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ASX Announcements

First of Three Wells Spudded in Kentucky

The first well in a three well back-to-back drilling program in Norwest's Kentucky acreage has been spudded. The well will drill to a total depth of around 600 metres (2,000 feet) and has as its main target gas from the Devonian shale section. Multiple additional targets are present in sandstone and limestone sections above the shale section from which oil and gas production occurs within the area.

The drilling of the wells is being managed by local Kentucky company Hay Exploration. The company has been working in the area for four generations and is an oil and gas producer in its own right. Hay Exploration is earning a 10% interest in each of the wells by providing drilling management and certain services associated with the drilling operations.

Each well is expected to take up to 7 days to drill. Once all wells are drilled, and the drilling data has been collected and analysed, a completion strategy will be decided. Frac and completion crews will then be contracted to undertake the next stage of the operations. It is expected that these operations will be conducted early in 2006.

Typically in the region, drilling activities decline over the winter months and it is hoped that frac and completion crews will be more readily available than they have been over the last 6 months during the main drilling season.

Norwest CEO, Joe Salomon, commented that the presence of multiple targets in the section will make this a very interesting drilling program, while the primary target remains gas flows from the shale section.

"We are also expecting the drilling of 3 wells in our West Virginia acreage to commence soon. With the Magnolia well about to spud in the Timor Sea within the month, and drilling in two US states, the coming few months are set to be the most active period ever in Norwest's history."

Norwest is earning a 70% interest in the Kentucky project by paying the costs of the initial 3 wells and leasing costs through a farmin agreement with Golden Triangle Energy. Hay Exploration will earn a 10% interest in the first 3 wells.

For further information contact
Mr Joe Salomon, Tel 618 92273240
E-mail: info@norwestenergy.com.au