

ASX Announcement

28 April 2023

MARCH 2023 QUARTERLY ACTIVITIES REPORT

QUARTERLY HIGHLIGHTS

- Norwest Board recommends revised takeover offer by Mineral Resources Limited
- Mineral Resources currently holds 89.11% of the ordinary shares of Norwest
- Completion of Rococo 3D seismic acquisition program
- Drilling of Lockyer-2 appraisal well

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 March 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 did 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 recommend to the Company's shareholders that they accept the Offer. MinRes subsequently announced its improved consideration under its Offer so that Norwest shareholders may 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 became unconditional, and to accelerate payment terms (so that accepting Norwest shareholders receive MinRes shares within seven (7) business days of acceptance of the Revised Offer).

As detailed in the MinRes' Form 604, dated 27 April 2023, MinRes has now acquired a relevant interest in 89.11% of Norwest shares. Consequently, Norwest shareholders who accept MinRes' Revised Offer may be eligible to benefit from scrip-for-scrip Capital Gains Tax (CGT) rollover relief in respect of the disposal of their Norwest shares, such that any CGT payable is deferred.

The Revised Offer remains open until **7pm (Sydney time) on Saturday 29 April 2023**.

Lockyer Seismic and Drilling Program

As announced by the Company on 8 March 2023, the 385 km² Rococo 3D seismic acquisition program has been completed. Final processed data is expected to become available by early Q4 CY 2023.

The Lockyer-2 gas appraisal well was spudded by the Ensign Rig 970 on 15 March 2023, and the results were announced to ASX subsequent to the reporting period, on 12 April 2023. The primary Kingia Sandstone target was encountered at 4,142 metres with very low levels of background gas. The decision was made not to core and the well was drilled ahead to Total Depth at 4,369 metres.

While an excellent quality Kingia Sandstone reservoir was encountered, analysis of wireline data indicates that the reservoir is water saturated. Furthermore, sampling confirms that the aquifer is at substantially higher pressure than previously interpreted. This result impacts the resource potential of the Lockyer Deep-1 discovery, as the anomalously high aquifer pressure indicates a greatly reduced gas column from that previously interpreted. The freewater line (FWL) is now interpreted to be at a depth of approximately 4,007 metres (previously 4,560 metres), with the potential resource area (above the FWL) now estimated by Norwest to be approximately 11 km².

Secondary targets within the Dongara, Wagina and High Cliff Formations were also found to be water saturated, with only minor hydrocarbon shows throughout. While the well was originally intended to be suspended for possible future use, the Operator subsequently opted to plug and abandon Lockyer-2.

Ensign Rig 970 has mobilised to the (NED-1) exploration well location, and it is anticipated that the well will be spudded shortly. Norwest does not believe that the Lockyer-2 result necessarily affects the Geological Chance of Success for NED-1, however it does materially downgrade the resource potential of the Greater Lockyer structure. This is primarily due to the fact that the previously interpreted very significant gas column, based on Lockyer Deep-1 data, has been demonstrated by Lockyer-2 to be substantially less thick.

All depths are quoted as True Vertical Depth Sub Sea (TVDSS).

Pilbara Clean Fuels Project Update

Norwest holds a 20% equity interest in Pilbara Clean Fuels Pty Ltd (PCF) with an option to utilise a portion of the toll-processing capacity of PCF's proposed eLNG production plant.

PCF has received the completed pre-feasibility study report by Technip Energies, along with elements conducted by other third parties, including PCF's bunkering and operations partner Oceania Marine Energy (OME). Preliminary economic modeling incorporating information received, and conservative technical and economic assumptions, supports a reasoned view of commerciality for the proposed Port Hedland 0.5 MTPA eLNG project. The project is primarily intended for the production of LNG as marine bunker fuel.

Indications of market interest in GHG emission reduction and cost benefit of Port Hedland LNG bunker fuel supply have been received from shipping industry stakeholders. PCF is now preparing to canvas the level of commercial interest for natural gas toll processing/LNG off-take, and to secure Phase 2 funding.

CORPORATE

Financial

The Company had cash and cash equivalents at 31 March 2023 of \$8,904,000.

NOTES PERTAINING TO QUARTERLY CASHFLOW REPORT (APPENDIX 5B)

Item 6.1: The aggregate amount of payments to related parties and their associates of \$169,000 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:

Web: www.norwestenergy.com.au

Phone: +61 8 9227 3240

Email: info@norwestenergy.com.au

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 MARCH 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(25)	(73)
(b) development	-	-
(c) production	-	-
(d) staff costs	(251)	(780)
(e) administration and corporate costs	(7,375)	(7,929)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	135	148
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	30	52
(b) Recoveries	30	98
1.9 Net cash from / (used in) operating activities	(7,455)	(8,484)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(4,153)	(5,138)
(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 (9 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)	-	-
2.6	Net cash from / (used in) investing activities	(4,153)	(5,438)
3.	Cash flows from financing activities		
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)	-	-
3.10	Net cash from / (used in) financing activities	-	18
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	20,512	22,808
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(7,455)	(8,484)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,153)	(5,438)

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 (9 months) \$A'000
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	-	-
4.6	Cash and cash equivalents at end of period	8,904	8,904

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,846	1,922
5.2	Call deposits	4,000	18,532
5.3	Bank overdrafts	-	-
5.4	Other (provide details) Bank Guarantee Office Lease	58	58
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,904	20,512

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	169
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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(7,455)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(4,153)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(11,608)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	8,904
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	8,904
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.77

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: The entity will not continue to have this level of cash outflows. The entity has incurred costs with respect to a takeover bid by Mineral Resources Ltd, which is nearing completion. The continued exploration and appraisal activities will require funding

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: Yes the entity is preparing to initiate a rights issue to existing shareholders, in the event that the entity is not compulsorily acquired by Mineral Resources Ltd.

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: Yes the entity expects that it will continue operations and meet its commitments

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: 28 April 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.