



# NORWEST ENERGY NL



ASX Companies Announcements Office  
ASX online

## REPORT FOR THE QUARTER ENDED 31<sup>st</sup> March 2005.

### Highlights

- In AC/P32, the Magnolia –1 drilling slot has been firmed for August 2005.
- Also in AC/P32, Norwest farmed out a 20% interest to Coogee Resources to achieve close to a free carry through the Magnolia-1 well.
- Norwest entered into Joint Venture with Miller Petroleum Inc of Tennessee to develop 10,400 acre Devonian shallow gas project with drilling scheduled to start in May.
- Continued production from the Jingemina Oilfield.
- Norwest signed an agreement with OIL India Limited, one of India's national oil companies, to jointly study blocks in a bid round closing May 2005.

### OVERSEAS PROJECTS

#### **US Appalachians Gas, Tennessee 37.5%, Kentucky 70% and West Virginia 50%**

Agreement was reached with Tennessee based gas producer Miller Petroleum Inc to jointly develop an approximate 10,400 acre area in Campbell County, Tennessee in the Appalachian basin. The areas known as Koppers North and Cardin leases are located directly south of the leading edge of the Pine Mountain Thrust in a highly prospective part of the basin. The target is fractured Devonian Shale at around 3,000 feet (914m), which is gas saturated.

Under the agreement, Norwest and its partner Golden Triangle Energy (GTE), will together fund the initial five wells scheduled to commence in the next few weeks. Once production from these wells is established a second five well and then an additional ten well program can be drilled. At the end of this twenty well program Norwest will have earned a 37.5% working (29% net revenue) interest in the production from each well and its surrounding 40 acres. Commitment to a further 20 wells will earn Norwest a 37.5% interest in the whole area. The agreement provides for drilling of up to 100 wells to fully develop the gas reserves.

The wells will be drilled, fractured and completed on a turnkey (fixed cost) basis at a cost of US\$235,000 per well. Gas production lines are already in place allowing for immediate sales and cash flow with gas currently priced at US\$7 per MCF (thousand cubic feet).

Acreage leasing in the Kentucky and West Virginia projects is continuing, with Norwest now having an interest in 30,000 acres in these projects.

Discussions with other local operators capable of conducting drilling operations in Kentucky and West Virginia are continuing and expect to be completed soon.

### **UK North Sea Blocks 48/1a (part) and 48/2b (part) 50%**

Norwest has a 50% interest in North Sea Blocks 48/1a and 2b. Technical work and the compilation of data over the blocks has commenced.

## **AUSTRALIAN PROJECTS**

### **AC/P32 Vulcan Sub-basin Timor Sea 19.6%**

Following the signing of a contract with Diamond Offshore to use the Ocean Bounty semi-submersible drilling rig to drill the Magnolia-1 well, a request was placed with the Designated Authority to extend the permit year to allow sufficient time for the well to be drilled to fulfill the Year 3 requirements, as per previous instructions from the Authority. Granting of the extension is considered a formality and the well is currently scheduled to be drilled in August.

In addition to the Arc Energy Limited (ARC)/Clearview (now renamed Adelphi Energy Limited) farmout, an additional farmout was achieved with Coogee Resources Limited. Coogee will earn a 20% interest in the permit by funding 27.5% of Magnolia-1 and paying a portion of the previous seismic costs. Adelphi have subsequently passed on 10% of its interest to AWE Petroleum Limited.

### **EP-413 and L14 Jingemia Oil Field Northern Onshore Perth Basin 1.278%**

Continued construction of long term production facilities occurred at the Jingemia Field. Jingemia 1 and 4 have contributed to production during the quarter, with pressure support being provided by water injection in the Jingemia 3 well.

Oil production sold during the Quarter was 355,468 barrels, 4,287 barrels net to Norwest. The produced oil is being trucked and sold to BP's Kwinana Refinery.

3D seismic recording on a large survey operated by Arc Energy which will cover part of EP-413 was underway in the quarter.

### **TP/15 Northern Offshore Perth Basin acquiring 10%**

The Verena shallow water seismic survey was recorded during the quarter. A total of 275 km of data was recorded and processing is underway. The survey is aimed at delineating a number of drilling leads in the permit.

### **EP-419 Northern Onshore Perth Basin**

Norwest Energy NL has signed a Heads of Agreement with an unrelated private third party to dispose of its 80% interest in EP419 in the Perth Basin.

### **EP-368 Northern Onshore Perth Basin 10%**

Acquisition of a regional gravity survey extending over the permit and adjacent areas of the basin was delayed until after the cropping season. It is expected that a detailed 2D seismic survey will follow during the summer field season and will probably be aimed at maturing a prospect close to the Mount Horner field which is held by other parties in an adjacent license area.

### **EP-364 Offshore Carnarvon Basin 10%**

Evaluation of the permit following the disappointing results of Cyrano – 2 (in which Norwest did not participate) continued during the quarter prior to a decision being made about the forthcoming permit year.

### **AC/P22 Vulcan Sub-basin Timor Sea 1.25% Over-riding Royalty**

Norwest has converted its 2.5% participating interest into a 1.25% over riding royalty in the permit, which contains the Puffin field. Drilling may occur in the block this year.

### **EP437 Northern Onshore Perth Basin 33 1/3%**

EP 437 was awarded to Norwest together with Arc Energy and CalEnergy of the UK, with Arc as Operator of the block. Technical work has commenced in the block with the Murrumbah Gravity Survey on 30<sup>th</sup> January 2005.

## **EXPENDITURE**

The group spent \$961,000 on exploration and evaluation activities during the quarter ended 31<sup>st</sup> March 2005.

J A Salomon  
CEO & Director

The above information as far as it relates to potential hydrocarbon reserves, is based on, and accurately reflects information compiled by Mr J A Salomon. Mr Salomon has appropriate technical qualifications and has in excess of 5 years relevant experience. Mr Salomon is a director of Norwest Energy NL and he consents to the release of the information, as disclosed above.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Norwest Energy NL

ABN

65 078 301 505

Quarter ended ("current quarter")

31 March 2005

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (..9.... months) \$A'000
1.1	Receipts from product sales and related debtors	220	499
1.2	Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(961)	(1,611)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	22	260
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)	-	407
	<b>Net Operating Cash Flows</b>	(888)	(1,047)
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(30)	(50)
1.9	Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	<b>Net investing cash flows</b>	(30)	(50)
1.13	Total operating and investing cash flows (carried forward)	(918)	(1,097)

1.13	Total operating and investing cash flows (brought forward)	(918)	(1,097)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(918)	(1,097)
1.20	Cash at beginning of quarter/year to date	7,702	7,881
1.21	Exchange rate adjustments to item 1.20	(78)	(78)
1.22	<b>Cash at end of quarter</b>	6,706	6,706

### Payments to directors of the entity and associates of the directors

### Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	115
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

### 1.25 Explanation necessary for an understanding of the transactions

Payments to companies associated with directors (in 1.23 above) for:

Corporate consulting fees	12
Technical & management fees	55
Directors fees	10
Administration & secretarial fees	38

Appendix 5B Mining exploration entity quarterly report

### Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	860
4.2 Development	102
<b>Total</b>	<b>962</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	126	200
5.2 Deposits at call	6,580	7,502
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>6,706</b>	<b>7,702</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

## Issued and quoted securities at end of current quarter

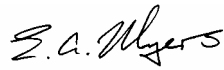
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	167,471,872	167,471,872	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	<b>+Convertible debt securities</b> <i>(description)</i>			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			
7.7	<b>Options</b> <i>(description and conversion factor)</i>	3,250,000 500,000 500,000 1,100,000 2,500,000 500,000 500,000	<i>Exercise price</i> \$0.20 \$0.10 \$0.15 \$0.15 \$0.15 \$0.13 \$0.18	<i>Expiry date</i> 28 November 2007 30 June 2008 30 June 2008 21 November 2008 25 November 2009 9 March 2010 9 March 2010
7.8	Issued during quarter	500,000 500,000	\$0.13 \$0.18	9 March 2010 9 March 2010
7.9	Exercised during quarter			
7.10	Expired during quarter			
7.11	<b>Debentures</b> <i>(totals only)</i>			
7.12	<b>Unsecured notes</b> <i>(totals only)</i>			

## Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 28 April 2005  
(Company secretary)

Print name: E A Myers  
.....

## Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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