

Announcement to ASX

19 January 2021

CAPITAL RAISING FOR PERTH BASIN EXPLORATION

HIGHLIGHTS

- \$2 million raised via placement to sophisticated and institutional investors
- Strengthens balance sheet in advance of drilling high impact Lockyer Deep-1 exploration well
- Norwest Energy's three largest shareholders participated in the placement

Perth Basin oil and gas exploration company Norwest Energy NL ("Norwest" or the "Company") is pleased to announce that it has completed a bookbuild to raise \$2 million (before costs) through a placement of shares to a range of sophisticated and institutional investors, including Norwest Energy's major shareholders.

The proceeds of the placement (together with the Company's existing cash reserves) will be used to fund drilling costs associated with Norwest's 20% interest in the Lockyer Deep-1 exploration well, located in Perth Basin exploration permit EP 368, on trend with three very significant discoveries, and targeted for drilling in H1 2021. Funds will also be allocated towards planning and preparation for a 3D seismic survey across EP368 and EP426 (post drilling of Lockyer Deep-1), desktop studies on exploration permit TP/15, and general working capital.

Euroz Hartleys Limited acted as Lead Manager to the capital raising.

Norwest Managing Director, Iain Smith commented "*We are pleased to have completed this capital raising and appreciate the support of our major shareholders. The Company is now in an excellent financial position as we prepare to drill the Lockyer Deep gas prospect, which comes on the back of three very significant and valuable Permian discoveries. While discussions regarding timing of a rig slot continue, we remain optimistic of drilling during H1 2021.*"

Major Shareholder Participation

Support for the placement includes Norwest's top three shareholders, being Mineral Resources Ltd (holding c.17.0%), 3C Group IC Limited (holding c.7.8%), and Sundowner International (holding c.5.7%).

Placement Details

The placement will result in the issue of 333,333,340 new fully paid ordinary shares at an issue price of \$0.006 per share and is not subject to shareholder approval (falling within the Company's 10% placement capacity under ASX Listing Rule 7.1A). The placement is expected to settle on Thursday, 28 January 2021.

About Lockyer Deep-1

The Lockyer Deep-1 well location (refer Figure 1) has been selected to test a very large, fault-closed three-way dip structure at the Kingia and High Cliff levels within the Permian gas play's "sweet spot" and on trend with three significant recent gas discoveries. Drilling at Waitsia, West Erregulla-2 and Beharra Springs Deep has resulted in major gas finds, and drilling of Strike Energy's West Erregulla-3 target was recently suspended after encountering high pressure gas above the target interval.

The Geological Chance of Success (GCoS) for Lockyer Deep-1 is estimated by Norwest to be 38%, and the Company's estimate of prospective resources for the Lockyer Deep/North Erregulla Deep combination structure is summarised in Table 1 for the Kingia and High Cliff targets combined (refer to ASX announcement of 28 October 2019).

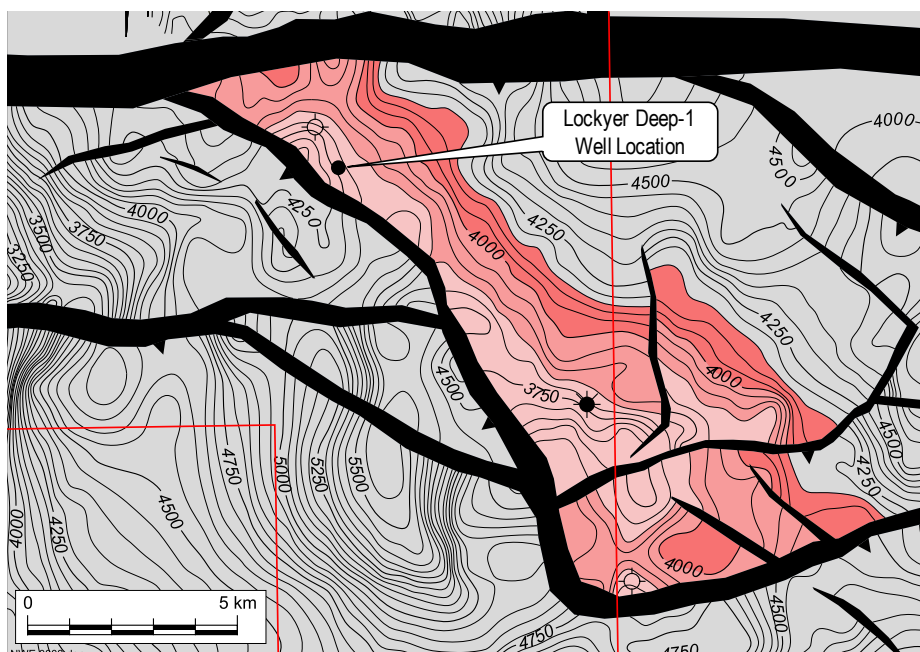


Figure 1: Lockyer Deep/North Erregulla Deep Top Kingia Depth Structure Showing Low/Mid/High Case Prospective Resource Areas

The High Case represents an area of 67 km², with the structure extending downdip further to the northeast so that the maximum area within structural closure could be as large as 108 km², offering very large potential beyond the quoted High Case.

| | 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 | | |

Table 1: Lockyer Deep/North Erregulla Deep Prospective Resources

Additional hydrocarbon potential exists within the Wagina Formation. The Wagina is a shallower, secondary target that encountered gas pay at West Erregulla-2 and that produces gas at the Beharra Springs field.

Norwest Energy will provide a further update regarding availability of the rig slot as soon as possible.

Notes regarding prospective resources:

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 the Society of Exploration Geophysicists and the Society of Petroleum Engineers. Mr Powell has consented to the contents of this announcement being released to the ASX.

Authorised for release to ASX by the Board of Directors.

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