

NORWEST ENERGY NL

ABN 65 078 301 505

PROSPECTUS

(14 October 2005)

This Prospectus is for the placement of up to 25,000,000 fully paid ordinary shares at an issue price of 16 cents per share.

This document is important and should be read in its entirety. If, after reading this Prospectus, you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The securities offered by this Prospectus should be considered as speculative.

Defined terms and abbreviations used in this Prospectus are explained in Section 5.

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Lead Manager

DJ Carmichael Pty Limited

1. CORPORATE DIRECTORY

Directors

Mr Jonathan (Joe) Salomon - Chief Executive Officer
Mr Henry David Kennedy - Chairman
Mr Peter Lawson Munachen
Mr Andrejs (Andrew) Karlis Svalbe

Secretary

Ernest Anthony Myers

Registered Office

Ground Floor
288 Stirling Street
Perth WA 6000

Telephone: 61 8 9227 3240
Facsimile: 61 8 9227 3211

Lead Manager

DJ Carmichael Pty Limited
Level 11, 77 St Georges Terrace
Perth WA 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
Perth WA 6000

Telephone: 1300 557 010
Facsimile: 61 8 9323 2033

Home Exchange and Branch

Australian Stock Exchange Limited - Perth Western Australia

The ASX has not been involved in the preparation of any part of this Prospectus and has not consented to be named in this Prospectus. Their name is included for information purposes only.

ASX codes

NWE (Ordinary Fully Paid Shares)
Frankfurt Stock Exchange Code: NUX

Website Address

[http:// www.norwestenergy.com.au](http://www.norwestenergy.com.au)

Contact

info@norwestenergy.com.au

2. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

2.1 Key Dates

Date of this Prospectus	14 October 2005
Applications to ASX for quotation of New Shares	14 October 2005
Issue opens	17 October 2005
Issue closes	28 October 2005

These dates are indicative only and subject to ASX Listing Rules, the Directors reserve the right to amend the Closing Date without prior notice.

2.2 Offer Statistics

Price for New Shares	16 cents
Number of Shares now on issue *	167,471,872
Number of Shares in the Issue	25,000,000
Number of Shares on issue after the Issue**	192,471,872
Number of Options on issue after the Issue***	9,350,000

* The Company currently has 25,000,000 Shares on offer to existing shareholders under the Share Purchase Plan. The Company can give no indication as to how many Shares will be issued under the SPP.

** This assumes that no existing Options will be exercised prior to the issue of New Shares pursuant to this Prospectus.

*** At the date of this offer, the following unlisted Options were also on issue:

- (a) 3,250,000 - 28 November 2007, 20 cent unlisted options
- (b) 500,000 - 30 June 2008, 10 cent unlisted options
- (c) 500,000 - 30 June 2008, 15 cent unlisted options
- (d) 1,100,000 - 22 November 2008, 15 cent unlisted options
- (e) 2,500,000 - 25 November 2009, 15 cent unlisted options
- (f) 500,000 - 9 March 2010, 13 cent unlisted options
- (g) 500,000 - 9 March 2010, 18 cent unlisted options
- (h) 250,000 - 9 June 2010, 20 cent unlisted options
- (i) 250,000 - 9 June 2010, 25 cent unlisted options

Application will be made within 7 days after the date of this Prospectus for the securities offered by this Prospectus to be admitted to quotation by the Australian Stock Exchanges Limited.

2.3 Important Notes

Potential investors should read this document in its entirety and, if in doubt, should consult their professional advisers before deciding whether to subscribe for shares under this offer.

This Prospectus is dated 14 October 2005 and a copy of this Prospectus was lodged with ASIC on that date.

ASIC and the ASX take no responsibility for the content of this Prospectus.

No securities will be allotted or issued on the basis of this Prospectus later than 13 months from the date of issue of this Prospectus.

In compliance with Section 713(2) of the Corporations Act, this Prospectus contains all information that investors and their professional advisers would reasonably require and reasonably expect to find in this Prospectus for the purpose of making an informed assessment of:

- (a) the effect of the Issue on the Company; and
- (b) the rights and liabilities attaching to the New Shares issued pursuant to this Prospectus.

In preparing this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult.

No person is authorised to give any information or to make any representation in connection with the Issue described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the Issue or this Prospectus.

1. DETAILS OF THE OFFER

1.1 Purpose of the Issue

The Issue will raise up to \$4,000,000.00 (before costs of the Issue).

The Issue is intended to:

- (a) provide funds for the drilling of selected targets in the USA, to advance exploration on the Appalachians properties;
- (b) enable the Company to fulfil its exploration programmes on its Australian projects;
- (c) provide funds for the exploration of the North Sea blocks in the UK;
- (d) undertake exploration activities in India;
- (e) pay the costs of the Issue as set out in Section 1.5; and
- (f) meet the general costs of maintaining the current status of the Company's exploration portfolio, retaining technical, field and administrative staff, and to advance joint venture negotiations on a number of its properties during the next few months.

1.2 Proposed Exploration Programs Costs Over The Next 9 Months

Item	Estimated Cost	Period Of Activity
Drilling on Appalachians projects	\$5,000,000	October 2005 to June 2006
Exploration on Australian projects	\$2,100,000	October 2005 to June 2006
Exploration on UK projects	\$400,000	October 2005 to June 2006
Exploration on Indian projects	\$500,000	October 2005 to June 2006
Administration and maintenance of properties and Issue costs	\$1,460,000	October 2005 to June 2006

Whether or not the Company completes each item outlined above is subject to the risks outlined in Section 4.7 and the success of each component of the exploration program.

Completion of the exploration program is also dependent upon:

- (a) the results of each component of the exploration program;
- (b) the rate of progress of each component of the exploration program;
- (c) the success of the Company's efforts to attract other participants in the joint ventures and tenements it controls or participates in; and
- (d) the success of the Company's Share Purchase Plan giving shareholders the option of acquiring up to \$5,000.00 worth of Shares at 16 cents per share to raise a total \$4,000,000

As a result of the success or failure of a component of the exploration program and the availability of funds the Company may alter, delete or defer all or part of the programs stated above. For further detail refer to Section 4.8.

To ensure continued exploration and ongoing Company operations, until it becomes self-funding, the Company will at some point need additional funds. Some funding is likely to come from liquidation of Company assets and some may be sought from the equity market – refer to Section 4.8. The US Projects may be debt funded depending on the success rates achieved.

1.3 **Shares to Be Issued**

Pursuant to this Prospectus, the Company is offering for application up to 25,000,000 fully paid ordinary shares in the Company at an issue price of 16 cents (A\$0.16) each payable in full on application.

Details of the rights attaching to the New Shares are set out in Section 3.

1.4 **Stock Exchange Quotation**

Application for official quotation by the ASX of the New Shares will be made within 7 days after the date of this Prospectus. If the New Shares are not admitted to official quotation on the ASX before the expiration of 3 months after the date of issue of the Prospectus, the Company will not issue any New Shares pursuant to this Prospectus and will refund all application monies as soon as practicable, without interest.

The fact that the ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

1.5 **Issue Expenses**

The estimated expenses of the Issue are:

Item	\$
ASIC fees	2,010
Prospectus printing and distribution	2,000
Legal fees	2,000
Maximum management and brokerage fees payable	240,000
Total	246,010

1.6 **Non-Resident Applicants**

The New Shares the subject of the Issue are only available to potential investors resident in Australia and overseas jurisdictions where the Issue does not constitute a violation of relevant laws or require registration of this Prospectus or any other document.

Where this Prospectus is obtained by potential investors, resident outside Australia in a country having securities legislation requiring registration of this Prospectus or any other document, this Prospectus is provided for information purposes only. This Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. Potential investors resident outside Australia should consult their professional advisers as to whether any government or other consents are required or whether formalities need to be observed to enable them to take part in the Issue.

1.7 **Minimum Subscription**

There is no minimum subscription for the Issue to proceed.

Applications must be for a minimum of \$3,200 being 20,000 New Shares and thereafter in multiples of 10,000 New Shares.

1.8 **Underwriting**

The offer of New Shares pursuant to this Prospectus is not underwritten.

1.9 **Management**

D J Carmichael Pty Limited have been appointed to manage the placement and will receive a fee of 6% of the funds placed, except for investors introduced by the Company, for which they will receive a management fee of 2%.

1.10 **Over - Subscriptions**

Over - subscriptions will not be accepted.

1.11 **Application and Allotment**

Applications may only be made on the Application Form attached to or accompanying this Prospectus (or a copy or a direct derivation of that form). Please read the instructions on the Application Form carefully before completing it.

The completed Application Form, together with your remittance for the application monies, should be sent direct to D J Carmichael Pty Limited at the following address no later than 5pm WST on the Closing Date unless advised otherwise:

Att: Joann Yong
DJ Carmichael Pty Limited
PO Box Z5186
Perth Western Australia 6831

Payment must be by direct deposit, cheque drawn on an Australian bank or a bank draft in Australian currency, in each case made payable to "Norwest Energy NL" and crossed "Not Negotiable".

Applicants wishing to transfer funds directly to DJ Carmichael Pty Limited should contact Joann Young on 618 9263 5207.

Application forms may be faxed to D J Carmichael Pty Limited on fax 618 9263 5289.

In the case of facsimile transmission of the application form, the funds and application form must be received no later than 5pm (WST) on the Closing Date. The date of receipt will be the later of the date the application form and corresponding funds are received by the Company, as reasonably determined by the Company.

New Shares will be allotted and holding statements will be dispatched in the order that valid applications are received.

The Directors reserve the right to:

- (a) close the Issue without prior notice at any time after the date on which the Issue opens for applications; and
- (b) refuse any application,

in their absolute discretion.

1.12 **Future Funding**

The Company has a small amount of production income from its 1.278% interest in the Jingemia oil field in the Perth Basin.

It is usual for companies such as the Company to seek funding from the equity market from time to time to be in a position to continue its exploration activities.

1.13 **Enquiries**

Any questions concerning the Prospectus should be directed to Mr. Peter Munachen, Director or Mr Ernie Myers, Company Secretary on (08) 9227 3240

Releases with respect to the Company's activities, including drilling reports, are posted to the Company's website which is [http:// www.norwestenergy.com.au](http://www.norwestenergy.com.au).

2. EFFECT OF THE ISSUE ON THE COMPANY

2.1 Effect on Statement of Financial Position

The effect of the Issue on the Company's Statement of Financial Position is to increase shareholder's funds and net assets by up to \$4,000,000 (less costs). There will be no immediate effect on the Company's Statement of Financial Performance, although the investment of the proceeds of the Issue will eventually have an effect, depending on the success of that investment (which is presently not capable of being quantified).

2.2 Effect on Capital Structure*

Details	Number
Shares - Listed	
Existing Shares at the date of this Prospectus	167,471,872
New Shares to be issued pursuant to this Prospectus	25,000,000
Total Shares on issue after completion of the Issue	192,471,872

Unlisted Options	
Options exercisable at 20 cents per share prior to 28 November 2007	3,250,000
Options exercisable at 10 cents per share prior to 30 June 2008	500,000
Options exercisable at 15 cents per share prior to 30 June 2008	500,000
Options exercisable at 15 cents per share prior to 22 November 2008	1,100,000
Options exercisable at 15 cents per share prior to 25 November 2009	2,500,000
Options exercisable at 13 cents per share prior to 9 March 2010	500,000
Options exercisable at 18 cents per share prior to 9 March 2010	500,000
Options exercisable at 20 cents per share prior to 9 June 2010	250,000
Options exercisable at 25 cents per share prior to 9 June 2010	250,000

- see assumptions 3 and 4 below

	Audited 30 June 2005	Pro-Forma Placement 30 June 2005	Pro-Forma Share Purchase Plan 30 June 2005
Current Assets			
Cash and deposits	5,508,081	9,262,071	13,242,071
Receivables	142,472	142,472	142,472
Total Current Assets	5,650,553	9,404,543	13,384,543
Non Current Assets			
Receivables	12,002	12,002	12,002
Property, Plant and Equipment	56,844	56,844	56,844
Deferred Exploration, Evaluation and Development costs	4,318,664	4,318,664	4,318,664
Total Non Current Assets	4,387,510	4,387,510	4,387,510
Total Assets	10,038,063	13,792,053	17,772,053
Current Liabilities			
Payables	282,828	282,828	282,828
Non-Current Liabilities			
Provisions	310,224	310,224	310,224
Total Liabilities	593,052	593,052	593,052
Net Assets	9,445,011	13,199,001	17,179,001
Equity			
Contributed Equity	23,942,459	27,692,459	31,442,459
Costs of The Issue	-	(246,010)	(266,010)
Accumulated Losses	(14,497,448)	(14,497,448)	(14,497,448)
Total Shareholder Equity	9,445,011	13,199,001	17,179,001

2.3 **Effect on Statement of Financial Position**

Assumptions

1. All New Shares are subscribed for pursuant to this Prospectus and are issued.
2. The amount raised pursuant to this Prospectus is \$4,000,000 less costs of \$176,010.
3. The above figures do not reflect the exercise of existing Options. If they were all exercised, cash and share capital would both increase by \$1,582,500.
4. The Company currently has on offer up to 25,000,000 shares under the Share Purchase Plan. The Company cannot give an indication of how many shares will be issued under the Share Purchase Plan

2.4 **Share Purchase Plan**

On 14 October 2005 the Company announced a Share Purchase Plan (**SPP**).

Under the SPP Shareholders as at 13 October 2005 are given the option of acquiring up to \$5,000.00 worth of Shares at 16 cents per share. The purpose of the SPP is to enable small shareholders to round up their shareholdings to a marketable parcel and to acquire more shares at low cost.

3. RIGHTS ATTACHING TO NEW SHARES

New Shares issued pursuant to this Prospectus will rank equally in all respects with the issued ordinary Shares of the Company. For full details of the rights attaching to New Shares, Shareholders should refer to the Constitution, a copy of which may be inspected free of charge at the Company's registered office at 288 Stirling Street, Perth WA 6000 during normal business hours.

The following is a broad summary (although not an exhaustive or definitive statement) of the rights that attach to Shares (including New Shares).

General Meetings

Each holder of ordinary shares is entitled to receive notice of, and to attend, speak and vote at, general meetings of the Company and to receive all notices, accounts, and other documents required to be given to shareholders under the Company's constitution, the Corporations Act and the ASX Listing Rules.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there are none), and provided no amount due and payable in respect of a call is unpaid, at a general meeting of the Company every holder of ordinary shares present in person or by proxy, attorney or representative has one vote on a show of hands and one vote per share on a poll. A person who holds a share that is not fully paid is entitled to a fraction of a vote equal to the amount paid on that share divided by the total issue price of that share.

Dividend Rights

Subject to the rights of holders of shares issued with any special or preferential rights (at present there are none), the profits of the Company, which the Directors may from time to time determine to distribute by way of dividend, are divisible among shareholders in proportion to the amounts paid up on those shares.

Rights on Winding Up

Subject to the rights of holders of shares issued upon special terms and conditions (at present there are none), the Company's constitution and the Corporations Act, holders of ordinary shares will share in any surplus assets on a winding up in proportion to the fully paid shares held by them. A partly paid share is counted as a fraction of a fully paid share equal to the proportion, which the amount paid on it bears to the total issue price of the share.

Transfer of Shares

Subject to the Constitution, the Corporations Act and the ASX Listing Rules, all ordinary Shares are freely transferable.

Future Increases in Capital

The allotment and issue of any New Shares is under the control of the Directors. Subject to restrictions on the allotment of Shares to Directors and their associates, the ASX Listing Rules, the Constitution and the Corporations Act, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

Variation of Rights

At present the Company has only ordinary shares on issue. If shares of another class were issued, the rights and privileges attaching to ordinary shares may be altered by a resolution passed at a separate general meeting of holders of ordinary shares by a three-quarters majority of such holders as, being entitled to do so, vote at that meeting, or with the written consent of the holders of at least three-quarters of the ordinary shares on issue. On such a vote partly paid shares have voting rights proportional to the amount paid on each share.

4. ADDITIONAL INFORMATION

4.1 Continuous Disclosure and Documents Available For Inspection

The Company is a "disclosing entity" for the purposes of Section 111 AC of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

The Company believes that it has complied with the general and specific requirements of ASX (as applicable from time to time throughout the 12 months before the issue of this Prospectus) which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The Company will provide a copy of each of the following documents, free of charge, to any person who asks for it during the currency of the Issue:

- (a) the annual financial report of the Company for the financial year ended 30 June 2005 (being the annual financial report most recently lodged with ASIC in relation to the Company before the lodgement of this Prospectus); and
- (b) all continuous disclosure notices given during the period starting after lodgement with ASIC of the annual financial report referred to in (a) above and ending before the lodgement of this Prospectus, being the following documents:

Date Lodged	Particulars of Announcement
03/10/05	Jingemia-5 Oil Appraisal/Water Injection Well
04/10/05	Jingemia Oil Field Production WA
04/10/05	Jingemia-5 Oil Appraisal/Water Injection Well Update
07/10/05	Jingemia Weekly Drilling Report
12/10/05	Tennessee Wells & Magnolia Drilling Update
13/10/05	Jingemia Weekly Drilling Report

The ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at the ASX during normal business hours.

This is a "reduced content" prospectus prepared in accordance with Section 713 of the Corporations Act and as such, contains details specific to the Offer. If Shareholders require any further information in relation to the Company, the Directors recommend that Shareholders should take advantage of the ability to inspect or obtain copies of disclosures made by the Company as referred to above.

All requests for copies of the above documents should be addressed to:

The Company Secretary
Norwest Energy NL

By mail or in person: 288 Stirling St, Perth, WA 6000 By facsimile: (08) 9227 3211

The above information may also be obtained from the Company's website at:
[http:// www.norwestenergy.com.au](http://www.norwestenergy.com.au).

4.2 Directors' Interests

Other than as set out in the 2005 Annual Report or elsewhere in this Prospectus, no director has, or had within 2 years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its promotion or formation or in connection with the offer of the New Shares; or
- (c) the offer of the New Shares,
- (d) and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any director:
 - (i) to induce him to become, or to qualify him as, a director; or
 - (ii) for services rendered by him in connection with the formation or promotion of the Company or the offer of the New Shares .

The interests of the Directors in the marketable securities of the Company either directly or indirectly as at the date of this Prospectus are as follows:

Name	Listed Fully paid shares	Unlisted Options
J A Salomon	-	1,500,000
P L Munachen	85,000	1,500,000
HD Kennedy	29,523,060	800,000
A K Svalbe	-	1,050,000

The Directors are entitled to payment of fees, remuneration and expenses as set out in the Constitution. The Constitution provides, inter alia, that the Directors are paid such fees as may from time to time be determined by the Company in general meeting.

The directors are also entitled to be paid reasonable travel, hotel and other expenses incurred by them respectively in or in connection with the performance of their duties as Directors. Subject to the Corporation Act and ASX Listing Rules, if a director is called upon to perform extra duties or make special exertion on behalf of the Company, the Directors may remunerate that Director which may either be in addition to or in substitution for his usual Director's fees.

Details of remuneration and benefits paid to Directors in the two years to 30 June 2005 are detailed in the 2005 Annual Report.

Subsequent to 30 June 2005 and up to the date of this Prospectus, the following benefits are payable to or have been received by the Directors or related entities:

- (a) an amount of \$61,250 to an entity in which Mr Salomon has an interest for consulting fees to 30 September 2005;
- (b) an amount of \$8,750 to Mr Kennedy in respect of directors fees to 30 September 2005;
- (c) an amount of \$8,750 to Mr Svalbe in respect of directors fees to 30 September 2005; and
- (d) an amount of \$20,750 to an entity in which Mr Munachen has an interest for consulting fees to 30 September 2005.

The Company has paid administration fees to Resource Services International (Aust) Pty Limited a company of which Messrs Kennedy and Munachen are directors, to

cover the provision of administrative & financial services. The amount paid for such services by the Company since 30 June 2005 totals \$55,764.

Since 30 June 2005, Resource Services International (Aust) Pty Limited also incurred and was reimbursed office accommodation, communication facilities and office costs in aggregate totalling \$19,336.

4.3 **Directors' Qualifications and Experience**

Mr Henry David Kennedy (Chairman)

BA(Geology), MA(Geology), Member CIMMP, SEG, PESA, AIG

Mr Kennedy, 69, has had a long association with Australian and New Zealand resource companies and as a technical director has been instrumental in the formation and / or development of a number of successful listed companies, As Chairman and Chief Executive of Kiwi International Resources NL and Associated Gold Fields NL, Mr Kennedy was involved in the discovery and development of the Obotan gold project in Ghana prior to the Company being merged with Resolute Samantha Ltd in May/June 1996. He is also a director of an listed overseas company and the following Australian listed companies: Pancontinental Oil & Gas NL (Since 1999), Alkane Exploration NL (Since 2000) and Sub-Sahara Resources NL (Since 1996).

Mr Jonathan Arnold Salomon, (Chief Executive Officer) BAppSc (Geology)

Mr Salomon, 49, has over 20 years experience in both large and small exploration and production companies. After an initial period in the coal and minerals sector, he moved to the oil and gas sector with LASMO in Brisbane and then Ampolex in Sydney, where he was tasked with the development of Australian and International oil and gas projects. Following the Mobil takeover of Ampolex in the late 1990's, he worked in the USA and headed up a team developing new projects in South Asia. This provided him with an extensive knowledge of the Asian region, as well as establishing many regional contacts. More recently he has worked at a senior management and director level with a number of smaller companies, including Nido Petroleum and Novus Petroleum, being responsible for technical and commercial issues of existing projects and new ventures in both developing and developed countries.

Mr Peter Lawson Munachen (Finance Director) FCA, FAICD

Mr Munachen, 59, is a Chartered Accountant and former partner in an international accounting practice. He has had considerable experience in the resources industry and is a director of Dragon Mining NL (since 2005 – an alternate from 2003 to 2005), Pancontinental Oil & Gas NL (since 1991), Newland Resources Limited (since 2001), Sub-Sahara Resources NL (since 2004) and Currie Rose Resources Inc (since 2005)

Mr Andrejs (Andrew) Karlis Svalbe (Non-Executive Director), BSc (Hons) Econ. Geol. Member PESA, AAPG, ASEG, FESWA

Mr Svalbe, 62, has in excess of 25 years experience in the oil industry working in Australia and overseas. During this period he has been involved with a diverse range of exploration, development and production projects in the private sector, particularly with Exxon and Pancontinental Petroleum. Recently he has been Chief Geoscientist - Petroleum for the Geological Survey of Western Australia. Mr Svalbe is the Chief Executive Officer and Director of Pancontinental Oil & Gas NL (since 1998).

4.4 **Litigation**

In 2001 the Company received a Notice of Arbitration from AEC International (Australia) Pty Ltd ("AEC") the Operator of AC/P22. There exists a dispute between AEC, the Company and the other Joint Venturer, Ashmore Oil Pty Ltd, concerning AEC's entitlement to be paid rig demobilisation costs allegedly incurred by AEC for the Joint Venture in relation to the drilling of the Puffin 6 Well. Norwest Energy NL denies any liability in respect of those costs and other budget over-runs and will defend this

position in the Arbitration instituted by AEC. The contingent liability in relation to this dispute and the budget over-runs is estimated to total \$650,000 including approximately \$220,000 in legal fees. No amount has been reflected in the financial statements for this.

Other than the above, the Company is not currently involved in any material litigation or arbitration and is not aware of any threatened litigation.

4.5 **Underwriting and Handling Fee**

The Offer is not underwritten.

D J Carmichael Pty Limited will receive a fee of 6% of the funds placed, except for investors introduced by the Company, for which they will receive a management fee of 2%.

4.6 **Taxation**

If you have any doubts regarding possible taxation consequences about accepting your entitlement, you should contact your taxation adviser.

4.7 **Future Prospects and Associated Risks**

The Directors are unable to predict the future prospects of the Company with certainty because of the risks associated with its activities. The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors that may affect the Company and its securities:

- Until such time as the Company has established operations that generate cash flows its ability to remain as a going concern is largely dependant upon its continuing ability to raise additional funds and/or negotiate joint ventures on its its properties.
- The funds raised by this Prospectus will be utilised by the Company to further the exploration of the Company's existing Projects. The eventual return on these funds is dependent upon the success of the existing projects of the Company and/or the success from projects subsequently acquired by the Company or by the sale of its assets.
- By its nature the Company's business of exploration involves risks. Financial success, including the payment of any future dividend, depends upon the successful exploitation and development of the projects of the Company.
- Exploitation of the company's existing or future projects might be unsuccessful, resulting in a diminution of cash reserves of the Company.
- Exploration is a speculative endeavour which may be hampered by unforeseen circumstances and events, environmental sensitivities and accidents, delays, cost overruns and land or native title claims.
- Changing economic events and factors which are beyond the control of the Company, such as inflation, changes in taxation and other laws, currency fluctuations, interest rate movements, commodity prices and vagaries of the stock markets may affect the value of the Company's assets and securities.
- The market price of the Company's securities and the Company's ability to raise ongoing finance may be subject to varied and unpredictable influences on the market for equities in general and resources stocks in particular.

The New Shares are considered speculative and neither the Company nor the Directors warrant the future performance of the Company or any investment made pursuant to this Prospectus.

4.8 **Exploration and Funding Requirements**

The Company is involved in oil and gas exploration and accordingly, the New Shares to be issued pursuant to this Prospectus must be considered speculative in nature. Some of those risks are outlined at Section 4.7.

The Issue is not underwritten and it is possible that insufficient money may be raised by the Company to meet its exploration objectives in the near term as set out in this Prospectus.

In the event that the Company fails to raise all or only part of the funds from the issue of New Shares under this Prospectus, then it may not be able to meet its continuing exploration expenditure obligations on its oil and gas interests pursuant to the terms of grant or various joint venture agreements. In such circumstances the Company would be required to seek alternate means of funding. Some of the options available to the Company include:

- (a) negotiate joint ventures on properties not already the subject of joint ventures,
- (b) liquidation of investments
- (c) sell part or all the respective interests
- (d) relinquish part or all of its portfolio of projects
- (e) seek funds from alternate markets or sources
- (f) secure debt financing, or
- (g) negotiate a merger .

If the Company fails to raise sufficient funds under this Issue it:

- (a) will review the exploration programs it has proposed
- (b) may seek a deferral of its exploration commitments under the projects.

If the Company does not raise the full amount under the Issue it is likely that the Company will reduce or vary exploration programs.

It is not possible to state with any degree of certainty which component of the exploration program would not proceed in the event that the Company does not raise the full amount under the Issue. This is dependent upon:

- (c) the amount of money raised;
- (d) the speed at which other investments can be liquidated;
- (e) results of each component of the exploration program; and
- (f) the success of the Company's efforts to attract other participants in the projects.

Investors should be aware that the Company has no substantive income and must continue to meet its exploration expenditure requirements. The continued viability of the Company is dependent upon:

- (g) the amount of money raised under the Issue; and
- (h) the cooperation of its bankers and creditors; and
- (i) the success of the Company's efforts to attract other participants in the projects who will undertake or share all or part of the exploration expenditure commitments, and
- (j) the success of the Company's exploration activities

In the future additional exploration funds will be required by the Company and its ability to raise those funds will be dependant upon economic market conditions prevailing at that time. Until such time as the Company establishes an economic mining operation it will be required to continue to raise further funds in the market place or through the divestiture of assets.

Applicants should read this Prospectus in its entirety and in particular the risks set out in Section 4.7 before deciding whether to apply for New Shares. If you do not understand this Prospectus, you should consult your lawyer, stockbroker, accountant or other professional advisor without delay.

4.9 **Material Contracts**

There are no contracts of which the Directors are aware that are material in terms of the Issue or otherwise are or may be relevant to a decision by a Shareholder whether or not to accept the Offer.

4.10 **Trading Prices**

Details of share prices in cents per share and trading volumes for Shares during the 6 months prior to this Prospectus are as follows:

Month	High	Low	Last Sale	Volume ('000)
April 2005	0.135	0.105	0.12	12,914,877
May 2005	0.14	0.11	0.135	21,378,765
June 2005	0.195	0.14	0.175	38,438,233
July 2005	0.17	0.135	0.155	16,135,269
August 2005	0.175	0.12	0.15	15,984,383
September 2005	0.22	0.14	0.21	33,956,989
to 13 October 2005	0.22	0.185	0.20	12,879,103

The highest price at which Shares in the Company have traded in the last 18 months was \$0.22 on 4 October 2005.

The last sale price of the Company's Shares on ASX immediately prior to this Prospectus being lodged with ASIC was 20 cents on 13 October 2005.

4.11 **Consent**

Computershare Investor Services Pty Ltd:

- (a) does not make, or purport to make, any statement in this Prospectus; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name.

Computershare Investor Services Pty Ltd has given its written consent to being named as Share Registry in this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

D J Carmichael Pty Limited

- (c) does not make, or purport to make, any statement in this Prospectus; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name.

D J Carmichael Pty Limited has given its written consent to being named as Lead Manager in this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

4.12 **Electronic Prospectus**

Pursuant to Class Order 00/44, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC and the issue of Shares in response to an electronic Application Form, subject to compliance with certain provisions.

If you have received this Prospectus as an electronic prospectus, please contact the Company on telephone (08) 9227 3240 and the Company will send to you free, a hard copy of the Prospectus.

This Prospectus is not being issued as an electronic prospectus for the purpose of any of the Offer other than the Offer.

The Company reserves the right not to accept a Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. Any application moneys received will be dealt with in accordance to section 722 of the Corporations Act.

4.13 **Privacy**

If you complete and submit an Application Form, you will be providing personal information to the Company (either directly or through the Share Registry). The Company collects, holds and will use that information to assess your Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to the Share Registry, persons inspecting the register, bidders for your Shares in the context of takeovers, regulatory bodies including the Australian Taxation Office, print service providers and mail houses.

You can access, correct and update the personal information that we hold about you. Please contact the Share Registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the relevant Application Forms, the Company may not be able to accept or process your Application.

4.14 **Responsibility**

The directors of the Company state that they have made all reasonable enquiries and have reasonable grounds to believe that any statements made by the Directors in this Prospectus are true and not misleading.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.

Signed in accordance with section 351 of the Corporations Act.

PL Munachen - Director
14 October 2005

5. GLOSSARY

In this Prospectus:

Applicant means a person making an Application.

Application means an application made on an Application Form.

Application Form means the application form for the Offer enclosed with or attached to this Prospectus (both in paper and electronic formats).

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited (ACN 008 624 691).

A\$ means Australian dollars.

Board means the board of directors of the Company.

Business Day means a day on which trading takes place on the stock market of the ASX.

Closing Date means 28 October 2005 subject to the rights of the Company as set out in Section 1.11.

Company means Norwest Energy NL (ACN 078 301 505).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cwth).

Directors means the directors of the Company.

Dollar or **\$** means Australian dollars, unless otherwise stated.

Issue means the issue of the New Shares comprised in the Offer.

Listing Rules or **ASX Listing Rules** means the Listing Rules of the ASX.

New Share means a Share offered for subscription on the basis and under the terms of the Offer

Offer means the offer of New Shares pursuant to this Prospectus

Prospectus means this prospectus dated 14 October 2005.

Options means the 9,350,000 existing unlisted options to subscribe for Shares details of which are contained in Section 2.2.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the Company.

Share Purchase Plan means the offer of shares made on 14 October 2005 details of which are at Section 2.4.

Shareholder means a shareholder of the Company.

WST means Western Standard Time.

APPLICATION FORM

For the issue of up to 25,000,000 fully paid ordinary shares at \$0.16 each.

To: Norwest Energy NL
 C/O DJ Carmichael Pty Limited
 Att: Joann Yong
 PO Box Z5186, Perth WA 6831
 Tel: 61 8 9263 5207
 Fax: 61 8 9263 5289

Applications should be for a minimum of A\$3,200 and thereafter in multiples of 10,000 New Shares.

I/We apply forNew Shares in Norwest Energy NL at an issue price of 16 cents (\$0.16) per New Share and attach our cheque (or evidence of direct remittance) for \$.....being the subscription amount for this application.

REGISTRATION DETAILS

Applicant/ Company Name:				
ACN				
Address				
Suburb		State		Postcode
Phone (w)	Contact Name			
Phone (hm/mob)	Email Address			

Broker Sponsored Application only:	
S.B.N./ I.P.N.	HIN:

Cheque details:

Drawer:	Amount: A\$:
Bank:	Branch:

If depositing directly please fax details.

Acknowledgement

By lodging this Application form together with funds, I/We whose name(s) and address appear above:

- hereby apply for the number of New Shares in the Company at an issue price of 16 cents per New Share stated in this Application Form;
- agree that this application is irrevocable;
- acknowledge that the offer of New Shares is made pursuant to the Prospectus dated 14 October 2005 which accompanied this Application Form;
- agree to be bound by the Constitution;
- authorise and direct the Company to enter my/our name(s) in the Register of Shareholders of the Company, as the holder of the New Shares allotted and issued to me/us in respect of this application;
- declare that all details and statements made by me/us are complete and accurate;

To Be Received By Norwest Energy NL C/O DJ Carmichael Pty Limited No Later Than 5.00pm (WST) 28 October 2005.