

ASX ANNOUNCEMENT AND MEDIA RELEASE

12th March 2004
31 December 2003 Half-year Financial Report

In accordance with Listing Rule 4.2 please find attached a copy of the Company's 31 December 2003 Half Year Financial Report, including Auditor's review.

For and on behalf of

Norwest Energy NL

Peter Munachen

Company Secretary

12 March 2004

N O R W E S T E N E R G Y N L

AND ITS CONTROLLED ENTITIES

(ACN 078 301 505)

HALF-YEAR FINANCIAL REPORT

For the half-year 31 December 2003

DIRECTOR'S REPORT

The Directors present their report together with the consolidated financial report for the half-year ended 31 December 2003 and the auditors review report thereon.

DIRECTORS

The names of the Company's Directors in office during the half-year and until the date of this report are as stated below.

Directors were in office for this entire period unless otherwise stated.

Mr Alan Ivan Roy Burgess, BSc (Hons), MAusIMM, PESA (*Director and Chief Executive Officer*)
Appointed 23/04/97

Mr Henry David Kennedy, MA (Geology), PESA, AIG (*Non-Executive Director*) *Appointed 23/04/97*

Mr Colin Crabb, BBus, CA, FCIS (*Executive Director*) *Appointed 23/04/97 Deceased 21/11/03*

Mr Andrejs (Andrew) Karlis Svalbe, BSc (Hons) Econ. Geol. Member PESA, AAPG, ASEG, FESWA

(Alternate Director for Mr H D Kennedy) (Non-Executive Director) Appointed 30/01/98 Appointed full Director 3/2/04

Mr Peter L Munachen – FCA (Executive Director) Appointed 25/11/03

REVIEW OF OPERATIONS - EXPLORATION ACTIVITIES

The Company continues to be involved in oil and gas exploration in Australia.

A summary of activities during the half-year is set out below.

WA-286-P Joint Venture Westranch Holdings Pty Ltd 5% interest

Norwest is in the process of selling its interest in this project for \$8.1 million. An Extraordinary General Meeting was held on 20 February 2004 at which time shareholder approval for the proposed sale was granted.

TP/15 Westranch earning 10% interest

Seismic Survey was recently recorded an 85 kilometre 2D within the permit to further investigate structures. This data is still to be interpreted.

WA-226-P Norwest Energy 7.5% interest

Norwest has sold an option to Roc Oil. It is anticipated Roc Oil will notify the Company of its intentions to exercise on that option during the coming period. In the event of Roc Oil exercising its option, Norwest will receive a payment of \$200,000 from Roc Oil.

OTHER

EP-419 Norwest Energy 80% and operator

Norwest will seek to farm out a portion of its interest in this permit ahead of recording seismic

EP-368 Norwest 10% interest

Evaluation of EP-368 is being undertaken to investigate Hovea style structures at the Dongara sandstone level.

This evaluation has highlighted several structures but further work is required prior to planning further drilling.

AC/P32 Norwest Energy 25.5% and operator

The Joint Venture has requested a variation to the permit conditions to enable new seismic acquisition prior to drilling.

AC/P22 Norwest reducing to 10% interest

Evaluation of data continues.

EP-364 Carnarvon Basin 10%

The operator may elect to drill a further well during 2004
Signed in accordance with a resolution of the directors:

Andrew K Svalbe

Director

Perth 9th March 2004

Competent Person

The above information as far as it relates to potential hydrocarbon reserves, is based on, and accurately reflects, information compiled by Mr Andrew K Svalbe. Mr Svalbe has appropriate technical qualifications, in excess of 5 years relevant experience and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Svalbe is a director of Norwest Energy NL and he consents to the release of the information, as disclosed above.

DIRECTORS' DECLARATION

Signed in accordance with a resolution of the directors of Norwest Energy NL:

In the opinion of the Directors of Norwest Energy NL ("the Company"):

(a) the financial statements and notes are in accordance with the Corporations Act 2001 including:

(i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2003 and of its performance as represented by the results of its operations and cash flows for the half year ended on that date; and

(ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001.

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Perth the 9th day of March 2004

Andrew K Svalbe

Director

STATEMENT OF FINANCIAL PERFORMANCE

HALF-YEAR 31 DECEMBER 2003

CONSOLIDATED

	Note	2003	2002
		\$	\$
Revenues from ordinary activities	4	129,851	46,460
Expenses from ordinary activities	5	(617,618)	(1,708,443)
- Exploration expenditure written off		(373,816)	(381,736)
- Other expenses from ordinary activities			
Loss from ordinary activities before income tax expense		(861,583)	(2,043,719)
Income tax expense relating to ordinary activities		-	-
Net loss	3	(861,583)	(2,043,719)
Basic loss per share (cents per share)		(0.52)	(1.8)

The Statement of Financial Performance should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2003

CONSOLIDATED

	Note	31 December	30 June
		2003	2003
		\$	\$
Current Assets		38,860	1,200,024
Cash			
Receivables		54,097	444,132
Total Current Assets		92,957	1,644,156
Non-Current Assets		-	11,000
Receivables			
Property, Plant & Equipment		8,046	10,733
Deferred Exploration Expenditure		4,387,543	4,266,146
Total Non-Current Assets		4,395,589	4,287,879
Total Assets		4,488,546	5,932,035
Current Liabilities		25,000	-

Interest Bearing Liabilities		310,128	1,112,275
Payables			
Provisions		24,166	18,925
Total Current Liabilities		359,294	1,131,200
Non-Current Liabilities		300,000	300,000
Provisions			
Total Liabilities		659,294	1,431,200
Net Assets		3,829,252	4,500,835
Equity	6	25,001,398	24,811,398
Contributed Equity	3	(21,172,146)	(20,310,563)
Accumulated losses			
Total Equity		3,829,252	4,500,835

The Statement of Financial Performance should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS AS

AT 31 DECEMBER 2003

	2003	2002
	\$	\$
Cash Flows from Operating Activities		
Receipts in the course of operations	97,703	21,539
Payment to suppliers and employees	(383,671)	(397,359)
Interest received	10,509	26,101
Net Cash Flows From Operating Activities	(275,459)	(349,719)
Cash Flows from Investing Activities	-	(4,824)
Payment for purchase of Fixed Assets		
Payments for exploration activities	(1,100,167)	(431,471)
Increase in Security Bond Receivable	(538)	-
Net Cash Flows from Investing Activities	(1,100,705)	(436,295)

Cash Flows from Financing Activities		
Proceeds from the issue of ordinary shares	200,000	4,000,000
Payments for share issue costs	(10,000)	(125,415)
Proceeds from Loan received	25,000	-
Net Cash Flows from Financing Activities	215,000	3,874,585
Net Increase/Decrease in Cash Held	(1,161,164)	3,088,571
Cash at the beginning of the financial period	1,200,024	834,804
Cash at the end of the financial period	38,860	3,923,375

The Statement of Financial Performance should be read in conjunction with the accompanying notes.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

31 DECEMBER 2003

Statement of Significant Accounting Policies

1. Basis of Preparation of Half -Year Financial Report

The half-year consolidated financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting", the recognition and measurement requirements of applicable AASB standards, Urgent Issues Group Consensus Views, and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. This half-year financial report is to be read in conjunction with the 30 June 2003 Annual Financial report and any public announcements by Norwest Energy NL and its Controlled Entities during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

It has been prepared on the basis of historical costs and except where stated does not take into account changing money values or fair values on non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and are consistent with those applied in the 30 June 2003 Annual Financial report.

The half-year report does not include full note disclosure of the type normally included in an annual financial report.

2. Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activity and the realisation of assets and liabilities in the ordinary course of business. The company does not have a source of income but is reliant on the realisation of assets, on equity capital or the successful

development of existing projects for its ongoing funding requirements.

The company has entered into an agreement for the sale of the Cliff Head project (WA-286-P) for a consideration of \$8,100,000. The sale is conditional upon shareholder approval (which was granted at a meeting of shareholders on 20 February 2004), consent of the members of the Cliff Head Joint Venture and the registration of the transfer. Settlement of the transaction is expected to occur during April 2004.

At 31 December the company had current assets of \$92,957 and current liabilities of \$359,294. A director related entity has provided a finance facility of \$250,000 and also has agreed to the deferment of the payment of management fees and office costs (\$25,890 included in current liabilities at 31 December 2003) until settlement of the Cliff Head sale.

In addition the Directors anticipate the receipt of \$200,000 in respect to the exercise of the option of the sale of the WA-226-P interest.

Accordingly in view of the above the directors are satisfied that it is appropriate to prepare the finance report on a going concern basis.

3. ACCUMULATED LOSSES

CONSOLIDATED

	2003	2002
	\$	\$
Opening Balance	20,310,563	17,513,366
Net loss attributable to members of Norwest Energy NL	861,583	2,043,719
Accumulated Losses	21,172,146	19,557,085

4. REVENUE FROM ORDINARY ACTIVITIES

	2003	2002
	\$	\$
Oil Sales	82,063	-
Other Revenue	47,788	46,460
Total Revenue *	129,851	46,460

*Revenue from oil sales reflects the proceeds from the sale of oil from the Jingemia field during its production testing. Amortisation of the property, plant and equipment will commence upon reaching production stage

5. EXPENSES

	2003	2002
	\$	\$
Salaries	74,691	72,071
General and administrative expenses	299,125	309,665
	373,816	381,736

6. CONTRIBUTED EQUITY

Issued and Paid Up Capital

	31 December 2003		30 June 2003	
	No. of Shares/options	\$	No. of Shares/options	\$
Beginning of the financial year	162,471,872	23,752,460	100,471,872	18,725,550
Issued during the year				
Public equity raising	5,000,000	200,000	50,000,000	4,000,000
- less transaction costs		(10,000)	-	(173,090)
Black Roc acquisition (non-cash transaction)			12,000,000	1,200,000
End of the financial year	167,471,872	23,942,460	162,471,872	23,752,460
Other Contributed Equity				
Option Premium			-	-
Beginning of financial year	46,420,643	1,058,938	43,420,643	1,058,938
Issued during the year			3,000,000	
exercisable at 25c each on or before 31.12.04				
	46,420,643	1,058,938	46,420,643	1,058,938
Unlisted Employee/Director Options exercisable at 20c each on or before 28.11.07	4,750,000	-	4,750,000	-

Total Contributed Equity		25,001,398		24,811,398
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7. Contingent Liabilities and Assets

Since the last annual reporting date there has been no change of any contingent assets or contingent liabilities.

8. Segment Reporting

The consolidated entity operates predominantly in the petroleum exploration industry and within one geographic area being Australia and adjacent waters.

9. Subsequent Event

At a meeting of shareholders held on 20 February 2004 approval was granted for the sale of 5% interest of the company in the Cliff Head Project (WA-286-P) to ITOCHU Oil Exploration Co Ltd for a consideration of \$8,100,000. The carrying value of this amount at 31 December 2003 is \$2,891,602. In the event of production from the project exceeding 28 million barrels of oil, Norwest will be entitled to a 2% over riding royalty from ITOCHU's share of production. Completion of the sale is subject to the execution of Deeds of Transfer and Assignment by the joint venture participants, and approval and registration by the Mines Department.



Independent review report to the members of Norwest Energy NL

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for the Norwest Energy NL Consolidated Entity ("the Consolidated Entity"), for the half-year ended 31 December 2003. The Consolidated Entity comprises Norwest Energy NL ("the Company") and the entities it controlled during that half-year.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review in order for the Company to lodge the financial report with the Australian Securities and Investments Commission. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements.

We performed procedures in order to state whether on the basis of the procedures described anything has come to our attention that would indicate the financial report does not present fairly, in accordance with the Corporations Act 2001, Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Consolidated Entity's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our statement on the basis of the review procedures performed, which were limited primarily to:

- enquiries of company personnel; and
- analytical procedures applied to the financial data.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

A review cannot guarantee that all material misstatements have been detected.



Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe the half-year financial report of Norwest Energy NL is not in accordance with:

- a) the Corporations Act 2001, including:
 - i. giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and
 - ii. complying with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements in Australia.

KPMG

KPMG

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B P Steedman
Partner

Perth
9 March 2004