



**Norwest Energy NL**

**Interim Financial Report**

**Half-Year Ended 31 December 2021**

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## **Directors' Report**

### **31 December 2021**

The Directors present their report together with the consolidated financial report of Norwest Energy NL ("Norwest" or "the Company") and its controlled entities ("Consolidated Entity" or "the Group") for the financial half-year ended 31 December 2021 and the independent review report thereon.

#### **1. General Information**

##### ***Directors***

The names of the Company's Directors in office at any time during, or since the end of, the half-year are:

Ernest Anthony Myers (Non-Executive Chairman)  
Iain Peter Smith (Managing Director)  
Bruce Frederick William Clement (Non-Executive Director)

##### ***Principal Activities***

The principal activity of the Consolidated Entity during the course of the half-year was exploration for hydrocarbon resources. There have been no significant changes in the nature of the Group's principal activities during the financial half-year.

#### **2. Review of Operations**

##### **Operating Results**

The net loss of the Group for the half-year ended 31 December 2021 was \$926,512; 31 December 2020: \$305,705.

##### **Operations**

As at the date of this report, the Company holds interests in the following North Perth Basin exploration permits:

- 20% working interest in EP368
- 22.22% working interest in EP426
- 25% working interest in TP/15 (as Operator)

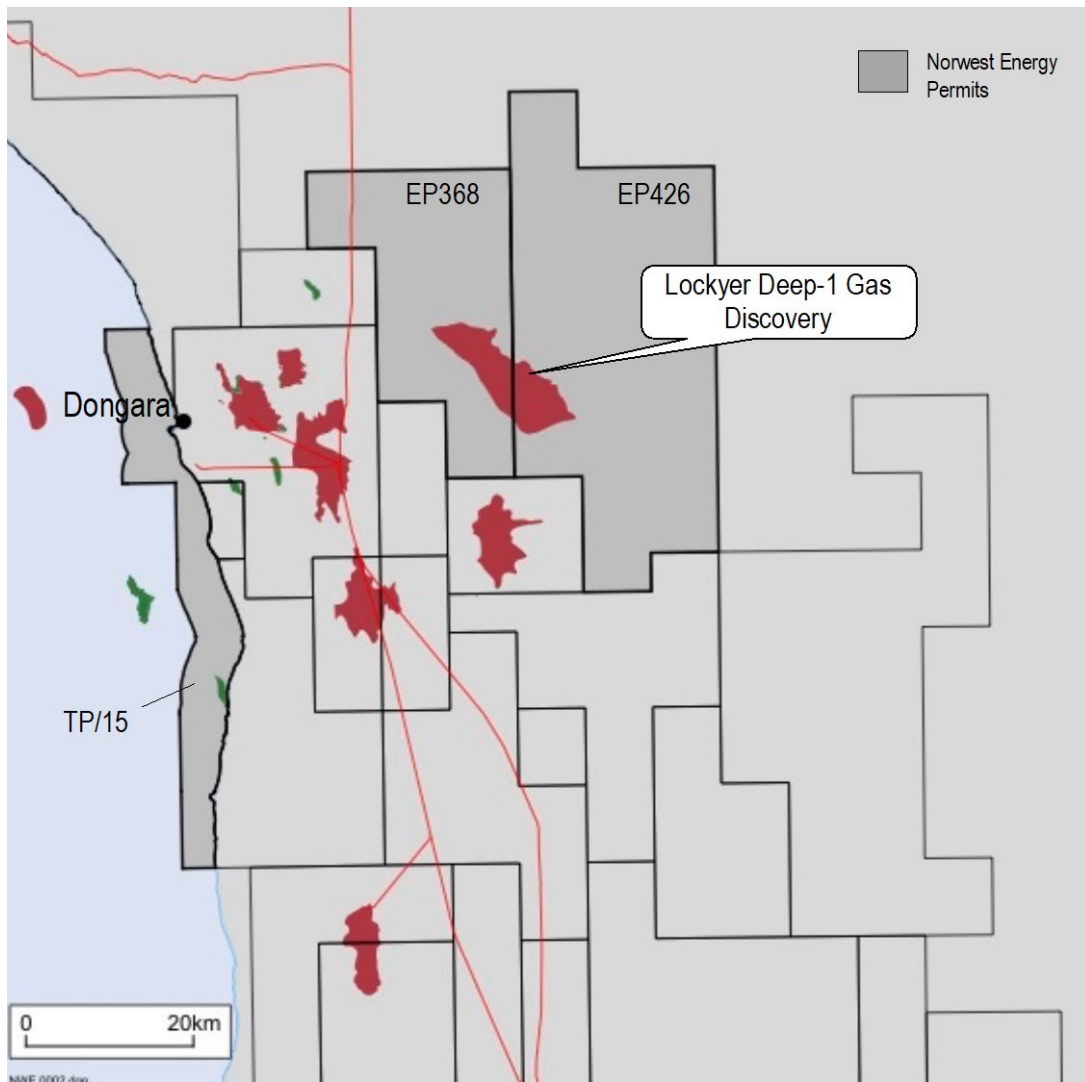


Figure 1: Norwest Energy Perth Basin Permit Interests

### Exploration Permits EP368 and EP426

During the reporting period the EP368 Joint Venture drilled the Lockyer Deep-1 well, to a depth of 4,274 metres. The well encountered a very significant conventional gas discovery in the Permian Kingia Sandstone reservoir, with 20 metres of net pay identified within excellent quality reservoir. Reservoir pressure of 6,514 psi was measured at the top of the Kingia pay zone, indicating a gas column in the 600 metres to 800 metres range based on the regional water pressure gradient. The apparent presence of such a significant column suggests that gas may extend across the greater structure, covering an area of some 92 km<sup>2</sup> and far exceeding the Company's pre-drill expectations. The well has been prepared for production testing to be conducted in March 2022, with subsequent appraisal activities to include additional drilling and acquisition of the Rococo 3D seismic survey commencing December 2022.

Significant follow-on potential has been identified across permits EP368 and EP426, with a variety of gas leads and the Greater Springy Creek oil prospect all under consideration for future drilling subject to completing further technical studies. Exploration success at Lockyer Deep-1 has significantly de-risked a number of gas leads, and the 148 line-kms Ringneck 2D seismic survey commenced in February 2022 with the aim of identifying locations for future exploration drilling, in addition to obtaining modern seismic data across the Lockyer Deep discovery area.

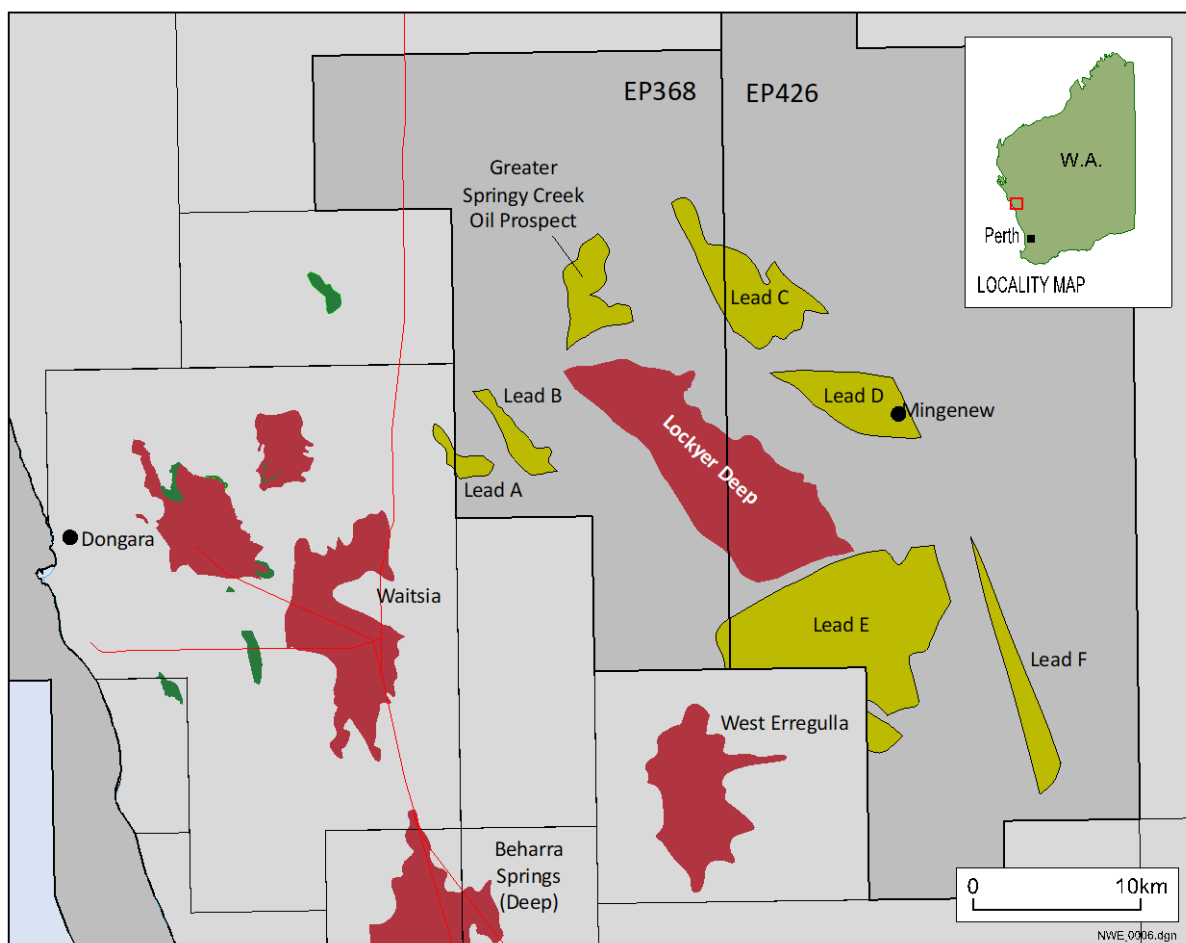


Figure 2: Exploration Permits EP368 and EP426 - Discovery & Leads

#### EP368 JV Participants

Westranch Holdings Pty Ltd <sup>1</sup>	20%	
Energy Resources Ltd <sup>2</sup>	80%	(Operator)

#### EP426 JV Participants

Westranch Holdings Pty Ltd	22.22%	
Energy Resources Ltd	77.78%	(Operator)

<sup>1</sup> Westranch Holdings Pty Ltd is a wholly owned subsidiary of Norwest Energy NL.

<sup>2</sup> Energy Resources Ltd is a wholly owned subsidiary of Mineral Resources Ltd.

#### Exploration Permit TP/15

During the reporting period the Company gave notice to its TP/15 joint venture partners that it will withdraw from the permit and joint venture, effective 6 December 2021. Norwest Energy's formal withdrawal and assignment of interest to Triangle Energy and the 3C Group remains pending at this time.

#### TP/15 JV Participants

Westranch Holdings Pty Ltd	25%	(Operator)
3C Group	30%	
Triangle Xanadu Pty Ltd <sup>3</sup>	45%	

<sup>3</sup> Triangle Xanadu Pty Ltd is a wholly owned subsidiary of Triangle Energy (Global) Ltd

## **Corporate**

### ***Issued capital***

Issued capital at 31 December 2021:

- Ordinary shares            5,633,529,718 shares
- Listed Options            524,798,737 options
- Unlisted options        332,052,086 options

### **3. Other items**

#### ***COVID-19***

The impact of the COVID-19 pandemic upon the Company's operations has been relatively minor, however operational delays were incurred during the drilling of Lockyer Deep-1. During the reporting period the Company continued to implement precautionary measures to protect its personnel, including maintaining the ability to work remotely if necessary. Subsequent to the reporting period the Company has experienced delays in procuring specialist testing equipment and crew for the Lockyer Deep-1 production test, and slight delays to commencement of seismic acquisition operations for the Ringneck 2D survey across EP368 and EP426.

#### ***Significant Changes In State of Affairs***

There were no significant changes in the Group's state of affairs occurred during the half-year.

#### ***Subsequent Events***

##### **Capital Raising**

During January 2022 the Company processed the exercise of Listed Options that expired on 24 January 2022. The Company received proceeds of \$2,908,403 before costs.

#### ***Lead Auditors' Independence Declaration under section 307C of the Corporations Act 2001***

The lead auditors' independence declaration for the half-year ended 31 December 2021 is set out on page 7 and forms part of the Directors Report for the six months ended 31 December 2021.

Signed in accordance with a resolution of the Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.



.....  
Iain Smith  
Managing Director

Perth  
10<sup>h</sup> March 2022



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005  
P.O. Box 8716, Perth Business Centre WA 6849  
Phone (08) 9486 7094 www.rothsay.com.au

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001**

As lead auditor of the review of Norwest Energy NL for the half-year ended 31 December 2021,  
I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Norwest Energy NL and the entities it controlled during the half-year.

**Rothsay Auditing**

A handwritten signature in black ink, appearing to read 'Donovan Odendaal', written in a cursive style.

**Donovan Odendaal  
Partner**

**10 March 2022**



## Directors' Declaration

In the opinion of the Directors of Norwest Energy NL (the Company):

1. the financial statements and notes are in accordance with the Corporations Act 2001 including:
  - (a) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2021 and of its performance for the six-month period ended on that date; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



.....  
Iain Smith  
Managing Director

Perth  
10<sup>th</sup> March 2022



**Consolidated Interim Statement of Comprehensive Income  
For the Half-Year Ended 31 December 2021**

	Note	31 December 2021 \$	31 December 2020 \$
<b>Continuing Operations</b>			
Financing Income		219	219
Joint Venture Operator Overhead fees		33,181	36,862
Depreciation expense		(39,986)	(41,041)
Directors' remuneration (Non-Executive)		(42,082)	(40,438)
Directors' options		(175,200)	-
Personnel expenses		(523,533)	(328,612)
Personnel & Operator Cost Recovery		55,206	34,375
Professional fees		(17,535)	(48,484)
Other expenses		(167,060)	(149,898)
Government Stimulus Payments		-	68,141
R&D Tax Incentive Rebate		-	174,278
Provision for Abandonment and Restoration		(36,320)	-
Write down of Exploration and Development		(13,402)	(11,107)
<b>Net loss for the year</b>		<b>(926,512)</b>	<b>(305,705)</b>
<b>Total Comprehensive Loss for the Period</b>		<b>(926,512)</b>	<b>(305,705)</b>
Basic loss per share (cents per share)		(0.02)	(0.01)
Diluted loss per share (cents per share)		(0.02)	(0.01)

The Consolidated Interim Statement of Comprehensive Income is to be read in conjunction with the notes to the interim financial statements set out on pages 13 to 17.

**Consolidated Interim Statement of Changes in Equity  
For the Half-Year Ended 31 December 2021**

<b>Consolidated</b>	<b>Contributed Equity</b>	<b>Share Based Payment Reserve</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2021	<b>65,822,236</b>	<b>320,000</b>	<b>(61,558,451)</b>	<b>4,583,785</b>
Loss for the period			(926,512)	(926,512)
Shares issued (net of costs)	4,053,386	-	-	4,053,386
Share options granted/expired	-	175,200	-	175,200
<b>Balance at 31 December 2021</b>	<b>69,875,622</b>	<b>495,200</b>	<b>(62,484,963)</b>	<b>7,885,859</b>
Balance at 1 July 2020	<b>63,920,369</b>	<b>320,000</b>	<b>(61,113,196)</b>	<b>3,127,173</b>
Loss for the period			(305,705)	(305,705)
Shares issued (net of costs)	-	-	-	-
Share options granted	-	-	-	-
<b>Balance at 31 December 2020</b>	<b>63,920,369</b>	<b>320,000</b>	<b>(61,418,901)</b>	<b>2,821,468</b>

The Consolidated Interim Statement of Changes in Equity is to be read in conjunction with the notes to the interim financial statements set out on pages 13 to 17.

**Consolidated Interim Statement of Financial Position  
As at 31 December 2021**

	Note	31 December 2021 \$	30 June 2021 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		5,777,097	3,524,952
Trade and other receivables		98,332	204,161
<b>Total current assets</b>		<b>5,875,429</b>	<b>3,729,113</b>
<b>Non-current assets</b>			
Property, plant and equipment		993	2,008
Deferred exploration, evaluation and development	3	4,778,297	1,394,380
Right of use asset		42,218	81,188
<b>Total non-current assets</b>		<b>4,821,508</b>	<b>1,477,576</b>
<b>TOTAL ASSETS</b>		<b>10,696,937</b>	<b>5,206,689</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	4	139,921	220,961
Accruals JV Contributions	4	2,551,994	278,902
Employee entitlements		22,319	20,421
Lease liabilities		49,344	91,440
<b>Total current liabilities</b>		<b>2,763,578</b>	<b>611,724</b>
<b>Non-current liabilities</b>			
Provision for restoration	3	47,500	11,180
<b>Total non-current liabilities</b>		<b>47,500</b>	<b>11,180</b>
<b>TOTAL LIABILITIES</b>		<b>2,811,078</b>	<b>622,904</b>
<b>NET ASSETS</b>		<b>7,885,859</b>	<b>4,583,785</b>
<b>EQUITY</b>			
Issued capital	5	69,875,622	65,822,236
Reserves	6	495,200	320,000
Accumulated losses		(62,484,963)	(61,558,451)
<b>TOTAL EQUITY</b>		<b>7,885,859</b>	<b>4,583,785</b>

The Consolidated Interim Statement of Financial Position is to be read in conjunction with the notes to the interim financial statements set out on pages 13 to 17.

**Consolidated Interim Statement of Cash Flows  
For the Half-Year Ended 31 December 2021**

	<b>31 December 2021 \$</b>	<b>31 December 2020 \$</b>
<b>Cash flows from operating activities:</b>		
Cash payments to suppliers and employees	(687,668)	(456,857)
Interest received	219	219
Government Stimulus Payments	-	68,141
R&D Tax Incentive Rebate	-	174,278
Joint Venture overhead fees	35,875	36,862
<b>Net cash from operating activities</b>	<b>(651,574)</b>	<b>(177,357)</b>
<b>Cash flows from investing activities:</b>		
Proceeds from Sale of Exploration Assets	100,000	-
Expenditure on oil & gas interests	(1,121,091)	(248,594)
<b>Net cash used in investing activities</b>	<b>(1,021,091)</b>	<b>(248,594)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from the issue of share capital	4,082,215	-
Costs of issue of Share Capital	(157,405)	-
<b>Net cash from financing activities</b>	<b>3,924,810</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>2,252,145</b>	<b>(425,951)</b>
Cash and cash equivalents at 1 July	3,524,952	3,054,835
<b>Cash and cash equivalents at 31 December</b>	<b>5,777,097</b>	<b>2,628,884</b>

The Consolidated Interim Statement of Cash Flows is to be read in conjunction with the notes to the interim financial statements set out on pages 13 to 17.

## **Notes to the Consolidated Interim Financial Statements For the Half-Year Ended 31 December 2021**

### **1. Basis of Preparation**

This general purpose financial report for the half-year ended 31 December 2021 has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

The financial statements have been prepared on an accruals basis and are based on historical cost except for share based payments, which have been measured at fair value. All amounts are presented in Australian dollars.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report of Norwest Energy NL for the year ended 30 June 2021 and public announcements made by Norwest Energy NL and its controlled entities during the half-year period in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies and methods of computation adopted in the preparation of the consolidated half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the year ended 30 June 2021.

#### **New Standards, Interpretations and Amendments**

In the half-year ended 31 December 2021, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2021.

It has been determined that there is no material impact of the new and revised Standards and Interpretations on the financial position or performance of the Group.

#### **Impact of standards issued but not yet applied by the Group**

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2021. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

### **2. Segment Reporting**

The economic entity operates predominately in the exploration industry in Australia and internal reporting is conducted on an entity wide basis. As such, segment information is presented on the same basis as that used for internal reporting purposes provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors who make strategic decisions.

**Notes to the Consolidated Interim Financial Statements  
For the Half-Year ended 31 December 2021**

**3. Deferred Exploration, Evaluation and Development Costs**

	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
<b>Transactions for the six months to 31 December</b>		
<i>Exploration and evaluation phase:</i>		
<b>Balance at 1 July</b>	1,394,380	408,677
Additions	3,397,319	1,012,074
Exploration expenditure impairment	(13,402)	(26,369)
<b>Balance at 31 December</b>	<u><b>4,778,297</b></u>	<u><b>1,394,382</b></u>
<b>Provision for restoration<sup>1</sup></b>		
<b>Balance at 1 July</b>	11,180	275,000
Additions and Reductions	36,320	(263,820)
<b>Balance at 31 December 2021</b>	<u><b>47,500</b></u>	<u><b>11,180</b></u>

**Note 1** Restoration provision is the estimate of costs for the remediation of the Xanadu-1 well site in the TP15 Permit.

**4. Trade and Other Payables**

	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
Trade Payables	139,921	103,596
Accrued Expenses <sup>1</sup>	2,551,994	389,089
Other Payables	-	7,178
	<u><b>2,691,915</b></u>	<u><b>499,863</b></u>

**Note 1** Accrued Expenses includes cash calls received for costs incurred on the Permits EP368 and EP426 but not paid at 31 December 2021

**Notes to the Consolidated Interim Financial Statements  
For the Half-Year ended 31 December 2021**

**5. Contributed Equity**

**(a) Issued capital**

	<b>31 December 2021 \$</b>	<b>30 June 2021 \$</b>
5,633,529,718 fully paid ordinary shares (30 June 2021: 5,073,443,410)	<b>69,875,622</b>	<b>65,822,236</b>

**(b) Movements in Ordinary Shares**

Date	Details	No. of Ordinary Shares	\$
<b>01-Jul-21</b>	<b>Opening Balance</b>	<b>5,073,443,410</b>	<b>65,822,236</b>
<b>31-Dec-21</b>	<b>Closing balance</b>	<b>5,633,529,718</b>	<b>69,875,622</b>

Date	Details	No. of Ordinary Shares	\$
<b>01-Jul-21</b>	<b>Opening Balance</b>	<b>5,073,443,410</b>	<b>\$ 65,822,236</b>
02-09-21	Share placement	343,750,000	0.008 2,750,000
01-07-21	Exercise of Listed Options	201,388,394	0.006 1,243,216
01-07-21	Exercise of Unlisted Options	10,000,000	0.0089 89,000
01/07/21	Exercise of Unlisted Options (Cashless)	4,947,914	128,575
02-09-21	Share issue costs	-	(157,405)
<b>31-Dec-21</b>	<b>Closing balance</b>	<b>5,633,529,718</b>	<b>69,875,622</b>

**(a) Listed Options**

Listed options on issue as at 31 December 2021:

<b>01-Jul-21</b>	<b>Opening Balance</b>	<b>726,187,131</b>
<b>31-Dec-21</b>	<b>Closing balance</b>	<b>524,798,737</b>

<b>Number on Issue</b>	<b>Date Issued</b>	<b>Expiry Date</b>
524,798,737	6 <sup>th</sup> February 2020	24 <sup>th</sup> January 2022

<b>01-Jul-21</b>	<b>Opening Balance</b>	<b>726,187,131</b>	<b>\$0.006</b>
01-07-21	Exercise of Listed Options	201,388,394	\$0.006
<b>31-Dec-21</b>	<b>Closing balance</b>	<b>524,798,737</b>	<b>\$0.006</b>

**Notes to the Consolidated Interim Financial Statements  
For the Half-Year ended 31 December 2021**

**6. Reserves**

	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
Share based payment reserve	495,200	320,000
	<b>495,200</b>	<b>320,000</b>

**(a) Nature and purpose**

The share-based payment reserve is used to record the fair value of Incentive Options issued by the Group. The unlisted options granted to personnel have been valued at \$495,200 (Non- Executive Directors \$146,000).

**(b) Movements in share-based payments reserve during the past two years**

	<b>Number of options 31 December 2021</b>	<b>Number of options 31 December 2020</b>	<b>\$ 31 December 2021</b>	<b>\$ 31 December 2020</b>
Opening balance	156,000,000	156,000,000	320,000	320,000
Expired during the period	-	-	-	-
Exercised during the period	(14,947,914)	-	(54,000)	-
Granted during the period	191,000,000	-	229,200	-
Closing balance	<b>332,052,086</b>	<b>156,000,000</b>	<b>495,200</b>	<b>320,000</b>

**7. Commitments**

In order to maintain current rights of tenure to exploration permits, the Consolidated Entity is required to perform minimum exploration work commitments specified by DMIRS. Each of these work commitments has an associated indicative expenditure associated with it. The Group also has commitments with respect to its lease of office space.

These obligations are not provided for in the financial report and are due as follows:

	<b>\$</b>
Within one year	500,250
One year or later and no later than five years	2,844,300
Later than five years	-
<b>Total</b>	<b>3,344,550</b>

Permit commitments above will be met through existing cash, capital raisings and/or pre-payments from future purchasers.

In order to ensure that the Group's permits remain in good order, discussions and negotiations with the relevant regulatory bodies take place on an as required basis to amend the timing and nature of permit work commitments where technically justified. Should the Group not be permitted to amend the timing or nature of permit work commitments, or have insufficient funds to satisfy those commitments, the Group risks having to relinquish title to those permit(s).



**Notes to the Consolidated Interim Financial Statements  
For the Half-Year ended 31 December 2021**

**8. Subsequent Events**

**Capital Raising**

During January 2022 the Company processed the exercise of Listed Options that expired on 24 January 2022. The Company received proceeds of \$2,908,403 before costs.



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005  
P.O. Box 8716, Perth Business Centre WA 6849  
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**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
NORWEST ENERGY NL**

**Report on the Review of the Half-Year Financial Report**

***Conclusion***

We have reviewed the half-year financial report of Norwest Energy NL (“the Company”), and its controlled entities (“the Group”), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors’ declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Group’s financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

***Basis for Conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor’s Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (“the Code”) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

***Independence***

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company would be in the same terms if given to the directors as at the time of this auditor’s review report.





### ***Directors' Responsibility for the Financial Report***

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

### ***Auditor's Responsibility for the Review of the Half-Year Financial Report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Rothsay Auditing**

Dated 10 March 2022

**Donovan Odendaal  
Partner**