discovery.

Significant Upgrade to Prospective Resources

The West Erregulla-2 discovery confirms that the Permian gas play, as opened up by the 2014 Waitsia discovery, extends to the east of Waitsia and that extensive and high-quality sandstone reservoirs can be expected to be encountered within Norwest Energy's EP368 and EP426 exploration permits. Strike's recently reported initial flow test result of 69 mmscfd gas from the Kingia Formation is an excellent result that further de-risks Norwest Energy's prospects.

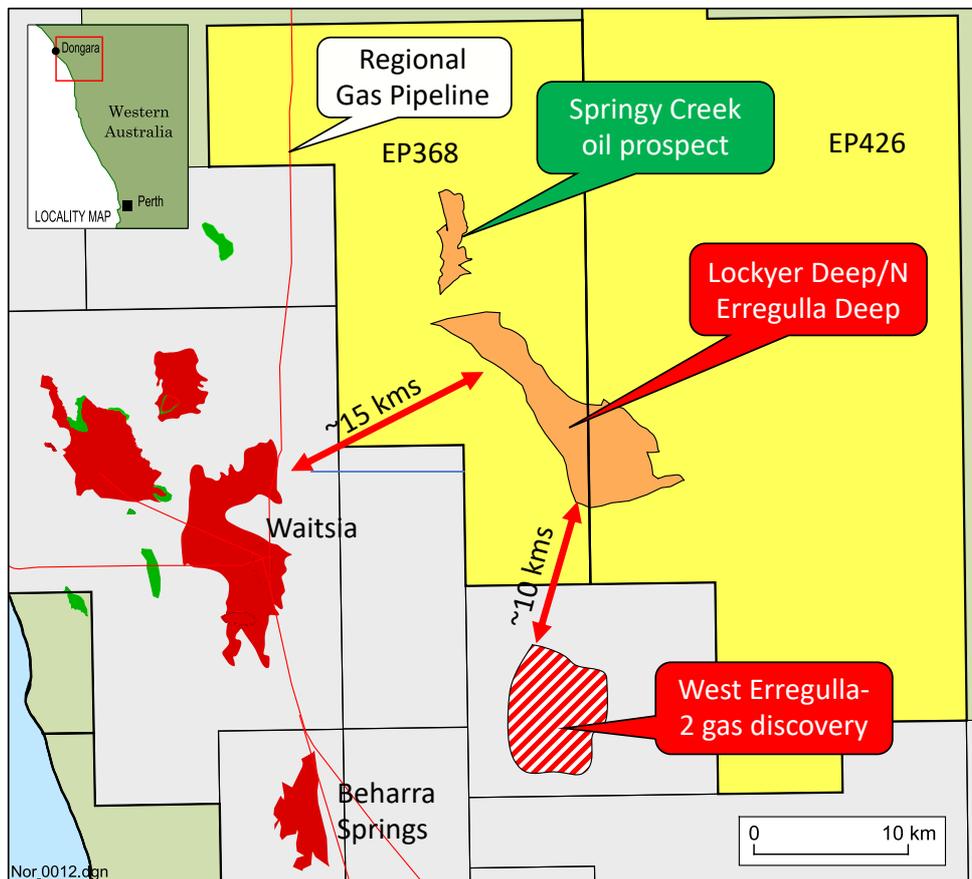


Figure 1: Norwest Energy Prospect Proximity to Waitsia & West Erregulla-2

Norwest Energy has incorporated the new data (e.g. porosity and column height) into its subsurface model for the Lockyer Deep and North Erregulla Deep prospects, resulting in a significant upgrade to Norwest Energy's estimate of prospective resources within the Kingia/High Cliff reservoirs, and an upgrade of North Erregulla Deep to drillable status. Importantly, the prospects are separate structural culminations upon a much larger structure that extends across some 63 km², and as such the prospective resources for the Mid and High cases are determined based upon common closing contours that surround both prospects, as shown in Figure 2.

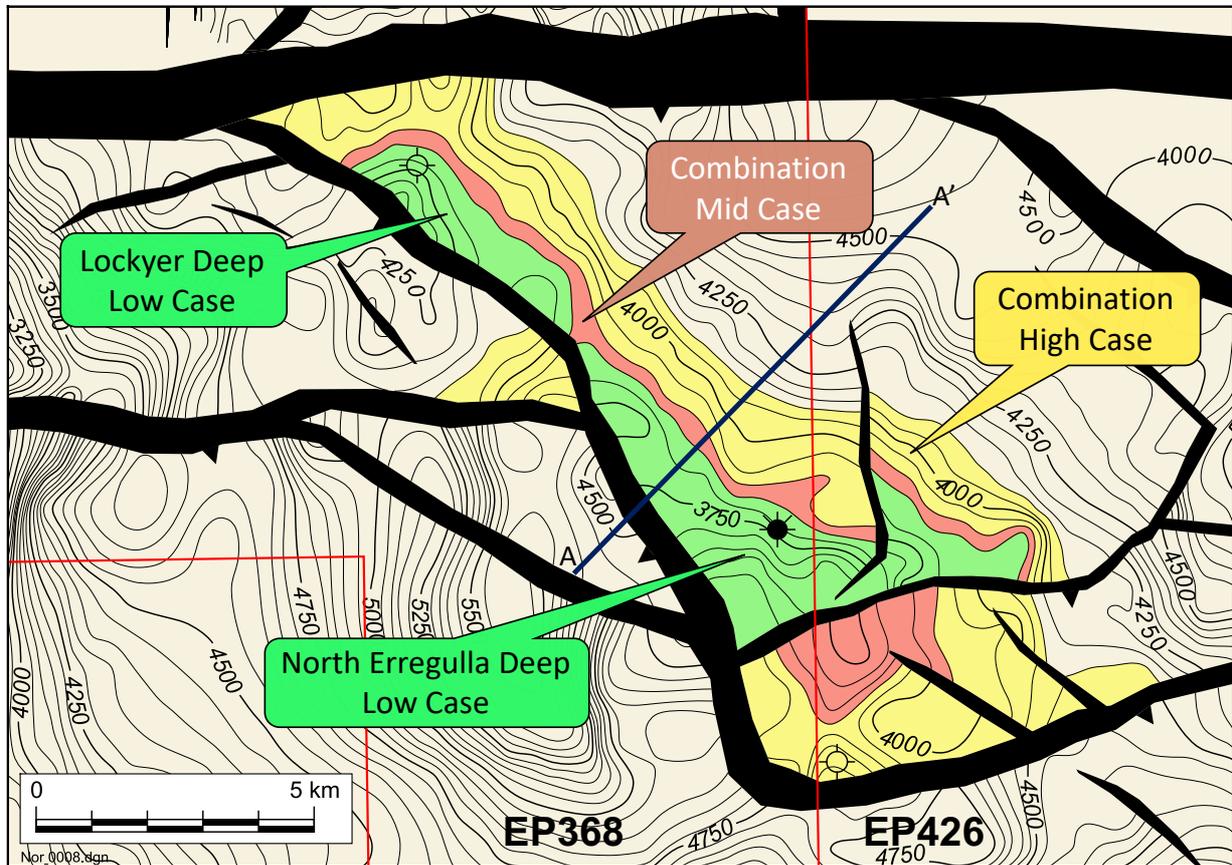


Figure 2: Top Kingia Fm Depth Structure Map Showing Prospective Resource Low/Mid/High Cases

The revised prospective gas resources (recoverable) for the Kingia and High Cliff Formations at Lockyer Deep and North Erregulla Deep are as follows:

	Gross Bcf (100%)			NWE Share Bcf (20%)		
	Low	Mid	High	Low	Mid	High
Lockyer Deep	36	459	1122	7	92	224
North Erregulla Deep	131			22		

Additional potential may exist within the Wagina Formation as encountered at West Erregulla-2, however Norwest Energy does not attribute prospective resources to this level at this time, due to the lower Geological Chance of Success (GCoS).

Seismic Support for Presence of Gas

Norwest Energy's estimate of the GCoS for Lockyer Deep and North Erregulla Deep is 29% and 21% respectively. The primary geological risk for both prospects is the extent to which the westerly bounding fault acts as a seal. Importantly, a number of seismic lines exhibit increased up-dip seismic amplitudes within the target sequence, which are commonly associated with the presence of hydrocarbons - particularly gas, as is seen at West Erregulla-2.

Figure 3 is a representative seismic line across the Lockyer Deep/North Erregulla Deep greater structure (refer to Figure 1 for line location) that clearly exhibits amplitude "brightening" below the Top Kingia Formation seismic marker. Importantly this example appears to support the High Case prospective resource for a combined Lockyer Deep-North Erregulla Deep structure with amplitudes

evident to a depth of approximately 4,100 metres, being the prognosed closing contour for the greater structure.

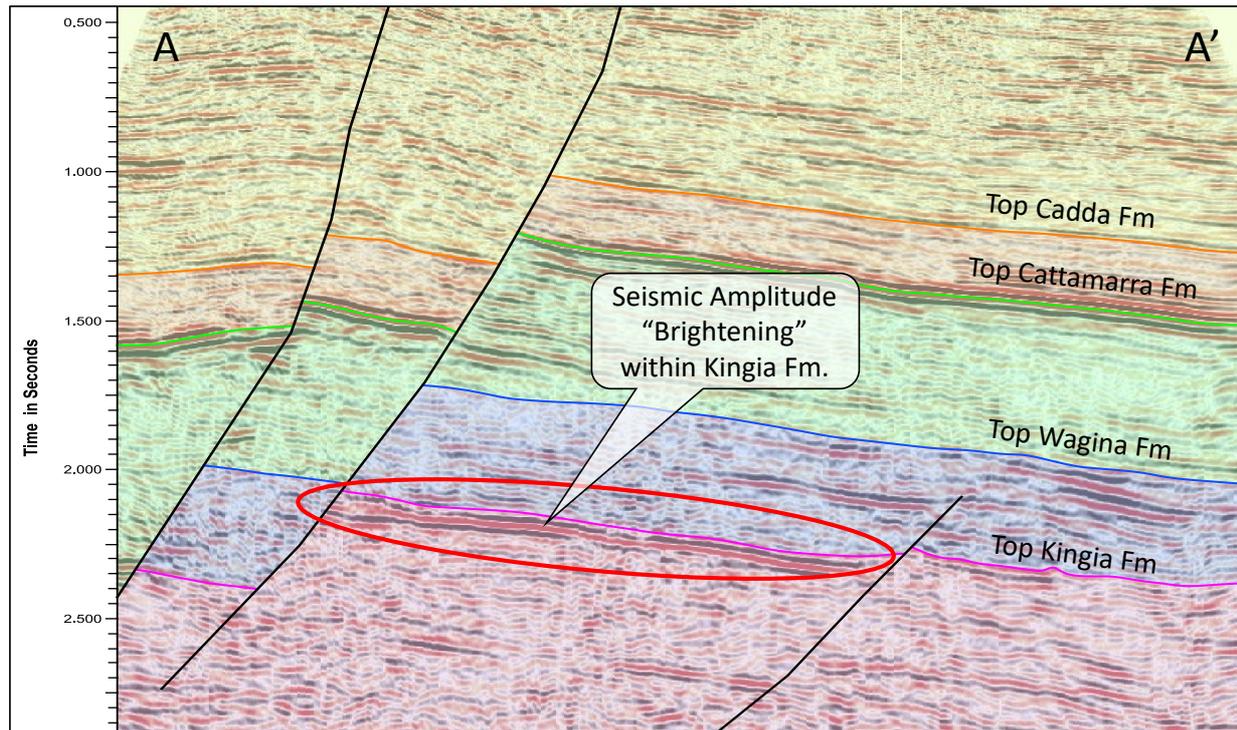


Figure 3: Representative Seismic Line A-A'

Joint Venture decision pending on well location for drilling in H1 2020

The EP368 Joint Venture is required to drill a commitment exploration well during H1 2020, and a decision on the drill location will be made in the coming weeks. Norwest Energy looks forward to providing a further update once the well location selection decision has been confirmed.

EP368 Joint Venture - Norwest Energy (20%), Energy Resources Limited (Operator, 80%)

EP426 Joint Venture - Norwest Energy (22.22%), Energy Resources Limited (Operator, 77.78%)

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 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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