

ASX ANNOUNCEMENT AND MEDIA RELEASE

30th July 2004 Report for The Quarter Ending 30th June 2004.

Highlights

Jingemia field production capacity increase with the successful completion of Jingemia-4.

Production License, L14, granted over Jingemia oil field

Payment of \$8.1 million received for Norwest's 5% interest in the Cliff Head Oil Field and permit WA-286-P.

WA-286-P and the Cliff Head Oil Field Northern Offshore Perth Basin (Sold)

As announced previously, Norwest received payment of \$8.1 million from the Japanese company ITOCHU Oil Exploration Co. Ltd (ITOCHU) for the Company's 5% interest in the Cliff Head oil project. Once gross production from the project and WA-286-P exceeds 28 million barrels of oil, Norwest will be entitled to a 2% over riding royalty (ORR) from ITOCHU'S share of such excess production.

TP/15 Northern Offshore Perth Basin acquiring 10%

The right of first refusal granted to ITOCHU over the Norwest interest in TP/15 expired on 16th June 2004.

Interpretation of seismic, gravity and magnetic data continued through the Quarter. The Joint Venture is considering new seismic and gravity recording techniques for delineating certain leads in areas of the permit where conventional field operations are hindered by difficult access. Some of these leads are potentially quite large and could have a significant impact on the Company.

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

The Jingemia 4 development well was spudded on 23 April and intersected the crest of the Jingemia accumulation 350 m east north-east of the Jingemia 1 location. The well encountered the thickest oil column to date on the structure, (32.3m gross) with 29m net pay, some 16.5m updip of the discovery well. The reservoir quality is excellent and the well has a common oil/water contact with the Jingemia 1 well. Three conventional cores were cut through the oil-bearing reservoir to provide engineering data for optimum production from the field. Jingemia 4 was suspended on 15 May, pending connection with production facilities.

The Jingemia field is currently producing via Jingemia 1 with water being injected into Jingemia 3 well on the flank of the oil pool to maintain reservoir pressure.

Oil production sold during the Quarter was 144,665 barrels, 1,849 barrels net to Norwest. Most of the production during the quarter was under an approved extended production test arrangement. The produced oil is being trucked and sold to BP's Kwinana Refinery.

On 18 June Production License L14 was granted over the Jingemia Field. Construction of the Jingemia long-term production facilities was nearing completion at the end of the quarter.

3D seismic recording over the northern portion of EP413, including the Jingemia Oil Field, has been delayed, pending Government approvals for areas that require special access. The seismic acquisition is being carried out jointly with the L1 and L2 joint venture and is expected to commence in the fourth Quarter.

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

Roc Oil exercised its option over Norwest's interest in the permit, and paid Norwest a further cash payment of \$200,000. 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. Further seismic is required prior to drilling. Norwest will seek to bring in a farmin partner to share the costs of seismic and any future drilling.

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 second half of 2004. The well will appraise the Cyrano Mardie Greensand / Barrow Group reservoir and test a potential deep pool at the top of the Triassic / base Jurassic (Roxanne). 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/P32 Vulcan Sub-basin Timor Sea 65.39% reducing to 49% paying 41.85% Operator

The Designated Authority granted a 9 month extension to Year 3 of the permit to provide sufficient time for the reprocessing of the 3D seismic volume. The reprocessing has commenced and should be completed in the December Quarter, with interim data available in September.

In return for granting the extension period, the Government required the Joint Venture to record a short new 2-D seismic survey to assist in the definition of a drilling target. This survey, named the Lara Seismic Survey, has been delayed until August because of the postponed importation of the recording vessel. The survey is part of a larger regional program being conducted in conjunction with a major operator.

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.

New Permit Offered Northern Onshore Perth Basin 33 1/3%

As reported in the last quarterly, Norwest together with Arc Energy and CalEnergy of the UK have been offered a petroleum exploration permit over gazetted area L02-6. The application is continuing through the Native Title phase prior to formal award.

EXPENDITURE

The group spent \$418,000 on exploration and evaluation activities during the quarter ended 30th June 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 June 2004

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to date
		\$A 000	(12 months)
			\$A 000
1.1	Receipts from product sales and related debtors	114	235
1.2	Payments for (a) exploration and evaluation	(418)	(1,133)
	(b) development	(293)	(755)
	(c) production		
	(d) administration		
1.3	Dividends received		-
1.4	Interest and other items of a similar nature received	269	280
1.5	Interest and other costs of finance		(5)

	paid	(5)	
1.6	Income taxes paid	-	-
1.7	Other (JV Management fees/Fuel Rebate)	-	37
	Net Operating Cash Flows	(331)	(1,341)
	Cash flows related to investing activities		
1.8	Payment for purchases of:	-	(487)
	(a)prospects –deposit EP413	-	-
	(b)equity investments	(4)	(4)
	(c) other fixed assets		
1.9	Proceeds from sale of:	8,323	8,323
	(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)		
	Net investing cash flows	8,319	7,832
1.13	Total operating and investing cash flows (carried forward)	7,988	6,491

1.13	Total operating and investing cash flows (brought forward)	7,988	6,491
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	200
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	150
1.17	Repayment of borrowings	(150)	(150)
1.18	Dividends paid	-	-
1.19	Other – cost of share issue	-	(10)
	Net financing cash flows	(150)	190
	Net increase (decrease) in cash held	7,838	6,681
1.20	Cash at beginning of quarter/year to date	43	1,200

1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	7,881	7,881

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	37
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	
	Administration charges for the quarter ending 30 June 2004 by a director related entity.	
	Director's fees and super	18
	Director's salary and Super	-
	Corporate Secretary fees	<u>19</u>
	Total	<u>37</u>

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
	NIL

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
	NIL

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	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A 000
4.1	Exploration and evaluation	405
4.2	Development (acquisition)	
	Total	405

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	101	43
5.2	Deposits at call	7,780	
5.3	Bank overdraft		
5.4	Other –		
	Total: cash at end of quarter (item 1.22)	7,881	43

N.B

Roc Oil have exercised their option on WA226-P and \$200,000 will be received in the next quarter.

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	N/A			
6.2	Interests in mining tenements acquired or increased	N/A			

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)	N/A			
7.2	Changes during				

	quarter (a) Increases (b) Decreases				
7.3	Ordinary securities	167,471,872	167,471,872		
7.4	Changes during quarter (a) Increases through issues (b) Decreases	N/A	N/A		
7.5	Convertible debt securities (description)	N/A			
7.6	Changes during quarter (a) Increases (b) Decreases				
7.7	Options (description and conversion factor)	46,420,643 3,250,000	46,420,643	Exercise price 25 cents 20 cents	Expiry date 31 December 2004 28 November 2007
7.8	Issued during quarter	N/A			
7.9	Exercised during quarter	NIL	NIL		
7.10	Expired during quarter	1,500,000	NIL		
7.11	Debentures (totals only)	N/A	N/A		
7.12	Unsecured notes (totals only)	N/A	N/A		

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: 29 July 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.