



Magnolia 1 – Project Update

Norwest Energy NL (“Norwest”) (**ASX Code: NWE**) announces an update on the upcoming Magnolia 1 wildcat well to be drilled in AC/P32, Timor Sea.

Norwest holds a 19.6% interest in AC/P32. Norwest is free carried in the Magnolia 1 well on the basis of a US \$8 million cap on the drilling costs. The current estimated drilling expenses are less than this cap amount.

Timing

The Farm-in Operator anticipates that the semi submersible rig, “Ocean Bounty”, will be on the Magnolia location around 23rd December, 2005. With normal preparations Magnolia 1 should spud around 25th December, 2005 but a further update will be provided closer to that date.

Depth

Magnolia 1 will be a vertical well drilled to a planned total depth of 3,240 metres (“TD”) below the rig floor (“RT”)

Logging

Once the well has reached TD, it will be conditioned and a full set of electric logs will be acquired.

Completion Programme

It is not proposed to complete (ie case and perforate) the well if it encounters oil but if it does then the well is designed so as to be capable of being cased and suspended as a potential production well. **Partners in AC/P 32** (subject to the completion of earning phases are):

Westranch Holdings Pty Limited *	19.6% (Permit Operator)
Bounty Oil & Gas N.L.	10.4%
OPIC Australia Pty Limited	25.0%
Adelphi Energy Limited	15.0%
Australian Worldwide Exploration Limited	10.0%
Coogee Resources (Ashmore Cartier) Pty Limited	20.0% (Farm-in Operator)

*** Westranch is a wholly owned subsidiary of Norwest Energy N.L.**

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