

ASX ANNOUNCEMENT AND MEDIA RELEASE

**28th April 2004
Report for The Quarter Ending 31ST March 2004.**

Highlights

- Jingemia -4 well spudded.
- Norwest's 5% interest in the Cliff Head Oil Field and permit WA-286-P was sold for \$8.1 million.

WA-286-P and the Cliff Head Oil Field Northern offshore Perth Basin 5%

As announced previously Norwest reached an agreement to dispose of its 5% interest in the Cliff Head oil project to the Japanese company ITOCHU Oil Exploration Co. Ltd (ITOCHU) for \$8.1 million. The parties have also agreed that if production from the project and WA-286-P exceeds 28 million barrels of oil, Norwest will be entitled to a 2% overriding royalty (ORR) from ITOCHU'S share of such excess production.

Under the terms of a Memorandum of Understanding (MOU) Norwest granted ITOCHU an exclusive right up to 16th February 2004 to complete and execute a Sale and Purchase Agreement ("SPA") for the interest. That SPA was completed and executed in January 2004, with ITOCHU depositing \$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 late April 2004. During the period up to settlement Norwest will continue to meet its share of project costs. These expenditures will be reimbursed at settlement.

At a meeting of shareholders in February 2004 approval was granted for the disposal of the Company's 5% interest in Cliff Head and WA-286-P pursuant to ASX Listing Rules.

The Lillian 2D Marine Seismic Survey was also acquired during the quarter in both WA-286-P and the adjacent TP/15. A total of 664 kilometres of data was acquired within WA-286-P. The survey was designed to further define mapped prospects and evaluate areas with minimal seismic coverage. Processing of data is underway.

TP/15 Northern offshore Perth Basin acquiring 10%

As previously announced, ITOCHU has been granted a right of first refusal over the interest Norwest is earning in TP/15. That right expires on 16th June 2004.

In conjunction with the WA-286-P Joint Venture, the Lillian 2D Marine Seismic Survey was completed within both permits. A total of 85 line kilometres of data was acquired within TP/15. The survey was designed to further investigate prospects within TP/15 and to evaluate areas with little seismic data. Processing of these data is progressing on schedule.

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

A second extended production test was conducted during the quarter. Testing commenced on the 1st November 2003 for a period of three months and also included water injection in the Jingemia 2 well to increase reservoir pressure. Following the completion of the water source well, the water injection rate was increased slowly to 4,000 barrels of water per day. Concurrent injection and production from the field commenced on 25th December 2003 and is expected to continue for the remainder of the test. In response to the reservoir pressure increases as a consequence of the water injection program, oil production rates have responded as planned and are exceeding 2,000b/d.

The Jingemia 4 well was spudded in late April and will be drilled to intersect the crest of the Jingemia accumulation 350 metres east north-east and up-dip of the Jingemia 1 location. This well will increase production from the field and drain oil that otherwise would not be recovered by the other wells. Given a successful completion, the current oil production rate from the field is expected to double.

All the produced oil is being trucked and sold to BP Kwinana Refinery.

Construction of the Jingemia production facilities for permanent, long-term production continued during the quarter. Activities required for the issue of a Production License covering the field were progressed significantly with the signing of an agreement with the Registered Native Title Claimant. It is expected that all requirements for the issue of a Production License will be completed shortly.

Activities associated with the application to conduct a 3D seismic survey over the northern portion of EP-413, including the Jingemia Oil Field, were ongoing at the end of the Quarter. Following necessary Government and Joint Venture approvals, acquisition of the survey is expected to commence in conjunction with a survey in near by L1 and L2 during the second quarter of 2004.

WA-226-P Northern offshore Perth Basin 7.5%

The interpretation and mapping of the 522 square kilometres Macallan 3D Seismic Survey was completed in this quarter. Mapping revealed the presence of the Fiddich prospect. Following the necessary Joint Venture and Government approvals, it is expected that the Fiddich 1 exploration well will be drilled during the second Quarter of 2004.

As previously announced Norwest sold an option to Roc Oil Company Limited in this permit in return for an agreement whereby Roc would fund up to \$525,000 of Norwest's 7.5% share of the

Macallan Seismic Survey. During the quarter Roc has indicated that it wishes to exercise that option, and will pay Norwest a further cash payment of \$200,000 on completion of documentation. If a discovery is declared commercial, Roc will make a one-time payment to Norwest of \$375,000.

EP-419 Northern Onshore Perth Basin 80% Operator

Evaluation of prospects mapped from existing seismic data continued during the quarter. Further seismic is required prior to drilling. Norwest will seek to farmout portion of its interest in this permit to have its costs of the seismic and drilling paid by another party.

EP-368 Northern Perth Basin 10%

Evaluation of EP-368 to investigate possible Hovea Style structures at the Dongara Sandstone level continued during the quarter.

EP-364 Offshore Carnarvon Basin 10%

Evaluation of the recently drilled Cyrano 1 indicates that the intersected oil accumulation is sub-economic. The Company did not participate in this well. A Cyrano 2 appraisal well is likely to be drilled during the third quarter of 2004 to further investigate the potential of the Cyrano discovery and also penetrate deeper Cretaceous/Jurassic age targets. The Company will be evaluating the merits of participating in the Cyrano 2 appraisal well given that it did not participate in the initial well and would face a significant commercial penalty in the event of the shallow zone being proved commercial.

AC/P32 Vulcan Sub-basin Timor Sea 65.39% reducing to 49% paying 41.85% Operator

The Joint Venture believes it is prudent to reprocess the Onnia 3D Seismic data over prospects mapped within AC/P32 prior to selecting a drill location. Application has been made to the Designated Authority for an extension of time to enable reprocessing of these data to take place. An indicated requirement of Government to grant the extension is the need to acquire 150 kms of new 2-D seismic data to assist in the definition of a drilling target. The Joint Venture has initiated plans to conduct this survey, once formal approval is received and a suitable contract vessel is located.

Seismic reprocessing contractors have tendered for this project and the Joint Venture is again awaiting a formal response from the Designated Authority to enable the reprocessing and

integration of the old and new data to commence.

AC/P22 Vulcan Sub-basin Timor Sea 45% reducing to 10%

Evaluation of the reprocessed Onnia 3D Seismic data within the permit continued during the quarter. Farmout negotiations with a third party are continuing whereby the Company will be carried through to the drilling of a possible well following the renewal of the permit and a review of all data by the farminee.

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

As reported in the last quarterly, Norwest together with Arc 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 \$107,000.00 on exploration and evaluation activities during the quarter ended 31st March 2004.

AK Svalbe

Director

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")

31 March 2004

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date

		\$A 000	(9 months) \$A 000
1.1	Receipts from product sales and related debtors	46	121
1.2	Payments for (a) exploration and evaluation	(107)	(715)
	(b) development	(74)	(463)
	(c) production		
	(d) administration		
1.3	Dividends received		-
1.4	Interest and other items of a similar nature received	-	10
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid	-	-
1.7	Other (JV Management fees/Fuel Rebate)	14	37
	Net Operating Cash Flows	(121)	(1010)
	Cash flows related to investing activities		
1.8	Payment for purchases of:	-	(487)
	(a)prospects –deposit EP413	-	-
	(b)equity investments	-	-
	(c) other fixed assets		
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)		
	Net investing cash flows	-	(487)
1.13	Total operating and investing cash flows (carried forward)	(121)	(1497)

	Cash flows related to financing activities		
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1.14	Proceeds from issues of shares, options, etc.	-	200
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	125	150
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – cost of share issue	(10)	(10)
	Net financing cash flows	125	340
	Net increase (decrease) in cash held	4	(1157)
1.20	Cash at beginning of quarter/year to date	39	1200
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	43	43

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	67
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 31 March 2004 by a director related entity.	
	Director's fees and super	5
	Director's salary and Super	50
	Corporate Secretary fees	<u>12</u>
	Total	<u>67</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 \$A 000	Amount used \$A 000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A 000
4.1	Exploration and evaluation	945
4.2	Development (acquisition)	
	Total	945

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	43	39
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other –		
	Total: cash at end of quarter (item 1.22)	43	39

N.B As announced on 20 February 2004, and ratified by shareholders, the Company has disposed of its 5% interest in the Cliff Head Project (WA-286-P) which will result in the receipt of \$8.1 million. This transaction is expected to be concluded by the end of the month.

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	N/A			

	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)	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 4,750,000	46,420,643	Exercise price 25 cents 20 cents	Expiry date 31 December 2004 28 November 2007
7.8	Issued during	N/A			

	quarter				
7.9	Exercised during quarter	NIL	NIL		
7.10	Expired during quarter	NIL	NIL		
7.11	Debentures <i>(totals only)</i>	N/A	N/A		
7.12	Unsecured notes <i>(totals only)</i>	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: 28 April 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.