

## **ASX ANNOUNCEMENT AND MEDIA RELEASE**

**7th January 2004**

### **Proposal to sell interest in WA-286-P Cliff Head**

The Company has reached agreement in principle to dispose of its 5% interest in the Cliff Head offshore oil project to ITOCHU Oil Exploration Co. Ltd (ITOCHU) for \$8.1million. The parties have also agreed that in the event of production from the project exceeding 28 million barrels of oil, then Norwest will be entitled to a 2% overriding royalty (ORR) from ITOCHU'S share of production.

Under the terms of a Memorandum of Understanding (MOU) Norwest has granted ITOCHU an exclusive right up to 16 February 2004 in which to complete and execute a Sale and Purchase Agreement for the interest ("SPA").

Norwest has also granted ITOCHU a first right of refusal on its interest in TP15, up to 16 June 2004, should Norwest wish to offer its interest for sale during that period.

The proposed sale will be subject to the completion and execution of satisfactory documentation, final due diligence by Itochu and the obtaining of all necessary board, shareholder, joint venture and regulatory approvals and consents.

Upon execution of the SPA (which is contemplated to be during the latter half of January 2004), ITOCHU will pay a deposit of \$810,000 into an escrow account. Settlement of the transaction will occur when ITOCHU'S interest in the permit is registered which is expected to be during April 2004. During the period up to settlement Norwest will continue to meet its share of project cash calls that will be reimbursed at settlement.

It is proposed to convene a meeting of shareholders during February 2004 to seek approval for the disposal of the Company's 5% interest in Cliff Head pursuant to ASX Listing Rules. The notice of meeting and information memorandum will be forwarded to shareholders as soon as is practicable.

The proposed sale of Norwest's equity in WA-286-P and the Cliff Head Oil Field for \$8.1million represents an excellent result to the Company and will provide significant working capital. The sale will allow the Company to concentrate on its other permit interests and consider new opportunities without the need to undertake major capital issues in the foreseeable future thereby avoiding the dilutive effect on shareholders.

For and on behalf of  
Norwest Energy NL

AIR Burgess  
CEO/Director  
2 January 2004