

ASX ANNOUNCEMENT AND MEDIA RELEASE

26th May 2005 First Tennessee Well Results

The first two wells in Norwest's Tennessee five well drilling program have been drilled, and are ready for fracking operations which will take place as soon as the necessary equipment can be scheduled. The wells both intersected the target Devonian shale section and logs have been run.

The first well designated Koppers #6A drilled a shale thickness of 876 feet (267 metres) compared to an expected 500 to 550 feet (152 to 168 metres), and ended within the shale. As a result the total thickness of shale at this location remains unknown. The second well, Koppers #7A, which was located approximately 1600 feet (500 metres) away from well #6A, drilled a shale thickness of 489 feet (149 metres). The thickness of the additional shale section below the total depth is not known at this stage.

Gas shows were detected in both wells. However gas flow rates will not be known until the wells are fractured and tested. The availability of fracking units is limited because of the high demand for equipment and it may be several weeks before the well can be fractured and tested. This delay is allowing time to consider the most effective frac treatments.

The rig has moved on to drill the next well location.

Norwest CEO Joe Salomon said that the well results are very encouraging and have confirmed and exceeded the consortium's technical belief regarding the thickness of the shale in the area.

These wells are being drilled as part of the first 5 well program whereby Norwest will earn a 37.5% (29% net revenue interest) in production from the wells in a shallow gas project operated by Miller Petroleum, Tennessee. The wells are programmed to reach a total depth either at the base of the prospective Devonian Shale or 3,200 feet (975 metres) (whichever is the deeper). The first well was ended while still within the shale for operational reasons. The wells are being drilled at a fixed cost of US\$235,000 per well (including a basic fracking program and completion). At the completion of the first five wells, Norwest has the option to drill another five wells, followed by another 10, then 20 wells to a possible total of over 100 wells in the project.

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