

14 November 2017



ABN: 65 078 301 505
Level 2, 6 Thelma Street
West Perth WA 6005
PO Box 1264 West Perth WA 6872
Tel: +61 8 9227 3240
Fax: +61 8 9227 3211
www.norwestenergy.com.au

NORWEST DISCOVERY UPDATE

Norwest Energy NL (Norwest), the Operator of Permit TP/15 provides the following update on the Xanadu Project.

HIGHLIGHTS

- Oil assay results confirm Cliff Head analogue
- TP/15 Joint Venture commences planning for Xanadu 3D seismic acquisition
- Low cost, high impact program planned for early 2018

BACKGROUND

The Xanadu-1 well was spudded on 4th September 2017, and reached a total depth of 2035 mMDRT on Sunday 17th September, when it was confirmed that the Xanadu-1 well had intersected hydrocarbon bearing intervals as demonstrated by elevated gas readings, oil shows, fluorescence and cut-fluorescence whilst drilling.

OIL ASSAY RESULTS

Oil and fluid testing from Xanadu-1 samples is now complete. Figure 1 presents the Xanadu-1 oil sample characterization, with the inclusion of Cliff-Head 6 data confirming similarity with the oil produced at Cliff Head. The Cliff Head oil field is located approximately 14km to the north-west of Xanadu, and can now be definitively used as an analogue in developing future exploration, appraisal, production and development scenarios at Xanadu.

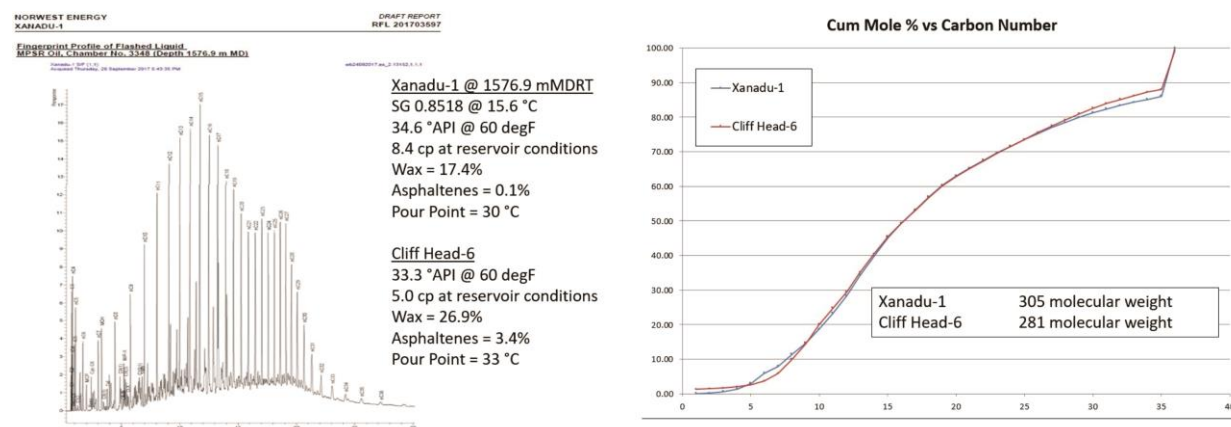


Figure 1. Xanadu-1 Oil Assay Results and comparison to Cliff Head-6 oil

XANADU 3D SEISMIC ACQUISITION PROGRAM

Due to the successful drilling program at Xanadu-1, the Joint Venture has agreed to commence 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 is confirmed for Q1 2018, 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 has been formally engaged to commence the regulatory approvals process on behalf of the TP/15 Joint Venture, and a community consultation plan is under development. It is imperative that these components commence immediately in order to meet the preferred acquisition timeline.

Norwest is currently reviewing proposals from seismic acquisition vendors, however the technical program and budget will require Joint Venture approval prior to the acquisition contract being awarded. Timing of the seismic survey will be dependent upon regulatory approvals, however it is anticipated that a late Q1 2018 acquisition is possible.

Norwest will continue to progress the next stage of project appraisal as efficiently and effectively as possible.

DISCOVERY ASSESSMENT REPORT

Following the Discovery Notice that was lodged with the Minister for Mines, Industry Regulation and Safety, a Discovery Assessment Report is required to be submitted by 26th December 2017. This is currently being prepared for submission by the operator.

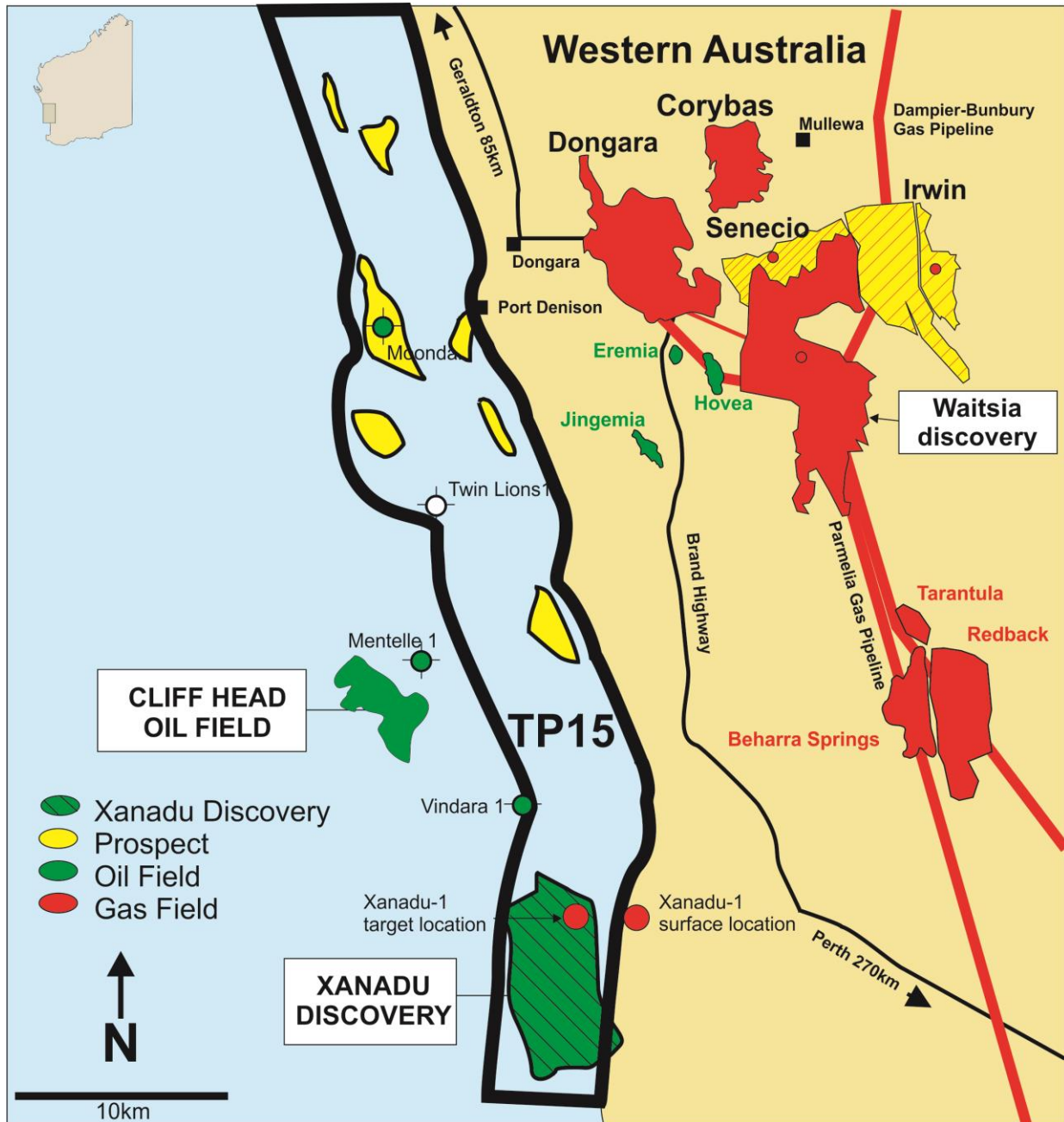
WELL DETAILS

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%

MAP SHOWING XANADU LOCATION



For personal use only