

ASX Announcement

29 July 2022

JUNE 2022 QUARTERLY ACTIVITIES REPORT

QUARTERLY HIGHLIGHTS

- Lockyer Deep-1 Absolute Open Flow Rate estimated at 190 MMscf/d
- Best-estimate of potential resource area increased from 92km² to 100km²
- Post-test analysis indicates up to 110 Bcf gas-in-place connected to Lockyer Deep-1 within the approximate 3km² area of test-investigation
- Strongly supported placement and share purchase plan raised \$18.3 million
- Norwest Energy fully funded for a comprehensive appraisal program with shareholder register strengthened by institutional participation in placement

LOCKYER DEEP-1 GEOLOGICAL UPDATE

Preliminary analysis of all data gathered during the Lockyer Deep-1 drilling program was completed during the quarter. Consistent with the regional Kingia geological play, the presence of clay-coated grains combined with large grain size and high sediment maturity has resulted in the retention of significant original porosity and permeability, with average porosities estimated to range between 13% to 21%. Semi-qualitative rock typing of drilling cuttings indicates that additional gas pay may exist, over and above that identified via preliminary petrophysical analysis, with potentially effective reservoir below the perforated interval (4041.5m to 4066.75 metres, MDRT) down to 4085 metres (assuming a 9% porosity cut-off).

Comprehensive analysis of reservoir pressure data from Lockyer Deep-1 and available offset wells supports an increase in the previous best-estimate for the Free Water Line (FWL) from 4500 metres to 4560 metres (refer Figure 1). As a result of the estimated deeper FWL and based on Norwest's post-drill structural interpretation, the potential resource area has increased from 92km² to 100km².

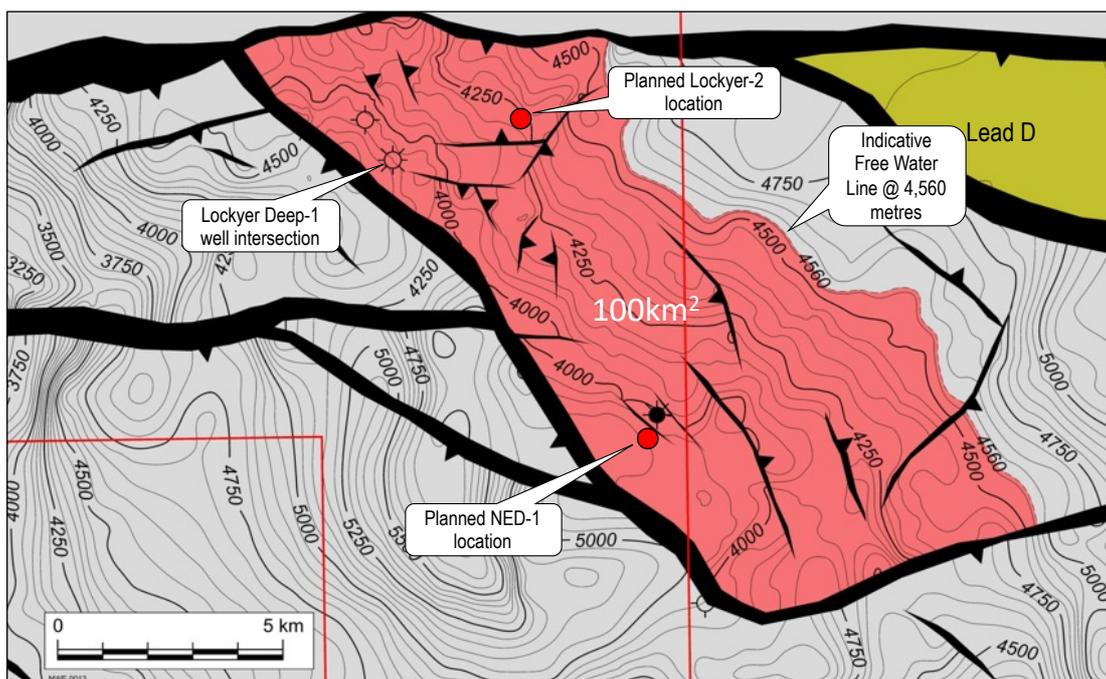


Figure 1: Norwest Energy Top Kingia Fm. Depth Map

LOCKYER DEEP-1 PRODUCTION TEST ANALYSIS

Operator Energy Resources Limited (EnRes) completed production testing operations at Lockyer Deep-1 in late March 2022, with a comprehensive program to determine well deliverability, reservoir quality and gas composition across the 25 metre perforated interval of the Kingia Sandstone. A maximum instantaneous gas flow rate of 117 MMscf/d was achieved - one of the highest rates recorded onshore Australia.

Subsequent analysis has confirmed that the testing objectives were met, with a high quality dataset recorded. The Absolute Open Flow rate for the well (i.e. unconstrained by tubing) was determined to be 190 MMscf/d, with an estimated 70 Bcf to 110 Bcf gas-in-place connected to the Lockyer Deep-1 well within the well test maximum radius-of-investigation (representing an area of approximately 3km², refer Figure 2).

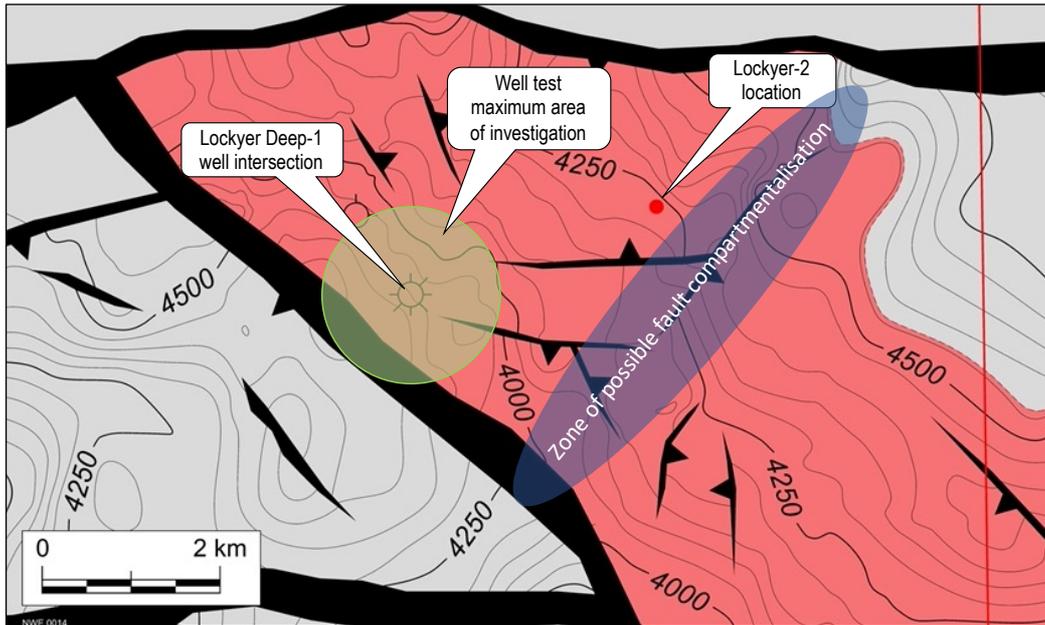


Figure 2: Top Kingia Fm. Depth Map with Well Test Area-of-Investigation and Zone of Possible Faulting

Sand ingress during testing operations occurred only at flow rates greater than 50 MMscf/d, with no sand produced during the extended flow period which was conducted at lower rates. Norwest Energy envisages that future wells will be completed for sustained production at rates below 50 MMscf/d (as at the nearby Waitsia gas field development) and therefore sanding is not regarded as a cause for concern. Laboratory analysis of the gas stream confirms a high quality gas with approximately 87.5% methane, 3.9% CO₂, and 3.2 bbls of condensate per MMscf.

APPRAISAL PLANNING

EnRes is preparing for further drilling across the broader Lockyer Deep/North Erregulla Deep structure, targeting commencement of a two well back-to-back program from Q4 CY2022, subject to the necessary land access agreements, regulatory approvals and rig availability. The first well, North Erregulla Deep-1 (NED-1, refer Figure 1) will test the structural high located some 8.5km to the southeast of Lockyer Deep-1.

While NED-1 is designed to confirm the presence of gas across the broader structure, the well is regarded as an exploration well due to some cross-fault seal risk at the North Erregulla culmination (as at Lockyer Deep-1) and the distance from Lockyer Deep-1, with the possibility of fault compartmentalisation between the two well locations (refer Figure 2). Such compartmentalisation may be present, analogous with that seen at the Waitsia gas field; however it is not clearly definable on existing 2D seismic data and this uncertainty will be resolved once the Rococo 3D seismic results are available. NED-1 will also test for oil potential within the Dongara/Wagina Formations, the North Erregulla-1 well (1967) having recovered 38°API oil on test from low poro-perm sandstones. There is the possibility for improved reservoir

development within an estimated 20km² structural closure that includes the North Erregulla-1 location, and Prospective Resources/geological risking will be announced once complete.

The Lockyer-2 well location will be situated approximately 3km northeast and down-dip of Lockyer Deep-1. The purpose of Lockyer-2 is to confirm the downdip presence of gas within the Kingia Formation in order to further support the current estimate of an approximately 800-metre gas column. Lockyer-3 and Lockyer-4 appraisal wells are also in the planning stage, with final locations and timing to be confirmed based on the results of the first two wells.

The 385km² Rococo 3D seismic survey (refer Figure 3) is targeted to commence in December 2022 and is estimated to take up to four months to complete. The purpose of the survey is to provide a high resolution and high quality subsurface view of the Lockyer Deep discovery, providing valuable insight to the detailed subsurface form of the discovery to guide later appraisal/development drilling, reserves definition, reservoir modelling and development planning.

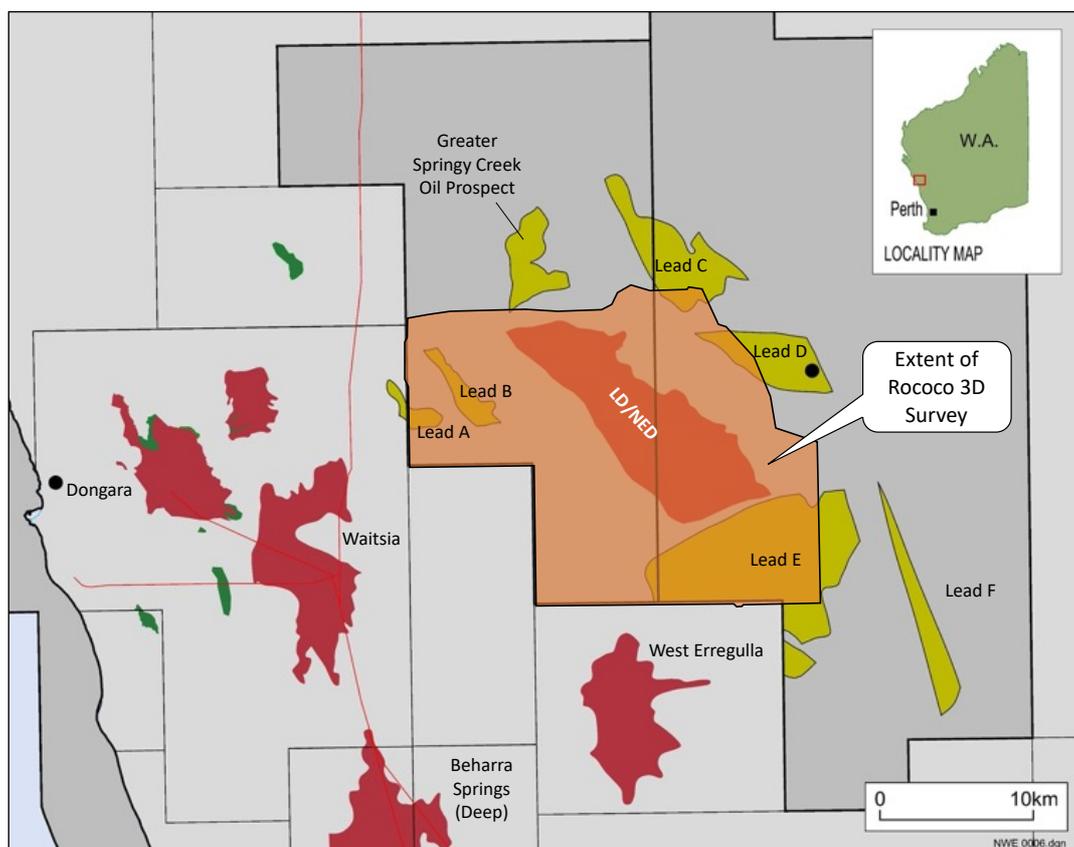


Figure 3: Rococo 3D Seismic Survey Area

EXPLORATION

The Ringneck 2D seismic program was completed in March 2022 and was designed to provide additional seismic coverage of the area to the southeast of Lockyer Deep/North Erregulla Deep, in the vicinity of a prominent gravity anomaly that may be indicative of basement structuring that sets up suitable hydrocarbon traps at the Upper Permian level. Additionally, 2D seismic data was acquired across the Lockyer Deep/North Erregulla Deep structure to support the pending drilling program prior to the completion of the Rococo 3D survey. The 2D seismic data is presently being processed by Earth Signal Processing Ltd. After initial processing the data will be put through a Pre-Stack Time Migration processing flow with the final processed data now estimated to become available in September 2022.

CORPORATE

Financial

As announced on 6 April 2022, the Company raised approximately \$15 million through a placement of new fully paid ordinary shares (at \$0.033 per share), primarily to a range of domestic and international institutional investors. The Company also completed a Share Purchase Plan to eligible shareholders at end April 2022, raising an additional \$3.3 million.

Cash and cash equivalents at 30 June 2022 were \$22,808,000. With a strengthened balance sheet the Company is fully funded for its net share of a comprehensive appraisal and ongoing exploration program across the Lockyer Deep discovery and adjacent leads/prospects.

Unmarketable Parcel Facility

The Company has established an Unmarketable Parcel Share Sale Facility for shareholders who hold less than \$500 worth of shares at close of trading 11 July 2022. Refer to the Company's announcement of 15 July 2022 for further information.

Investor Webinar

Norwest Energy held an investor webinar on 22 July 2022 in order to inform shareholders and potential investors of the Company's recent results and future planned activities. The webinar was well attended with strong investor engagement throughout the Q&A session. The recording can be viewed at the following URL: <https://vimeo.com/732332043>

NOTES PERTAINING TO QUARTERLY CASHFLOW REPORT (APPENDIX 5B)

Item 2.1(d): Capitalised exploration & evaluation costs of \$31,000 are associated with studies pertaining to the Lockyer Deep discovery.

Item 6.1: The aggregate amount of payments to related parties and their associates of \$138,000 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 assignment to Triangle Energy and 3C Group

The EP368 and EP426 Joint Ventures are comprised of the following participants:

EP368

Norwest Energy Limited	20%
Energy Resources Limited	80% (Operator)

EP426

Norwest Energy Limited	22.22%
Energy Resources Limited	77.78% (Operator)

Energy Resources Limited is a wholly-owned subsidiary of Mineral Resources Limited.

Authorised for release to ASX by the Board of Directors.

For further information please contact/follow Norwest Energy at:

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Email: info@norwestenergy.com.au

Investor Relations: **Luke Forrestal, GRA Partners, Mobile 0411 479144**

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")

30 JUNE 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(7)	(23)
(b) development	-	-
(c) production	-	-
(d) staff costs	(202)	(687)
(e) administration and corporate costs	(86)	(673)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
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	17	74
(b) Recoveries	36	207
1.9 Net cash from / (used in) operating activities	(242)	(1,101)
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)	(31)	(4,173)

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 (12 months) \$A'000
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	100
	(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	(31)	(4,073)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	18,688	22,772
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	2,985
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1,109)	(1,298)
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	17,579	24,458
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,502	3,524
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(242)	(1,101)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(31)	(4,073)

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 (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	17,579	24,458
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	22,808	22,808

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	22,730	5,424
5.2	Call deposits	20	20
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)	22,808	5,502

6. Payments to related parties of the entity and their associates

- | | | Current quarter
\$A'000 |
|-----|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 Directors Remuneration and Managing Director Remuneration | 138 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

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)	(242)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(31)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	273
8.4 Cash and cash equivalents at quarter end (Item 4.6)	22,808
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	22,808
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	83.55

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

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:

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:

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: 28TH July 2022



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.