



December 2017 Quarterly Report

31 January 2018

ASX: NWE



## Summary

- Following on from the Xanadu Discovery in September 2017, Norwest has now lodged a Discovery Report with the Department of Mines, Industry Regulation and Safety (DMIRS). Due to the successful results from the drilling program at Xanadu-1, planning commenced immediately for a 3D seismic survey currently scheduled for late Q1 2018, dependent upon JV agreement and regulatory approvals. Data derived from this program will provide the JV with the quality assurance a developer intending to get into production requires and drive the planning of future wells in the Xanadu Field. It will be the first time 3D seismic will be undertaken in this shallow water environment, will also provide critical information on the structure of the greater Basin and brings the project one step closer to commercialisation.
- Jingemia Oil Field production recommenced in December 2017, with the first tanker of oil delivered to BP Kwinana Refinery in late December. Exciting exploration upside opportunities will be further evaluated in coming months.
- The Mineral Resources acquisition of Empire Oil & Gas, operator of EP368 and EP426, is excellent news, as their commitment to developing these projects is well-aligned with Norwest's view to realising the value at Lockyer Deep and North Erregulla prospects.

***Our strategy continues to focus on building upon the Xanadu success, whilst keeping the Company open to opportunities for growth and portfolio expansion***

## Tenement Map & Interests

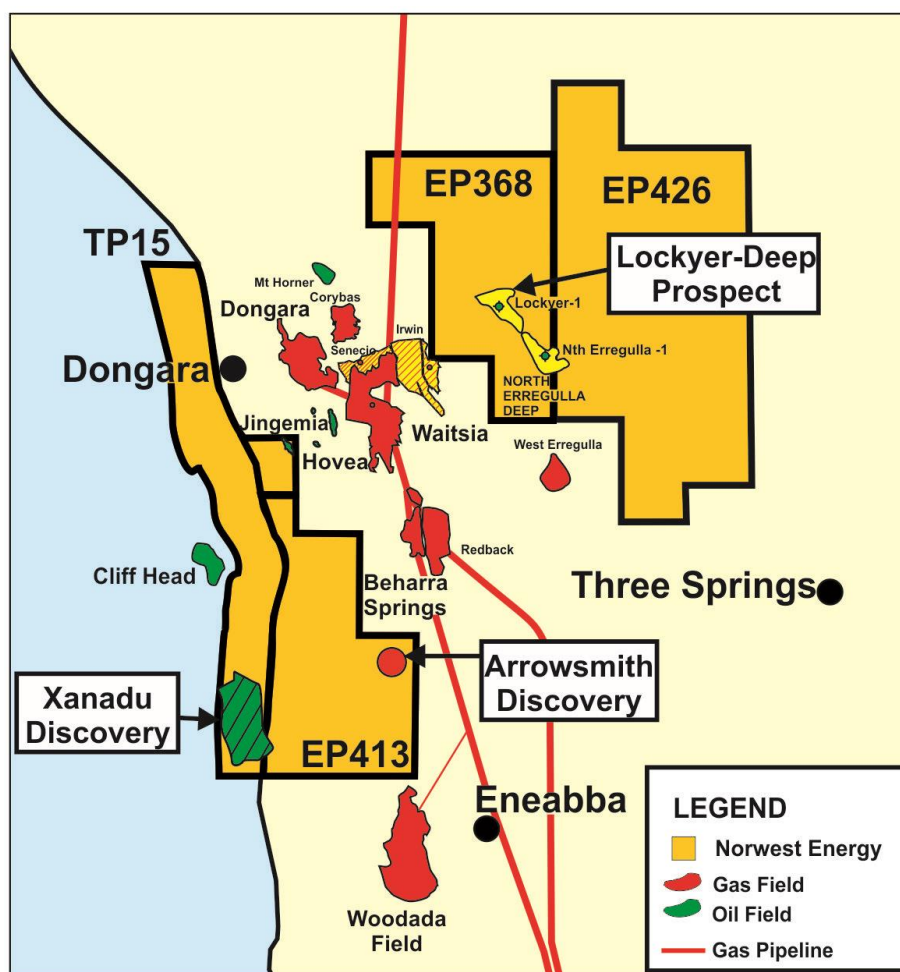


Figure 1. NWE tenements

Permit	Location	Type of Permit	Area (100%)	Norwest (%)
<b>NORTHERN PERTH BASIN</b>				
EP368	Perth Basin, WA	Onshore	600.3 km <sup>2</sup>	20%
EP426	Perth Basin, WA	Onshore	1,197 km <sup>2</sup>	22.22%
EP413	Perth Basin, WA	Onshore	508.3 km <sup>2</sup>	27.945%
L14	Perth Basin, WA	Onshore	39.8 km <sup>2</sup>	6.278%
TP/15	Perth Basin, WA	Offshore	645.8 km <sup>2</sup>	100%
<b>TOTAL AREA NET TO NORWEST 1,176.4 KM2</b>				
<b>TIMOR SEA</b>				
AC/L6 (ROYALTY)	Vulcan Sub-Basin, NT	Offshore	252.1 km <sup>2</sup>	1.25% ORRI

# Tenements

## TP/15

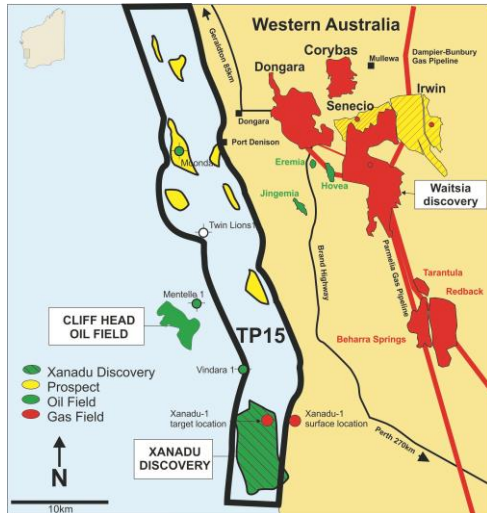


Figure 2. TP/15 permit location

TP/15 is located in the offshore northern Perth Basin, approximately 250km north of Perth.

The permit occupies the three nautical mile wide state territorial waters of Western Australia, adjacent to the township of Port Denison, and covers an area of 645km<sup>2</sup>.

The Xanadu prospect is located at the southern end of the TP/15 permit, and is located approximately 40km south of the township of Port Denison.

### XANADU-1 WELL

The Xanadu-1 well was spudded on 4 September 2017, reaching a total depth of 2035 mMDRT on Sunday 17 September.

Due to the successful drilling program at Xanadu-1, the Joint Venture immediately commenced planning a 3D seismic acquisition program over the Xanadu structure.

The TP/15 permit has limited 2D seismic coverage, and by acquiring 3D seismic, the Xanadu structure can be mapped in much greater detail. Whilst the primary purpose of the seismic will be to map the northern updip region, it will also be used to map the southern down-dip structure, where significant volumes of oil are believed to be located. The Joint Venture is considering extending the acquisition envelope to encompass the western flank of the Xanadu structure, where further accumulations of oil are possible.

A reservoir engineering study will also be carried out, and the results will be integrated with the Xanadu-1 well data and 3D seismic data. This will form the basis for well completion concepts, future well locations, productivity estimates, a conceptual development plan, and oil-in-place / recoverable volume calculations that can subsequently be provided to the market.

Strategen Environmental was engaged to conduct the regulatory approvals process on behalf of the Joint Venture, and a community consultation plan is under development.

A Discovery Report was lodged with with regulator in December 2017.

## 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	30%
Whitebark Energy Ltd (via subsidiary)	ASX:WBE	15%
3C Group IC Limited (via subsidiaries)		30%

## EP368 & EP426

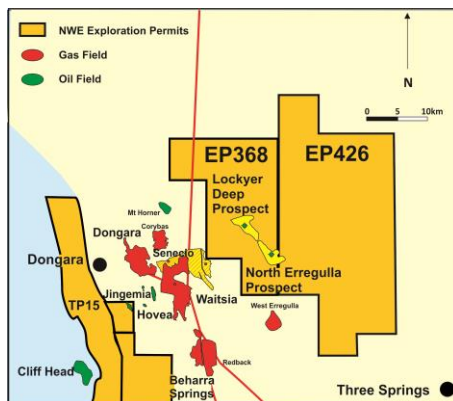


Figure 3. Location map of EP368 & EP426

EP368 covers an area of 600 km<sup>2</sup>, and is situated at the northern end of the hydrocarbon fairway running through the northern Perth Basin.

The permit lies to the east of the Dongara township, and adjacent to AWE's Waitisia discovery that flowed an impressive 50 MMscf/day in 2015, and again in October 2017 with the Waitisia-3 flow test reaching a peak gas flow rate of 50 MMscf/d.

EP368 contains several exciting exploration leads and prospects, with the primary two being the Lockyer Deep and North Erregulla prospects. Lockyer Deep remains the focus of the next well to be drilled in EP368, and contains the same gas-producing formations as the nearby massive Waitisia Field. North Erregulla offers an excellent follow up prospect to Lockyer Deep, straddles the two permits EP368 and EP426, and offers a future drilling opportunity in this highly prospective acreage.

EP426 lies adjacent and to the east of EP368, covering an area of 1197km<sup>2</sup>, located on the north-eastern flank of the Dandaragan Trough in the onshore northern Perth Basin.

During the quarter, the assets of the operating company of EP368 & EP426 (Empire Oil & Gas) were 100% acquired by Mineral Resources Limited (ASX:MRL), an Australian based mining services and processing company. A recent meeting with MRL senior management has confirmed their commitment and support for EP368 & EP426, and Norwest looks forward to working closely with a newly invigorated joint venture partner that has the financial and technical capacity to develop these projects.

As operator, MRL is currently working closely with the government to ensure the continuity of these permits and to obtain extensions on the work program commitments.

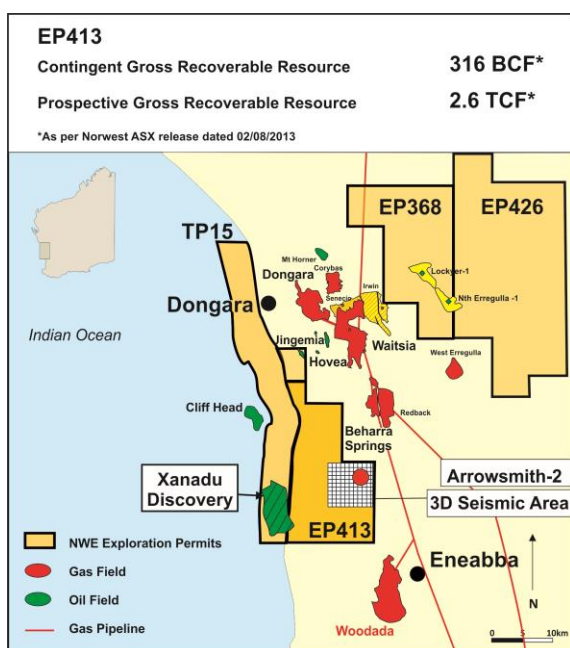
### EP368 JOINT VENTURE

JV Participant	ASX Code	Percentage Interest
Mineral Resources (via subsidiary, Empire Oil Company (WA) Limited) (Operator)	<b>ASX:MIN</b>	80%
Norwest Energy NL (via subsidiary)	<b>ASX:NWE</b>	20%

### EP426 JOINT VENTURE

JV Participant	ASX Code	Percentage Interest
Mineral Resources (via subsidiary, Empire Oil Company (WA) Limited) (Operator)	<b>ASX:MIN</b>	77.78%
Norwest Energy NL (via subsidiary)	<b>ASX:NWE</b>	22.22%

### EP413



EP413 is located approximately 300km north of Perth between the townships of Dongara and Eneabba. The permit covers an area of 508km<sup>2</sup>, extending from immediately north of L4/L5 which hosts the Woodada Gas Field, to the southern boundary of L14 in which the Jingemial Oil Field is located. The Beharra Springs and Redback gas fields are also located in adjacent permits to the east.

Norwest is operator of EP413, and is currently executing Year 3 of the 5 year work program, with this current permit year dedicated to further technical and commercial evaluation of the block.

Figure 4. EP413 Permit Location Map

The work program for EP413 is currently on hold pending results from the Western Australian state government scientific inquiry into hydraulic fracture stimulation. Norwest has submitted an application for a 12 month suspension on this permit, pending results of the inquiry.

EP413 remains a valuable asset in the Norwest portfolio, and the Company is actively involved in providing a submission to the inquiry panel, and is working closely with other onshore operators to ensure all necessary information and support is provided to the panel in a timely manner. The inquiry findings are expected later in 2018.

#### EP413 JOINT VENTURE

JV Participant	ASX Code	Percentage Interest
Norwest Energy NL (via subsidiary) (Operator)	<b>ASX:NWE</b>	27.945%
AWE Limited (via subsidiary)	<b>ASX:AWE</b>	44.252%
Bharat PetroResources Ltd		27.803%

#### L14 Jingemia Oil Field

L14 contains the Jingemia Oil Field, estimated to have initially contained 12 million barrels of oil in place, with 4.6 million barrels produced to date. The area of L14 is 39.8 km<sup>2</sup>.

Jingemia production recommenced in December 2017 when the wells were brought on line, and as a result, the first tanker of oil was despatched to BP Kwinana Refinery in late December.



*Figure 5 Oil tanker at Jingemia load-out facility*

Currently operator Cyclone Energy is preparing to conduct minor well enhancement activities on both the producers and injectors, designed to optimise and enhance production from the field. These activities are integral to the operators overall field management plan, have been planned for some time, and are currently in the final stages of preparation prior to execution. Once the well enhancement program is complete, commercial production is expected to recommence. This program is anticipated to take approximately 3-4 weeks.

L14 has excellent exploration prospectivity both within the Jingemia Oil Field and other prospects within the license boundaries, and the Joint Venture Partners are keen to explore these opportunities once stable production from the existing wells has been achieved.

**JINGEMIA WELL DETAILS**

<b>Permit</b>	L14
<b>Well Names</b>	Jingemia – J8, J10 and J12
<b>Well Location</b>	J8 Easting : 304 771.2; Northing : 6 752 778.7 J10 Easting : 304 770.0; Northing : 6 752 870.0 J12 Easting : 304 709.27; Northing : 6 752 697.8
<b>Type of Well</b>	Deviated
<b>NWE Working Interest</b>	6.278%
<b>Geology</b>	(Dongara Sandstone) is described as a fine to coarse moderately to poorly sorted sandstone

**L14 JOINT VENTURE**

JV Participant	ASX Code	Percentage Interest
Cyclone Energy Pty Ltd (Operator)		33.722%%
RCMA Australia		60%
Norwest Energy NL (via subsidiary)	<b>ASX:NWE</b>	6.278%

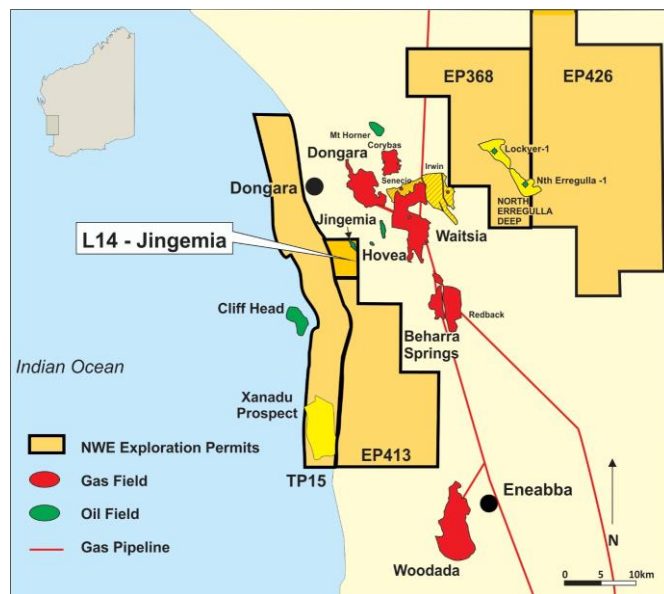


Figure 6. Location of L14 – Jingemia Oil Field

## Corporate

\$1,000,000 was successfully raised in a placement to institutional and sophisticated investors during the quarter. Norwest issued 250,000,000 shares at \$0.004 per share and the placement was completed on 6<sup>th</sup> December 2017. The funds will be used for exploration and production expenditure in the coming year.

On the 31<sup>st</sup> October 2017 Chief Executive Officer, Mrs Shelley Robertson, was appointed to the Norwest Board as Managing Director. Mr Ron Currie resigned as Director on the same day.

### Issued Capital as at 30 December 2017

Ordinary shares	3,000,792,727 shares
Unlisted options	80,000,000 options

### For further information, please contact:

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