

ASX ANNOUNCEMENT AND MEDIA RELEASE

14th October 2005

Placement and Share Purchase Plan to raise up to \$8,000,000 to fund 2006 international exploration activities

Norwest Energy NL ("Norwest") advises that it proposes to raise up to \$8,000,000 by offering 50,000,000 shares at an issue price of 16 cents (\$0.16). 25,000,000 ordinary fully paid shares are to be offered by placement pursuant to a prospectus dated 14 October 2005 and 25,000,000 shares are to be offered to current shareholders pursuant to the Company's Share Purchase Plan ("SPP"). The two offers will be made simultaneously by Norwest.

The funds raised will be used to fund its Australian and international petroleum exploration and development activities and to supplement the working capital of the Company. The Company is gearing up for an active exploration period with:

- Drilling of the "Magnolia " exploration well commencing in November,
- Drilling of the next five wells at the "Millers Tennessee " shale gas project in the USA,
- Start up at the Kentucky "Little Sandy/Pigeon Roost " project with three wells scheduled to commence in the next four weeks,
- Initial three wells to be drilled in coming months at West Virginia, to be followed by an aggressive drilling programme continuing into 2006.
- Drilling at Perth Basin, TP 15 scheduled for April 2006

Whilst Norwest is free carried in some of the above drilling programmes it will require significant funds in 2006 to contribute to its share of costs for the drilling of its Australian and US project interests as well as fund its other Australian and international exploration activities. It has recently opened an office in India as part of its strategy to develop exploration opportunities in that country. The Company is also seeking to expand its UK/North Sea exploration portfolio.

The Placement

25,000,000 shares are offered at an issue price of 16 cents each pursuant to a Prospectus dated 14th October 2005 and the issue will be managed by DJ Carmichael Pty Limited.

Share Purchase Plan

25,000,000 shares are offered under the SPP commencing on 14 October 2005 and will enable all shareholders, irrespective of the number of shares held in the Company, the opportunity to purchase up to \$5,000 worth of shares direct from the Company at an issue price of 16 cents (\$0.16) each which, represents a discount of approximately 20% to the current market price.

The right to participate in the offer of Norwest shares under the SPP is available exclusively to persons who were registered as holders of fully paid ordinary shares in the Company at 5.00pm (Western Standard Time "WST ") on 13th October 2005 and whose registered address is in Australia or in any other jurisdiction in which it is lawful for the Company to offer shares under the SPP. The offer is non-renounceable.

Key dates and further information

The timetable for the issue of shares pursuant to the SPP is:

Record date to determine entitlements 5.00pm WST 13th October 2005

Closing date for applications from

Shareholders 5.00pm WST 28th October 2005

The SPP offer document, application form and Terms and Conditions will be forwarded to Shareholders within the next three business days.

The shares issued under the SPP may be subject to a subsequent offer for sale. The Company relies on Section 708A of the Corporations Act 2001 in relation to the initial sale. In accordance with Section 708A(6) the Company notifies the ASX that:

(a) the securities will be issued without disclosure to investors under Part 6D.2;

(b) this notice is given under paragraph 708A (5) (e); and

(c) the Company has complied with Chapter 2M and section 674, of the Corporations Act 2001.

There is no excluded information available for the purposes of Sections 708A(7) and (8) of the Corporations Act 2001.

For and on behalf of
Norwest Energy NL

E A Myers
Company Secretary

Enquiries;
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