

ASX ANNOUNCEMENT AND MEDIA RELEASE

7th September 2005 UK Bid Block Awards

Norwest Energy through its wholly owned subsidiary NWE Southern Cross (UK) Pty Ltd has been awarded one block (designated 47/8d & 47/13c) in the 23rd Round Bidding announced yesterday by the UK Department of Trade and Industry (DTI). The block was bid on jointly by Norwest and its Area of Mutual Interest (AMI) partner company for North Sea ventures, Nido Petroleum. Norwest and Nido will each have a 50% interest in the block. The block is in the Southern Gas Basin close to Block 48/1a & 2b already held by Norwest and Nido, and in a designated area of focus for Norwest. The bid was awarded on a "Promote" basis, which provides a two year period to acquire and analyse data before making a drill or drop decision. The commitment costs are very reasonable and the drilling decision can be brought forward into the first two year period. The target reservoir is the main regional gas producer, the Rotliegendes Group, and the block is adjacent to producing fields, and along structure with the Amethyst Gasfield (750 BCF).

Norwest also has an option to take a 50% interest in a second block (designated 12/16, 12/17 & 12/22) in the Moray Firth. This block was awarded to Stelinmatvic Industries, a company owned by well known North Sea explorationist Mr Steve Bushell, who acts as an advisor to Norwest and Nido. The block was awarded on a "Promote" basis, and work will target oil plays in a number of potential reservoir sections. The commitment costs are very reasonable.

Norwest CEO Joe Salomon said that the awards represent significant additions to the company's project base in the UK, and go a long way towards the company's goal of establishing a significant business in the North Sea where the fundamentals are right for a small company. UK production is in decline, demand is rising, gas prices are high, and good opportunities are available.

"The company will also investigate alternate entries into a number of other blocks that it had bid on but where it had not been successful. In the mean time, work is continuing on our existing block in the Southern Gas Basin and we are very encouraged by the initial indications. Reprocessing of 3D data will commence on this block in the very near future."

For further information, contact

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