

ASX ANNOUNCEMENT AND MEDIA RELEASE

24th October 2004
Report for The Quarter Ending 30 th September 2004

Highlights

Farmin to North Sea block announced

Negotiation for US Appalachians gas project

Seismic 2D acquisition and processing and 3D reprocessing completed in AC/P32 prior to selection of drilling candidate for 2005

Continued production from JingemiaNew onshore Perth basin permit completed native title negotiations and nearing award

North Sea Blocks 48/1a (part) and 48/2b (part)

Norwest announced the signing of a Heads of Agreement with Nido Petroleum whereby Nido will assign to Norwest a 50% interest in the blocks. Norwest will provide Nido with a free carry to a maximum of \$300,000 through the first two year evaluation period. The blocks are within the prolific southern gas basins, surrounded by producing gas fields. They contain a well which flowed gas on test and which seismic data shows to be on the flanks of a mapped closure.

US Appalachians Gas

Norwest negotiated a farmin and Area of Mutual Interest in the Appalachians gas basin with Golden Triangle Energy Inc, whereby it will fund the drilling of three shallow wells and the acquisition of additional leasehold acreage in exchange for a 70% interest in identified projects and a 50% interest in the AMI.

AC/P32 Vulcan Sub-basin Timor Sea 49%

Reprocessing of approximately 180 sq km of 3D covering the main prospects in the block has been completed. Significant improvements have been achieved and a new interpretation is currently underway.

The 146 km Lara 2D seismic survey has been recorded and processed, with resulting high quality data. The survey was recorded without any downtime, and below budget. Interpretation of the data is being undertaken along with the reprocessed 3D data.

This area is known to be geologically complex, and additional technical expertise is being bought in from the UK to ensure that the best results can be achieved in defining the most suitable drilling candidate for 2005. Potential farmin partners have been alerted to the block's potential and an impending farmin opportunity.

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

Construction of long term production facilities is continuing 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 170,970 barrels, 2185 barrels net to Norwest. The produced oil is being trucked and sold to BP's Kwinana Refinery.

3D seismic recording over the northern portion of EP413, including the Jingemia Oil Field will commence in the 4 th quarter. The seismic acquisition is being carried out jointly with the L1 and L2 joint venture.

TP/15 Northern Offshore Perth Basin acquiring 10%

The Joint Venture has approved the acquisition of a gravity survey to be undertaken during the 4 th quarter. Interpretation of this data should be completed before the end of the quarter and will assist in the planning for a new seismic survey to be acquired early in 2005. This seismic will concentrate on identified leads with the aim of bringing them to drillable status.

WA-226-P Northern Offshore Perth Basin (Sold)

Norwest is awaiting for clearance of monies paid by Roc Oil when it exercised its option over Norwest's interest in the permit. If a future discovery is declared commercial in the permit area, Roc will make a one-time payment to Norwest of \$375,000.

EP-419 Northern Onshore Perth Basin 80% Operator

Technical evaluation of the permit continued during the quarter. Negotiations with a party to farm in to the block are currently underway.

EP-368 Northern Onshore Perth Basin 10%

The Joint Venture is planning to participate later this year in a regional gravity survey extending over the permit and adjacent areas of the basin. 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 held by other parties in an adjacent license area.

EP-364 Offshore Carnarvon Basin 10%

Norwest has given notice that it does not wish to participate in the drilling of Cyrano-2 during the 4 th quarter. The Company did not participate in the drilling of Cyrano-1 which discovered a gas and thin oil column. The well results were in keeping with Norwest's pre-drilling expectation that any oil column would be thin and probably uneconomic. Given that it did not participate in the initial well, the Company would face a significant commercial penalty if it participated in Cyrano-2 and the shallow zone subsequently proved commercial. The Company considers that the undrilled deeper objective is also likely to be gas prone based on its seismic response and the results of discoveries in similar settings in the basin.

The Operator is continuing with 3D seismic interpretation in the permit, in order to identify new prospects.

AC/P22 Vulcan Sub-basin Timor Sea 45% reducing to 2.5%

Evaluation of the reprocessed Onnia 3D seismic data within the permit continued during the quarter. Farmout negotiations with a third party have been completed and are awaiting government approval and registration. Under the deal, Norwest will be carried through to the drilling of a possible well.

EP02/03 Northern Onshore Perth Basin 33 1/3%

Norwest together with Arc Energy and CalEnergy of the UK have been offered a petroleum exploration permit over gazetted area L02-6. The application has been through Native Title and award is expected mid 4 th quarter.

EXPENDITURE

The group spent \$327,000 on exploration and evaluation activities during the quarter ended 30 th September 2004.

J A Salomon

CEO

Rule 5.3

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")

30 September 2004

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to date (...months)
		\$A'000	\$A'000
1.1	Receipts from product sales and related debtors	95	95
1.2	Payments for (a) exploration and evaluation	(327)	(327)
	(b) development	(235)	(235)
	(c) production		
	(d) administration		
1.3	Dividends received		

1.4	Interest and other items of a similar nature received	82	82
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)	207	207
	Net Operating Cash Flows	(178)	(178)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects investments (b)equity assets (c) other fixed	(8)	(8)
1.9	Proceeds from sale of: (a)prospects investments (b)equity assets (c)other fixed		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	(8)	(8)
1.13	Total operating and investing cash flows (carried forward)	(186)	(186)

1.13	Total operating and investing cash flows (brought forward)	(186)	(186)
	Cash flows related to financing activities		
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)		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(186)	(186)
1.20	Cash at beginning of quarter/year to date	7,881	7,881
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	7,695	7,695

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	104
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	8
	Technical & management fees	43
	Directors fees	15
	Administration & secretarial fees	38

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
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	Amount used
		\$A'000	\$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	332
4.2	Development	65
	Total	397

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	Previous quarter
		\$A'000	\$A'000
5.1	Cash on hand and at bank	188	101
5.2	Deposits at call	7,507	7,780
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	7,695	7,881

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	Preference securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	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	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	46,420,643 3,250,000 500,000 500,000	46,420,643	<i>Exercise price</i> \$0.25 \$0.20 \$0.10 \$0.15	<i>Expiry date</i> 31 December 2004 28 November 2007 30 June 2008 30 June 2008
7.8	Issued during quarter	500,000 500,000		\$0.10 \$0.15	30 June 2008 30 June 2008
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <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: 22 October 2004

(Company Secretary)

Print name: Ernie 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.