

**ASX Announcement**

**31 January 2023**

## **DECEMBER 2022 QUARTERLY ACTIVITIES REPORT**

### **QUARTERLY HIGHLIGHTS**

- Off-market takeover offer made by Mineral Resources Ltd
- Execution of drilling contract for Ensign Rig 970, subsequent to the end of the quarter
- Preparations for drilling of Lockyer-2 and North Erregulla Deep-1 wells ongoing, with spud of Lockyer-2 targeted for late March 2023
- Commencement of 385 km<sup>2</sup> Rococo 3D seismic survey

Perth Basin energy company Norwest Energy NL (ASX: NWE) ("**Norwest**" or the "**Company**") is pleased to present its Quarterly Activities Report for the period ending 31 December 2022.

### **Off-Market Takeover Offer by Mineral Resources Ltd**

A conditional off-market takeover offer was announced by Mineral Resources Ltd ("**MinRes**") on 16 December 2022 for all of the ordinary fully paid shares in the Company which it does not already own (**Offer**). Under the Initial Offer, subject to the defeating condition being satisfied, Norwest shareholders would receive one MinRes Share for every 1,367 Norwest shares held.

On 24 January 2023, Norwest reached agreement with MinRes on the terms on which the directors of Norwest would be prepared to recommend the Company's shareholders accept the Offer and MinRes subsequently announced its agreement to improve the consideration under its Offer so that Norwest shareholders will now receive one fully paid ordinary MinRes share for every 1,300 Norwest shares held (**Revised Offer**). MinRes also agreed to waive the defeating condition to its Offer such that the Revised Offer will be unconditional, to accelerate payment terms (so that accepting Norwest shareholders receive MinRes shares within seven (7) business days of acceptance of the Revised Offer) and to extend the closing date for the Revised Offer to 20 February 2023 to allow more time for Norwest shareholders to accept the Revised Offer. Accordingly, the Norwest Directors now unanimously recommend that shareholders accept the Revised Offer from MinRes, in the absence of a superior offer.

### **Lockyer Drilling Program**

As announced on 23 January 2023 joint venture operator, Energy Resources Limited ("**EnRes**") has executed a drilling contract with Ensign Australia Pty Ltd ("**Ensign**") for Ensign's Rig 970.

The first two wells to be drilled with Ensign Rig 970 will be Lockyer-2 and North Erregulla Deep-1, for which the well pads are nearing completion and final regulatory approvals are well advanced. These two wells will be drilled back-to-back with the spudding of Lockyer-2 targeting late March 2023, after mobilisation of the rig to the North Perth Basin from the Northern Territory. Spudding of the North Erregulla Deep-1 well is expected to follow immediately upon completion of drilling operations at Lockyer-2.

Lockyer-2 is a downdip step-out appraisal well to the Lockyer Deep-1 discovery (refer Figure 1), aimed at confirming the extension of the discovery to the northeast. Northern and southern segments of the greater Lockyer structure are at this stage separately defined, due to the possibility of faulting across the structure with associated compartmentalisation of the greater Lockyer structure.

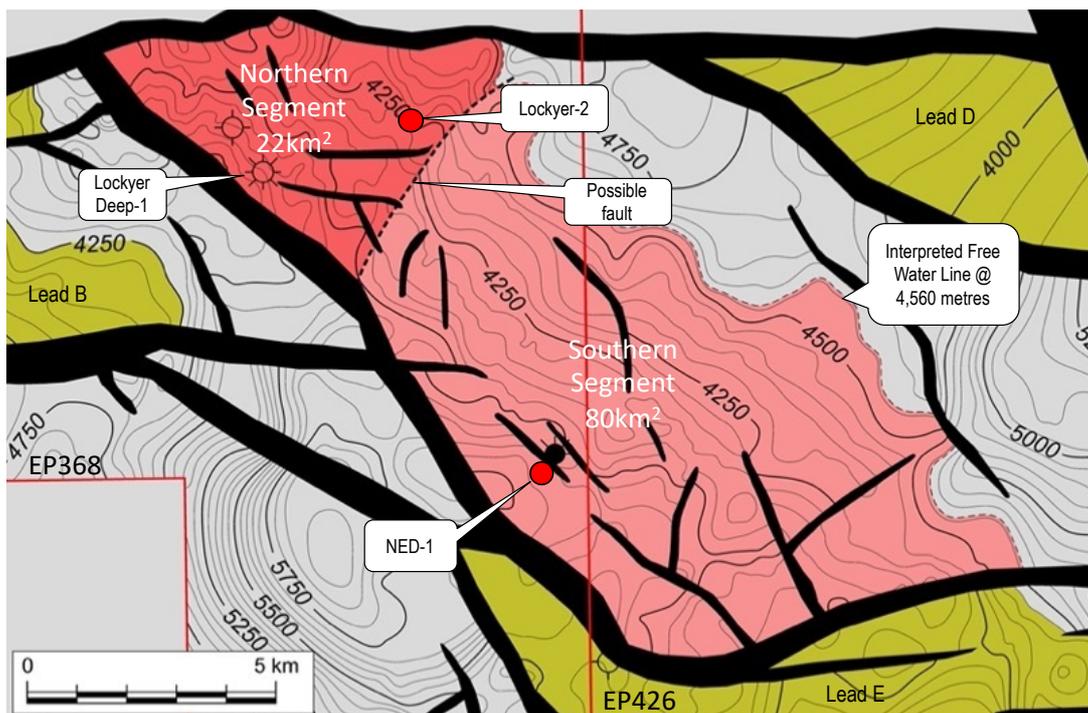


Figure 1: Greater Lockyer Structure top Kingia Fm. Depth Map with well locations

Being located within the northern segment, Lockyer-2 is targeting resources in a closure area of approximately 22km<sup>2</sup> above the interpreted freewater line at 4,560m TVDSS (True Vertical Depth Sub Sea). Based on the results of the Lockyer Deep-1 Kingia well test, there is estimated to be approximately 30 Bcf gas-in-place per km<sup>2</sup> in the immediate vicinity of Lockyer Deep-1, with an estimated recovery factor of 75% to 85%<sup>1</sup>. Lockyer-2 has a planned total depth of 4,451m TVDSS.

The North Erregulla Deep-1 (NED-1) exploration well is expected to spud immediately after completion of the Lockyer-2 well, and has a planned Total Depth of 4,035m TVDSS. NED-1 is targeting a southern segment closure area of approximately 80km<sup>2</sup>. The primary geological risk is cross-fault seal at the main Lockyer bounding fault to the west and south, and Norwest's estimate of the Geological Chance of Success (GCoS, Kingia gas) for NED-1 is 74%<sup>2</sup>. Both Lockyer-2 and NED-1 in the success case will be cored within the primary Kingia reservoir section and will be production-tested and completed for production.

NED-1 will also test for oil potential within the Arranoo/Dongara/Wagina formations as a secondary objective, given that the North Erregulla-1 well (1967) recovered 38°API oil on test from low poro-perm sandstones.

### Rococo 3D Seismic Program

The 385 km<sup>2</sup> Rococo 3D seismic survey (refer Figure 2) commenced in early December 2022. The survey is designed to provide a high resolution and high quality subsurface view of the greater Lockyer structure, providing valuable insight into the detailed subsurface form of the Lockyer gas discovery. The survey will also improve structural definition of exploration Leads A, B, and E, all of which may become potential candidates for future exploration drilling. Acquisition of the survey is anticipated to be completed early Q2 CY 2023, with final processed deliverables expected in early Q4 CY 2023.

<sup>1</sup> For further details, refer to Norwest's ASX announcements dated 29 July 2022, and 22 November 2022. Norwest confirms that it is not aware of any new information or data that materially affects the information included in those announcements and that all the material assumptions and technical parameters underpinning that announcement continue to apply and have not materially changed.

<sup>2</sup> 'GCoS' or geological chance of success is a probabilistic determination that takes into account the estimated probability of the discovery of moveable hydrocarbons and the recovery of hydrocarbons to surface. Contributing factors are the presence and effectiveness of the various factors required for a successful hydrocarbon exploration well, including the presence of migrating hydrocarbons from mature source rocks, suitable reservoir rocks, and the existence of a sealing trap. GCoS is not a measure of the probability of economic success. For NED-1 the estimated GCoS of 74% is Norwest's estimate of the probability of encountering and recovering gas at the NED-1 crestal location.

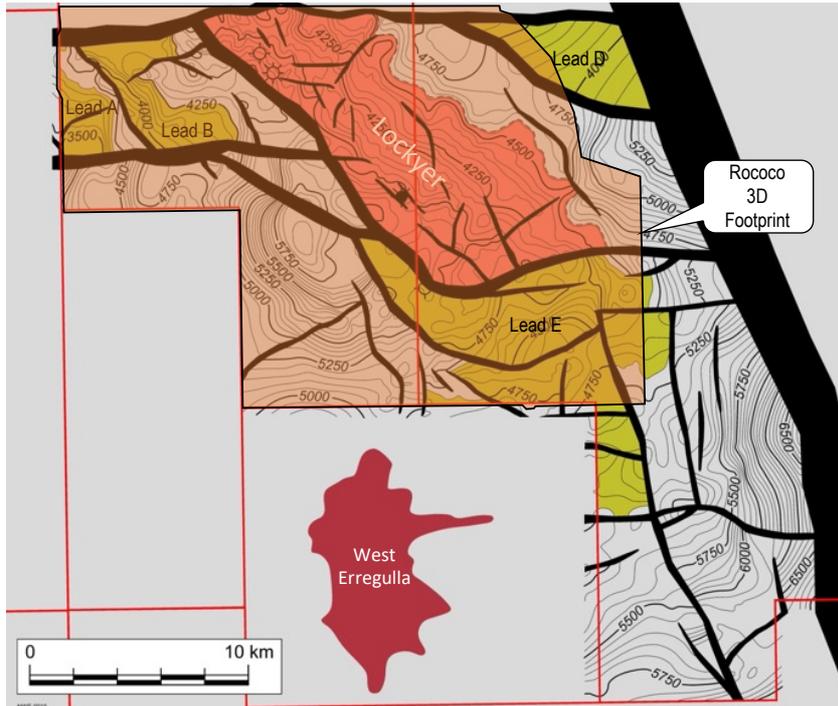


Figure 2: Rococo 3D Seismic Survey Footprint

### Pilbara Clean Fuels Project Update

As announced on 20 September 2022, the Company holds a 20% equity interest in Pilbara Clean Fuels Pty Ltd (**PCF**), with an option to utilise a portion of the tolling capacity of the proposed Port Hedland eLNG plant (Project), currently in early-stage development. PCF expects to complete the pre-feasibility study being conducted by Technip Energies and other contractors by late March 2023.

In December 2022 PCF signed a Memorandum of Understanding with Oceania Marine Energy (**OME**), a company that is developing a marine bunkering service capability based on the charter and operation of purpose-designed LNG bunker vessels to be provided by Kanfer Shipping, Norway. OME's re-fuelling concept is ship-to-ship bunkering of Large Ore Carrier (**LOC**) vessels while at anchor off Port Hedland.

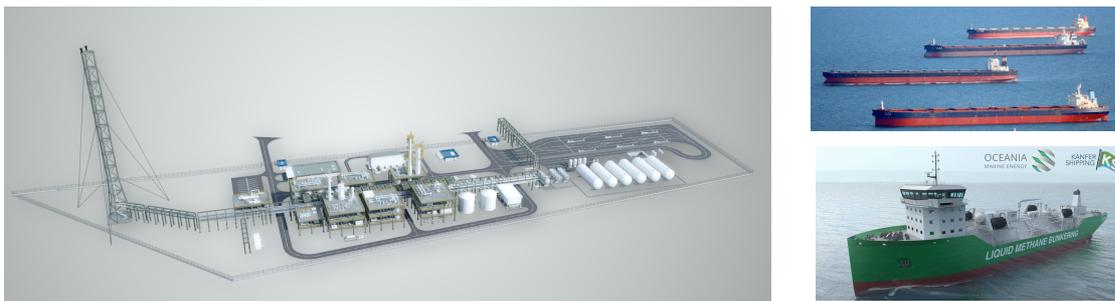


Figure: Images showing PCF's eLNG Plant Concept, OME's Bunker Vessel and LOC's at Anchor

PCF expects to be able to announce further commercial progress of the Project once the result of the initial pre-feasibility study conducted by Technip Energies is finalised, leading to further engagement with the WA State Government, Pilbara Ports Authority, international shipping industry, project investors and other stakeholders.

### CORPORATE

#### Financial

The Company had cash and cash equivalents at 31 December 2022 of \$20,511,000.

### NOTES PERTAINING TO QUARTERLY CASHFLOW REPORT (APPENDIX 5B)

Item 6.1: The aggregate amount of payments to related parties and their associates of \$173,000 relates to payments to directors, comprised of remuneration of the Managing Director and fees to the Non-Executive Directors.

### ASX Listing Rule 5.3.3: Tenement Details

In accordance with ASX Listing Rule 5.3.3 the following table details Norwest Energy's interests in its oil and gas permits:

Tenement reference and location	Interest at beginning of quarter	Interest at end of quarter
EP368 Western Australia	20%	20%
EP426 Western Australia	22.22%	22.22%
TP/15 Western Australia	25%	25%*

\* Pending permit surrender

The EP368 and EP426 Joint Ventures are comprised of the following participants:

#### EP368

Norwest Energy NL                      20%  
Energy Resources Limited              80% (Operator)

#### EP426

Norwest Energy NL                      22.22%  
Energy Resources Limited              77.78% (Operator)

Energy Resources Limited is a wholly-owned subsidiary of Mineral Resources Limited (**ASX: MIN**).

### Authorised for release to ASX by the Board of Directors.

For further information please contact/follow Norwest Energy at:

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Investor Relations: [Luke Forrestal](#), [GRA Partners](#), [Mobile 0411 479144](#)

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

NORWEST ENERGY NL

ABN

65 078 301 505

Quarter ended ("current quarter")

31 DECEMBER 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(26)	(49)
(b) development	-	-
(c) production	-	-
(d) staff costs	(241)	(529)
(e) administration and corporate costs	(192)	(554)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
(a) Operator Management Fees	6	22
(b) Recoveries	32	68
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(408)</b>	<b>(1,029)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(7)	(985)
(e) investments	-	(300)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(7)</b>	<b>(1,285)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	18
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>18</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	20,927	22,808
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(408)	(1,029)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(1,285)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	18
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>20,512</b>	<b>20,512</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,922	2,349
5.2	Call deposits	18,532	18,520
5.3	Bank overdrafts	-	-
5.4	Other (provide details) Bank Guarantee Office Lease	58	58
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>20,512</b>	<b>20,927</b>

**6. Payments to related parties of the entity and their associates**

6.1	Aggregate amount of payments to related parties and their associates included in item 1 Directors Remuneration and Managing Director Remuneration	173
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

**Current quarter  
\$A'000**

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(408)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(7)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(415)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	20,512
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	20,512
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	49.43

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2023



Authorised by: Jo-Ann Long, Company Secretary

Authorised for release by: The Board of Directors – Norwest Energy NL

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.