

## Norwest Energy

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## Announcement to ASX

30 April 2021

### MARCH 2021 QUARTERLY ACTIVITIES REPORT

#### QUARTERLY HIGHLIGHTS

- Completion of \$2 million capital raising
- Divestment of interest in EP413 strengthens balance sheet
- Progress in rig contracting negotiations for drilling Lockyer Deep-1 in Q3 CY 2021
- Strike Energy's West Erregulla appraisal results support "full to spill" model for valid traps

Perth Basin focused oil and gas exploration company Norwest Energy NL ("Norwest Energy" or the "Company") is pleased to report on its activities for the quarter ending 31 March 2021.

#### Exploration Permits EP368 & EP426 (20% & 22.22%)

During the reporting period Operator Energy Resources Limited (ERL) progressed negotiations with the aim of securing a rig for drilling of the high-impact Lockyer Deep-1 gas exploration well. A Rig Sharing Agreement with another Perth Basin Operator is well advanced, and final contractual terms of a Drilling Contract are under discussion with the rig owner.

The Environmental Plan has been approved by the Department of Mines, Industry Regulation & Safety (DMIRS), all long lead items are in place, and site works will commence as soon as the Rig Sharing Agreement and Drilling Contract are executed.

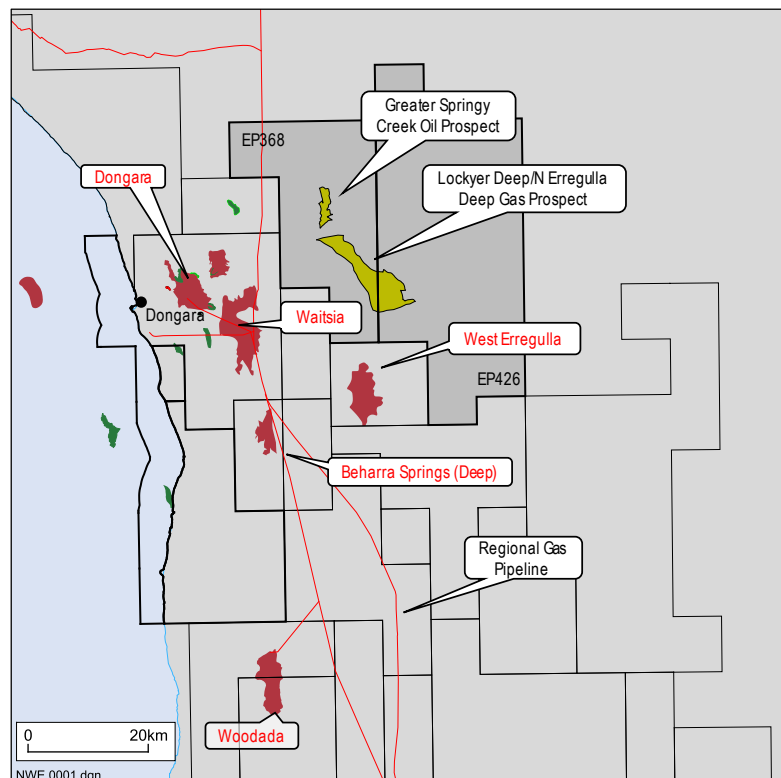


Figure 1: EP368/426 Location Map

Further to Strike Energy's suspension of drilling the West Erregulla-3 appraisal well, Strike has now completed drilling of its West Erregulla-4 appraisal well. Strike report a successful appraisal outcome (pending production testing) with the West Erregulla structure now believed to be "full to spill"; a result which supports the case for other large, valid traps to be "full to spill" due to the vast amounts of gas that have been generated within the Dandaragan Trough.

Norwest continues to monitor the results of Strike's appraisal program and will incorporate the results into an updated estimate of the Lockyer Deep-1 Geological Chance of Success and Prospective Resources as additional information becomes available.

### TP/15 Exploration Permit (Operator, 25%)

Significant exploration potential exists in TP/15 in the Texel oil prospect, the crest of which is mapped as being located approx. 10km to the southwest of the 2017 Xanadu oil discovery. Texel is a Permian oil play, targeting the Kingia and High Cliff Sandstones which host the prolific gas discoveries onshore, on the other side of the Beagle Ridge. Additional oil potential exists in the Dongara Sandstone and Irwin River Coal Measures, the latter being the primary reservoir of the Cliff Head oil field. Two smaller prospects are also present between Xanadu and Texel, at Xanadu West (North & South).

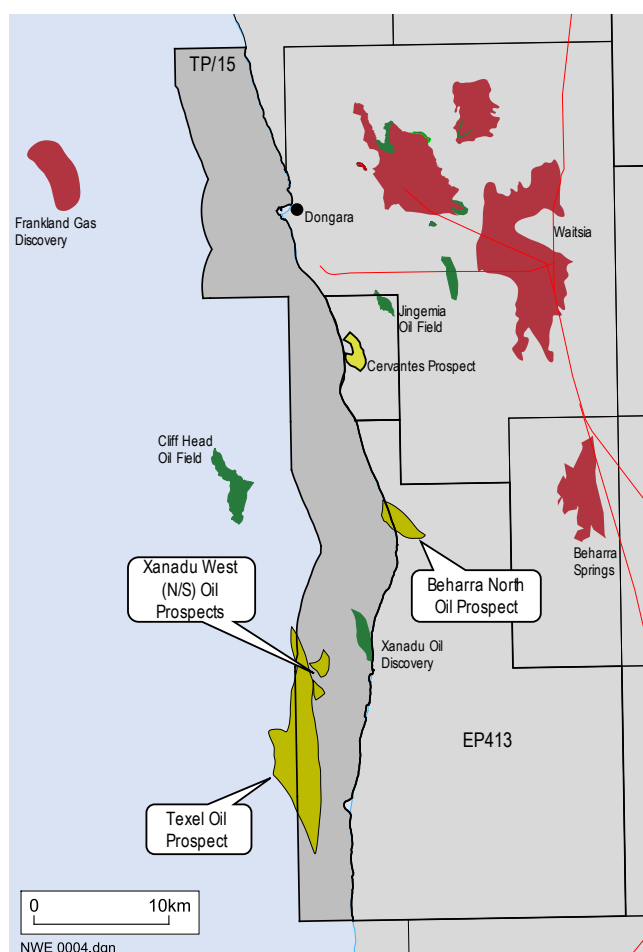


Figure 4: TP/15 Location Map

Additional seismic coverage is required to progress these prospects to drillable status, and as Operator of the TP/15 Joint Venture Norwest is undertaking seismic feasibility studies to determine a cost-efficient solution to acquire 100 kms of 2D seismic in the following permit year 4.

In the meantime Norwest will shortly commence final restoration of the Xanadu-1 exploration well and site. Subject to regulatory approval the TP/15 Joint Venture will then hand over the Xanadu-1 well site to Main Roads WA, to be used as a logistical base for local roadworks operations. This is a favorable outcome for the TP/15 Joint Venture, as full site rehabilitation and revegetation will no longer be a requirement.

### EP413 Exploration Permit (Operator, 27.945%)

As announced today, Norwest has executed an agreement with AWE Perth Pty Ltd ("AWE", part of the Mitsui E&P Australia group of companies) to assign Norwest's 27.945% interest in the EP413 exploration permit to AWE.

AWE will pay Norwest \$100,000 conditional upon regulatory approval of the transfer of title. Subject to completion, AWE will assume Operatorship of EP413 and will pay for all costs and assume abandonment and restoration liabilities associated with Norwest's interest in the permit effective from 23 February 2021. This transaction with AWE strengthens the Company's balance sheet and enables the Company to focus its financial resources on its three high-impact Perth Basin exploration permits; EP368, EP426 and TP/15.

The Company will provide a further update upon completion of the transaction with AWE.

### Financial

Cash and cash equivalents at 31 March 2021 were \$4,072,000. As announced on 19 January 2021 the Company completed a \$2 million capital raising via a placement to 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, 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.

#### Notes Pertaining to Quarterly Cashflow Report (Appendix 5B)

Item 2.1(d): Capitalised exploration & evaluation costs of \$103,000 are principally comprised of evaluation and planning expenditure pertaining to EP368 and EP426.

Item 6.1: The aggregate amount of payments to related parties and their associates of \$120,000 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
TP/15 Western Australia	25%	25%
EP368 Western Australia	20%	20%
EP426 Western Australia	22.22%	22.22%
EP413 Western Australia	27.945%	27.945%

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

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