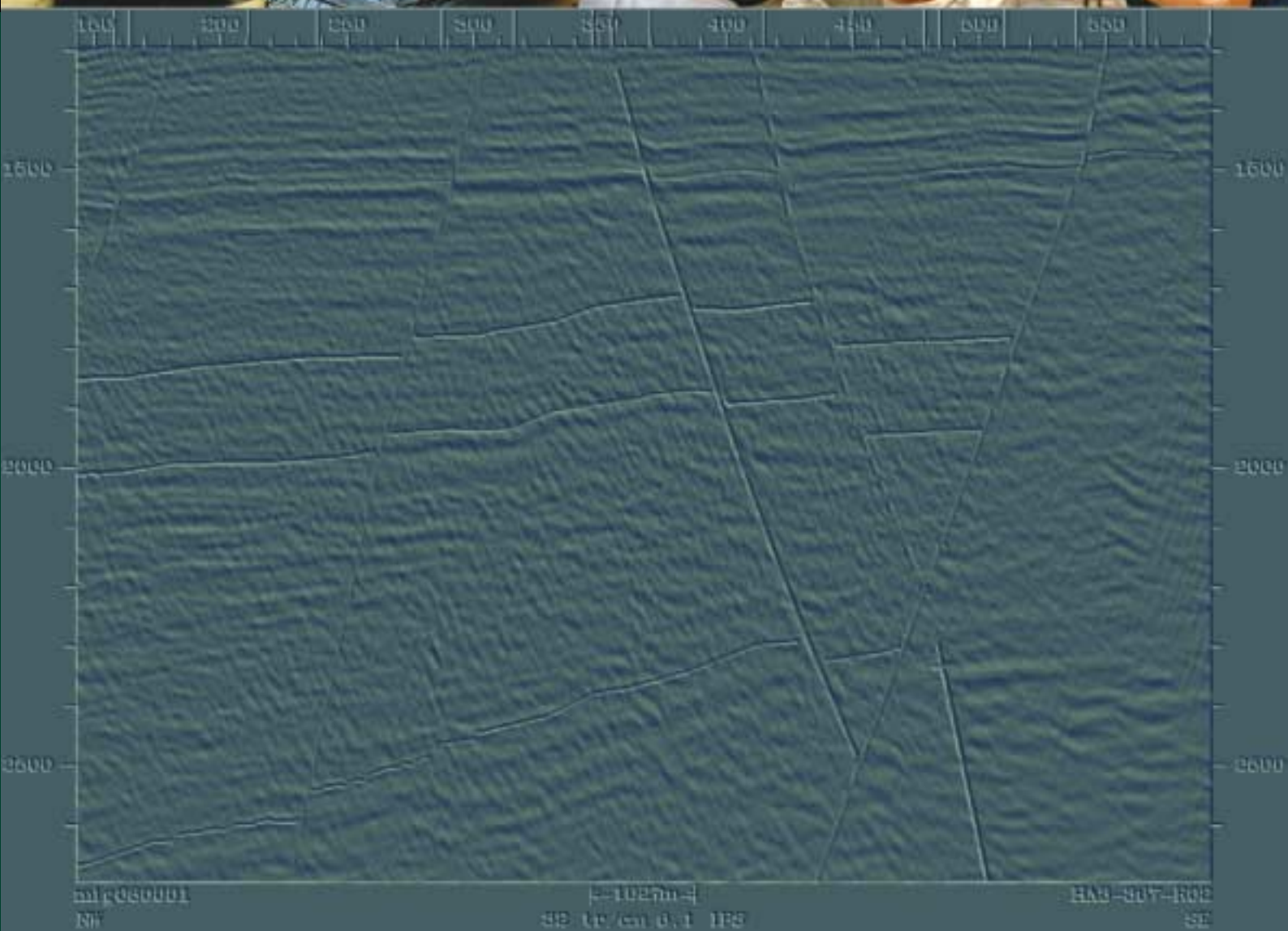


NORWEST ENERGY NL
2003
ANNUAL REPORT





CONTENTS

Chief Executive Officer's Report	2
Drilling Programme	4
Review of Operations	6
Directors' Report	15
Statements of Financial Performance	20
Statements of Financial Position	21
Statements of Cash Flow	22
Notes To and Forming Part of the Financial Statements	23
Directors' Declaration	36
Independent Audit Report	37
Corporate Governance Statement	38
Shareholder Information	39
Tenement Schedule	41

C O R P O R A T E D I R E C T O R Y

DIRECTORS

H.D. Kennedy
A.I.R. Burgess (C.E.O.)
C. Crabb

ALTERNATE DIRECTOR

A.K. Svalbe
(for Mr H.D. Kennedy)

SECRETARY

P.L.Munachen

REGISTERED & PRINCIPAL OFFICE

100 Stirling Street
PERTH WA 6000
Telephone (61 8) 9228 8251
Facsimile (61 8) 9227 9079

ADDRESS FOR COMMUNICATIONS

(Enquiries regarding shareholding should be directed to the Share Registry)
P.O. Box 8260
Perth Business Centre
PERTH WA 6849

Email: ivanb@norwestenergy.com.au

Website :

<http://www.norwestenergy.com.au>

Should you have any queries on the Company's activities, please contact Mr Ivan Burgess or in his absence, Mr Colin Crabb or Mr Peter Munachen.

STOCK EXCHANGE LISTING

Australian Stock Exchange Limited
(Home exchange - Perth)
Codes: NWE (shares)
NWE OA (options)

SOLICITORS

Mizen & Mizen
69 Mount Street
WEST PERTH WA 6005

Babingtons
30 Ledger Rd
BALCATT A, WA 6021

SHARE REGISTER

Computershare Investor Services
Pty Ltd
Level 2, Reserve Bank Building
45 St George's Tce
PERTH WA 6000

Telephone (61 8) 9323 2000
Facsimile (61 8) 9323 2033

BANKERS

Challenge Bank
109 St Georges Terrace
PERTH WA 6000

AUDITORS

KPMG
Level 31, Central Park
152 St George's Tce
PERTH WA 6000

AUSTRALIAN COMPANY

NUMBER
078 301 505

AUSTRALIAN BUSINESS NUMBER
65 078 301 505

OTHER INFORMATION

Norwest Energy NL, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

With the purchase of a small interest in the Jingemia Oil Field, Norwest Energy NL progressed from a purely exploration company, to producer. This field is located in the northern onshore portion of the Perth Basin.

The Company participated in the drilling of three appraisal and four wildcat exploration wells during the year. A further two appraisal wells have been drilled subsequent to year-end. All these wells were drilled in the prospective and highly sought after northern Perth Basin.

The Cliff Head Oil Field, which is located offshore, and southwest of Dongara, was successfully appraised by the drilling of Cliff Head 3, Cliff Head 3 cored hole 1 and Cliff Head 4. The cored hole produced oil at an exceptional rate of 2,000 barrels of oil per day through a $2\frac{8}{32}$ inch surface choke with an electric submersible pump. Drilling established a common oil-water contact across the field. While evaluation of data collected during this successful appraisal programme is ongoing, preliminary recoverable reserves for the field are estimated at between 20 and 30 million barrels (further details are contained within the review of operations).

A successful application was made for an additional onshore Perth Basin exploration permit, which has been offered to the Joint Venture, subject to clearing native title. On award,

Norwest will have $33\frac{1}{3}\%$ interest, partnered by two very respected companies. Although Norwest leads the study group which evaluated this and surrounding areas, it elected to transfer operatorship to a very experienced Perth Basin explorer.

An option to acquire the Company's 7.5% interest in WA-226-P has been sold to Roc Oil Company Limited. Although the recent Morangie 1 well, in which Norwest was free carried, contained a residual oil column, it is the opinion of the Norwest technical team that the structure is breached and that oil has leaked away.

Further exploration required the acquisition of an expensive 3D seismic survey and the Roc option paid the cost of this survey. Water depths in the block are moderate, at greater than 100 metres with drilling costs about US\$6million for a dry hole. When the prospect size was considered, the directors believed the Company's funds could be better used elsewhere.

The Directors are seeking expressions of interest from selected companies who may be interested in acquiring Norwest's interest in WA-286-P and the Cliff Head Oil Field. Depending on the level of such

offers, a decision will be made as to whether the company should sell its interest and use the funds for further exploration or maintain involvement and participate in development and receive its 5% share of subsequent cash flow. Any agreement to sell will be subject to shareholder approval.

Norwest spent \$4,000,000 on exploration activities during the year.

I remind you that Norwest maintains a regularly updated website at www.norwestenergy.com.au where copies of all ASX Stock Exchange Announcements, technical and additional information on projects can be found. The Company also provides an email service whereby all updates are distributed to interested parties. This service can be subscribed to by visiting the website.

As always I remain available to answer any enquiries concerning Norwest from investors and shareholders.

Ivan BURGESS
Chief Executive Officer and Director



Drilling on the Jingemia Oil Field

DRILLING PROGRAMME CONDUCTED DURING THE REPORTED PERIOD

PROSPECT	PERMIT	EQUITY	CLASSIFICATION
Cliff Head 3	WA-286-P	5%	Appraisal
Cliff Head 3 cored hole 1	WA-286-P	5%	Appraisal
Cliff Head 4	WA-286-P	5%	Appraisal
Twin Lions 1	TP/15	10%*	Wildcat
Mentelle 1	WA-286-P	5%	Wildcat
Vindara 1	WA-286-P	5%	Wildcat
Morangie 1	WA-226-P	7.5%**	Wildcat

DRILLED SUBSEQUENT TO YEAR END

Jingemia 2	EP-413	1.278%	Appraisal
Jingemia 3	EP-413	1.278%	Appraisal/Water Injector

** Free carried

* Paid 20% of costs

NORWEST ENERGY NL PERMITS

PERMIT	EQUITY	BASIN	STATE	LOCATION
EP-413	1.278%	Perth Basin	Western Australia	Onshore
WA-286-P	5%	Perth Basin	Western Australia	Offshore
TP/15	10%*	Perth Basin	Western Australia	Offshore
WA-226-P	7.5%**	Perth Basin	Western Australia	Offshore
EP-368	10%	Perth Basin	Western Australia	Onshore
EP-364	10%	Carnarvon Basin	Western Australia	Offshore
EP-419	80%	Perth Basin	Western Australia	Onshore
AC/P32	65.39****	Ashmore-Cartier	Territory Northern Territory	Offshore
AC/P22	50%***	Ashmore-Cartier	Territory Northern Territory	Offshore

APPLICATION AREA

L03-6	33.33%	Perth Basin	Western Australia	Onshore
-------	--------	-------------	-------------------	---------

* Earning 10% by funding 20% of the cost of drilling the next well in this permit plus cost of testing if required

** Sold an Option to Roc Oil

*** 50% reducing to 10% if an option is exercised and a well drilled.

**** Reducing to 49% paying 41.85%



The Jingemia Oil Field is contained within EP-413, which is situated about 30 kilometres northeast of the Cliff Head Oil Field in which the Company also has an interest. This permit and the Jingemia Oil Field are located close to major road systems and existing infrastructure.

**EP-413 ONSHORE PERTH
BASIN WESTERN AUSTRALIA**
Norwest Energy NL 1.278%

During October 2002, the then EP-413 Joint Venture announced that the Jingemia 1 exploration well had successfully encountered an approximate 30 metre gross oil column reservoir in the Dongara Sandstone. Initially, Jingemia 1 was placed on a two-week production test, and rates in excess of 2,000 barrels of oil per day were recorded with a sustained level of about 1,950 barrels per day. Following this, in early May 2003, the well commenced an extended 3 month production test.

Testing concluded on 4th August 2003. Oil production during this production test ranged from a constrained 1,000 to 1,900 barrels of oil per day, and in excess of 125,000 barrels of oil was produced with no water. The well has subsequently been shut-in to measure pressure build-up in the oil reservoir. Analysis of the test production data will enable the Joint Venture partners to determine the optimum field development strategy. Norwest's net share of oil produced has been sold to the BP refinery at Kwinana.

Following the encouraging results from the extended production test, the Joint Venture elected to drill the Jingemia 2 well to appraise the southern flank of this oil field. The well was designed to be converted as a water injector to maintain field pressure

The Jingemia 2 appraisal well commenced on Sunday 24th August 2003 and was directionally drilled from the Jingemia 1 drill pad. The well was designed to intersect the Dongara Sandstone oil reservoir about 1 kilometre to the southeast of the discovery well. Analysis of the

Dongara Sandstone reservoir intersected in the well has indicated it to be of poor reservoir quality and unsuitable for water injection likely due to thinning of the section from the position of Jingemia 1. The Joint Venture, therefore agreed to drill a sidetrack well to a revised bottom hole location designed to intersect improved reservoir quality rocks. Jingemia 3 commenced drilling in September 2003. The well met its objectives and has run 7 inch casing, and will be used as a water injector to maintain reservoir pressure during production.

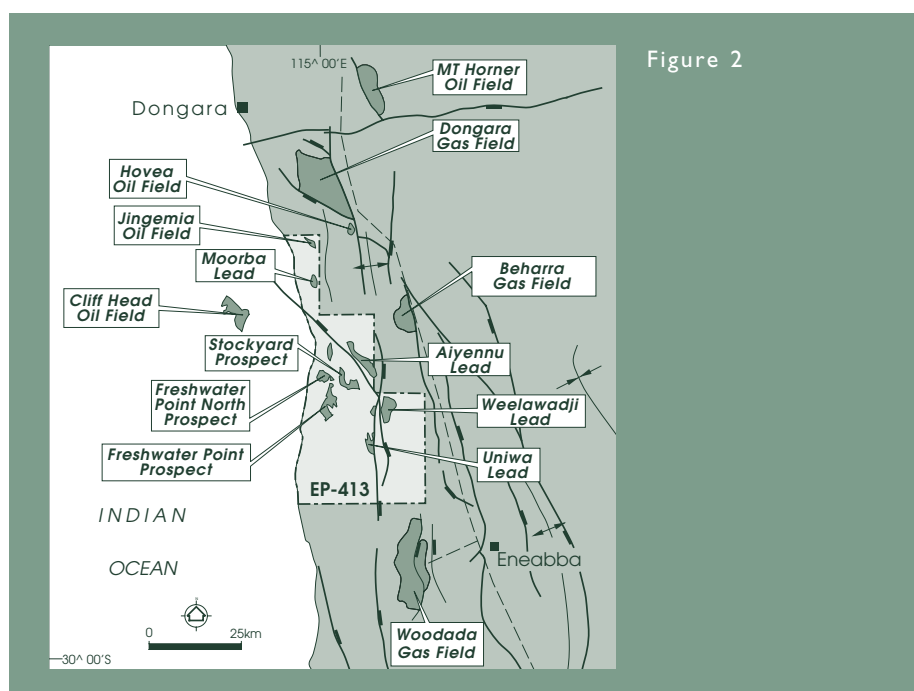


Figure 2

The Operator, on behalf of the EP-413 Joint Venture, has applied for a production licence over the Jingemia Oil Field. Development of the field will commence on granting of the production licence and successful completion of a water injection well to maintain field pressures.

Commencing on the 18th September 2003, a ground based gravity survey was conducted across the Jingemia Oil Field and other prospective areas. Data from this survey is still being received.

This permit also contains a number of other prospects, as depicted in figure 2, which have been defined by modern seismic data. These structures are considered to be similar to the Jingemia Oil Field and other producing hydrocarbon fields located in this region of the Basin. At the time of preparing this report, no decision has been made to drill any of these structures.

Norwest purchased its 1.278% interest in the Jingemia Oil Field and exploration permit, EP-413 for a total consideration of \$702,900. An initial payment of \$100,000 was paid on signing the deal, with a further payment of \$462,320 paid when the transaction was approved and registered by the relevant Government Authority. The balance of the purchase price is to be paid by way of monthly installments from production revenue at the lesser of \$25,000 or the amount received. If no revenue is received in any given month, Norwest will not make a payment for that period.

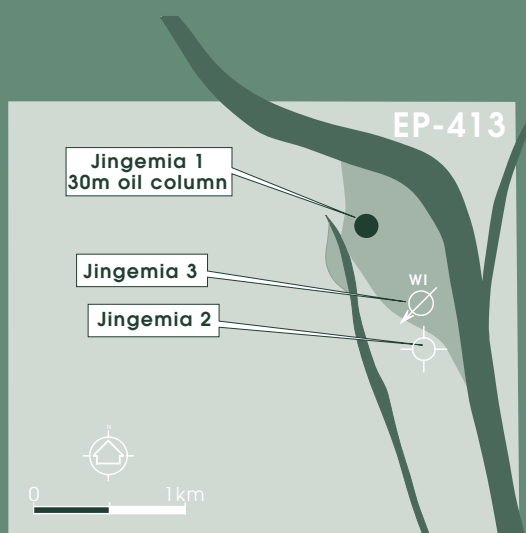
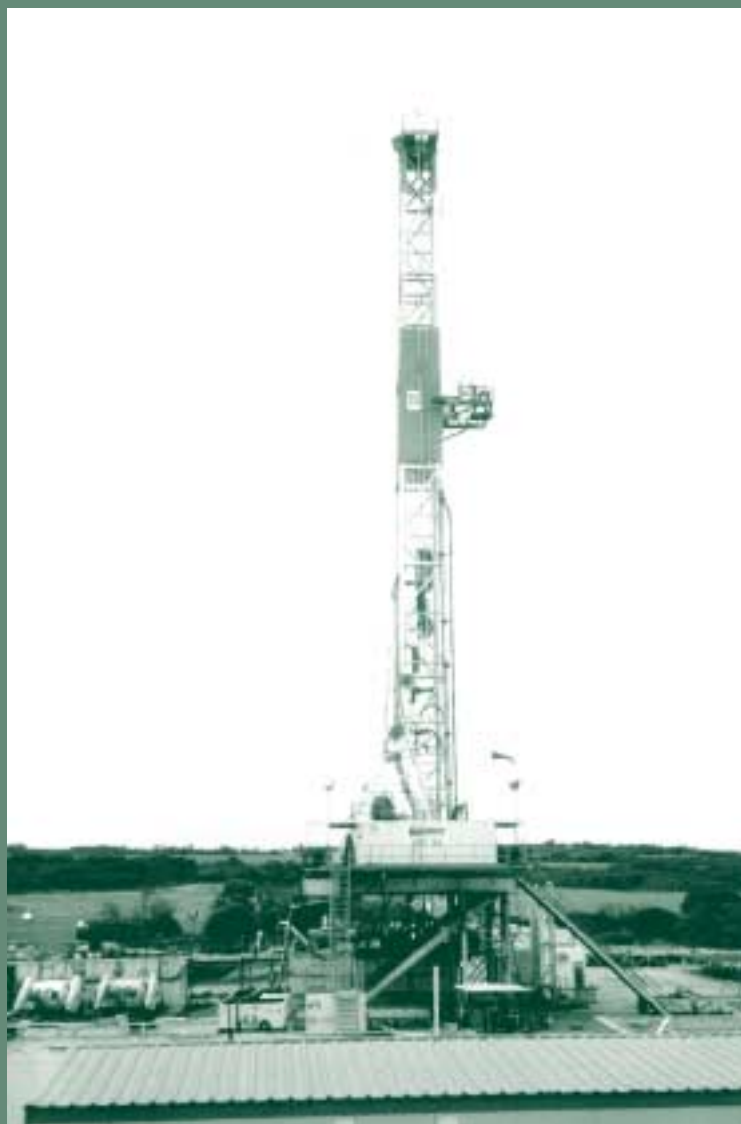


Figure 3

REVIEW OF OPERATIONS
Northern Perth Basin

**WA-286-P OFFSHORE
NORTHERN PERTH
BASIN WESTERN
AUSTRALIA**

Norwest Energy NL 5%

Located in the Northern Perth Basin, WA-286-P contains the Cliff Head Oil Field. The permit has an areal extent of 14,500 square kilometers (3,583,000 acres) and is situated about 20 kilometres southwest of the producing Dongara Gas Field.

APPRAISAL DRILLING

Discovered in late 2001, appraisal of the Cliff Head Oil Field commenced on the 6th January 2003. Cliff Head 3 intersected a 48 meter gross oil column of which at least 40%

represents net oil pay. The deviated Cliff Head 3 core hole 1 production test flowed 3,000 barrels of oil per day through a 2⁸/₆₄ inch choke with an electrical submersible pump over a 27 metre interval 1,213-1,220m and 1,223-1,242m. Oil produced during the production test has an API gravity

of 33.3 degree with a Gas:Oil ratio of 100 cubic feet per barrel.

Cliff Head 4 intersected a 30 metre gross oil column of which slightly more than 50% represents net pay. All wells drilled into the Cliff Head Oil Field intersected a common Oil water contact.

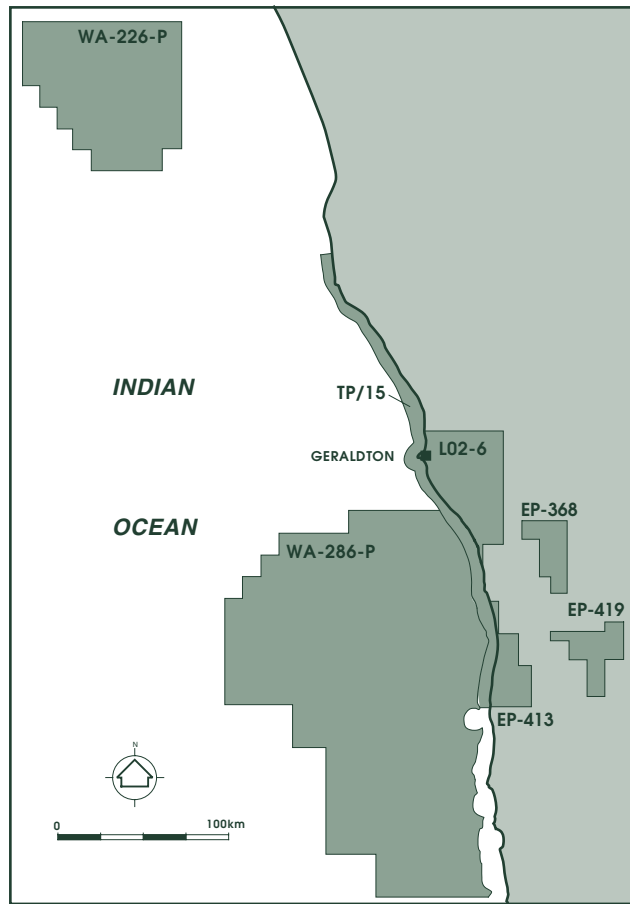


Figure 4 WA-286-P

FEED STUDY

Tenders for the grant of a contract to carry out a front-end engineering and design ("FEED") study for the Cliff Head Oil Field, were issued on 25th August 2003. An in principle decision as to whether or not the Cliff Head Oil Field should be developed will be taken in October 2003 and, if that decision is positive, the FEED contract is expected to be awarded within a month of that date. Once the successful tender has been appointed, the FEED study is expected to take approximately four months to complete.

Preliminary calculations indicate that the Cliff Head Oil Field contains between 20 and 30 million barrels recoverable of oil (between 1 and 1.5 million barrels net to Norwest Energy). It is expected that the Cliff Head Oil Field will ultimately be declared commercial and, if this assumption is correct, a production licence will be applied for and the next round of drilling will be developmental. It is likely that production will commence at about 20,000 barrels per day (1,000 barrels net to the Company).

WELLS DRILLED INTO THE CLIFF HEAD OIL FIELD

WELL	GROSS OIL COLUMN	NET RESERVOIR
Cliff Head 1	5 metres	100%
Cliff Head 2	36 metres	60-65%
Cliff Head 3	48 metres	40%
Cliff Head 4	30 metres	50%

EXPLORATION DRILLING

During the recent multi well drilling program, two wildcat exploration wells, Mentelle 1 and Vindara 1 were drilled in WA-286-P. Mentelle 1 intersected a small uneconomic oil column and the well was subsequently plugged and abandoned. Subsequent mapping indicates this structure may have some up dip potential (figure 6), and further analysis will be undertaken. Vindara 1 intersected only residual oil of no commercial significance.

SEISMIC SURVEYS

Two seismic surveys, one 2D and one 3D, will be acquired during 2003. A 3D seismic survey will be acquired over the entire Cliff Head Oil Field to assist in subsequent development and location of production wells. A 2D seismic survey will also be recorded within the permit to better define other structures mapped on existing data, and to locate new features for later follow-up drilling.

REGIONAL MAGNETIC SURVEY

A regional areal magnetic survey will be acquired during 2003, designed to highlight faults and structures. This survey will be particularly useful in very shallow waters and will minimise the need for transitional Seismic acquisition.

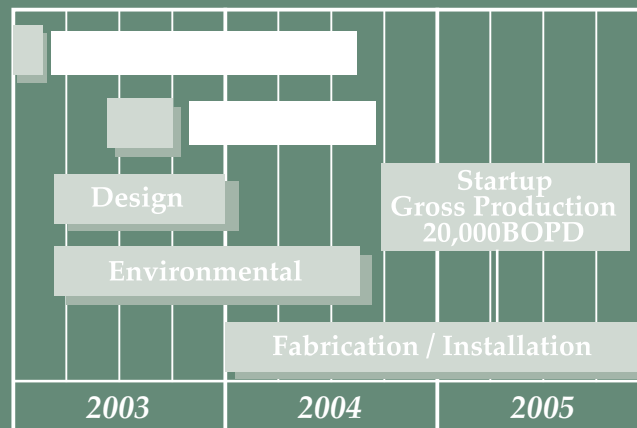


Figure 5

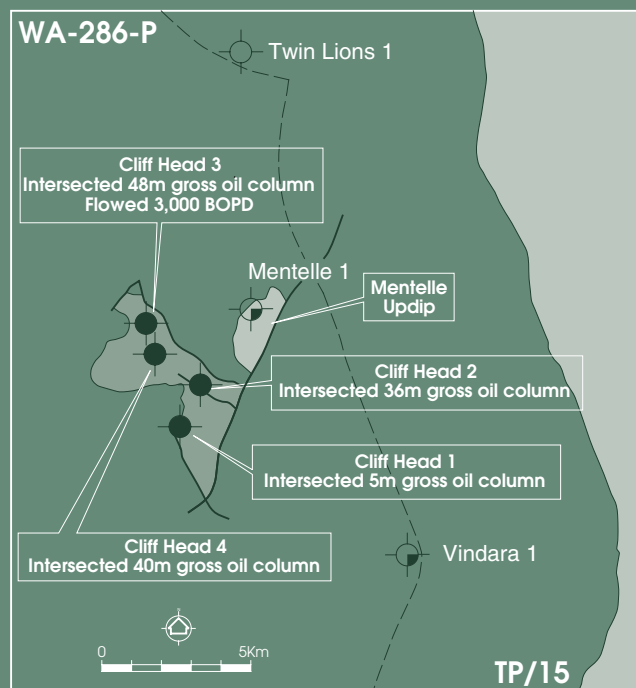


Figure 6

REVIEW OF OPERATIONS

Northern Perth Basin

TP/15 OFFSHORE NORTHERN PERTH BASIN

Norwest Energy NL earning 10%

Situated immediately inshore from WA-286-P which contains the Cliff Head Oil Field, TP/15 occupies the three nautical mile wide zone along the Western Australian coastline. Norwest will earn 10% interest in this permit by funding 20% of the cost of two wells plus testing of one, if required. The recently drilled Twin Lions 1 satisfied one of these wells required to be drilled under the farmin agreement.

Twin Lions 1, drilled in February 2003, tested a large structure. Drilled to a total depth of 1,570 metres, the well failed to intersect any hydrocarbons and was subsequently plugged and abandoned.

A 2D seismic survey is planned to be recorded in conjunction with a similar project in TP/15, located immediately to the west. This survey is designed to provide more confidence on the structural integrity of features already mapped and to locate others in areas providing little modern data.

An aeromagnetic survey will also be acquired in 2003. This survey is required to detect and map faults and structures where shallow water depths mean it is difficult to acquire seismic data.

WA-226-P OFFSHORE NORTHERN PERTH BASIN WESTERN AUSTRALIA

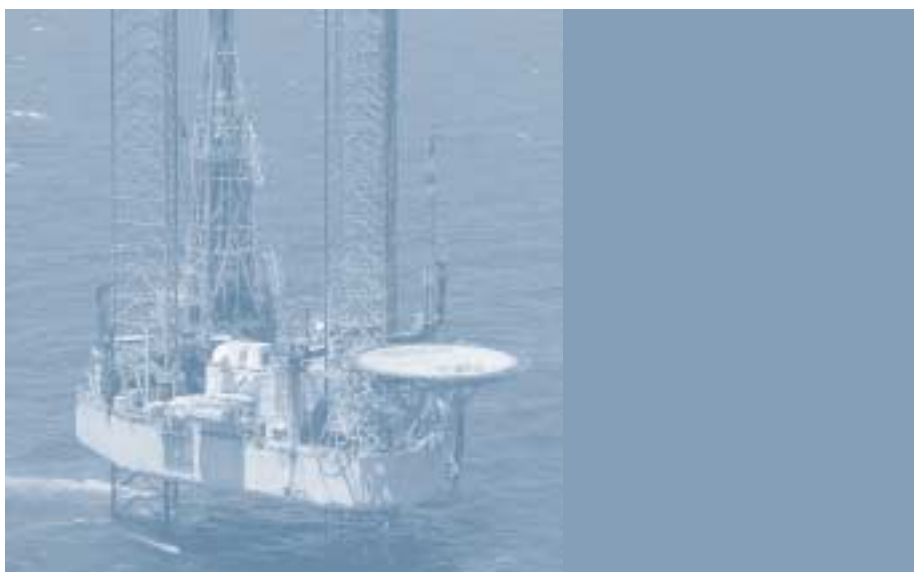
Norwest Energy NL 7.5%

Exploration Permit, WA-226-P, is located about 230 kilometres northwest of Geraldton and covers a large area of under explored northern extension to the Perth Basin.

Norwest Energy NL was free carried through the drilling of the Morangie 1 well which commenced drilling on the 18th October 2002. Using the Sedco 702, Morangie 1 was drilled to a total depth of 2,188 metres. Cores extracted from the reservoir sands exhibited good oil indications in the upper portion of the Wagina objective over the interval 2,109 to 2,134 metres. Wireline log and other data collected during the drilling of this well, however, indicate the oil was residual and have a non-commercial nature. It is anticipated that the prospect has been breached, allowing hydrocarbons to leak away.

Following the drilling of Morangie 1, a detailed 3D seismic survey was recorded over other prospects previously delineated by 2D data. Comprising about 520 square kilometers, the Macallan 3D Seismic Survey was designed to mature the Fiddich and Macallan Prospects for drilling. Processing of this data is underway.

During June 2003 Norwest sold an option to acquire its WA-286-P interest to Roc Oil Company Limited in return for agreement that ROC would fund up to A\$525,000 of Norwest's 7.5% share of the Macallan 3D Seismic Survey. In the event that Roc exercises this option, it will pay Norwest a further cash payment of A\$200,000. If a discovery is declared commercial, Roc will make a one-time payment to Norwest of A\$375,000.



EP-419 ONSHORE NORTHERN PERTH BASIN WESTERN AUSTRALIA

Norwest Energy NL 80% and Operator (subject to Department of Industry and Resources agreement)

Onshore permit; EP-419 is situated about 30 kilometres east of the Dongara Gas Field. The permit has a gross area of about 630 square kilometers.

In line with the Company's focus on the Perth Basin an agreement was reached to earn 80% equity in the permit by funding the reprocessing of seismic data.

Approximately 260 kilometres of existing 2D seismic was reprocessed and mapped during the year. This work revealed the John Structure, which could potentially be one of the largest undrilled structures remaining in the area. (figure 7)

Further evaluation is being undertaken to better understand the structure and its potential hydrocarbon charge. It is anticipated that a small seismic survey will be recorded prior to drilling. Norwest will seek to farm out seismic and drilling costs in this permit.

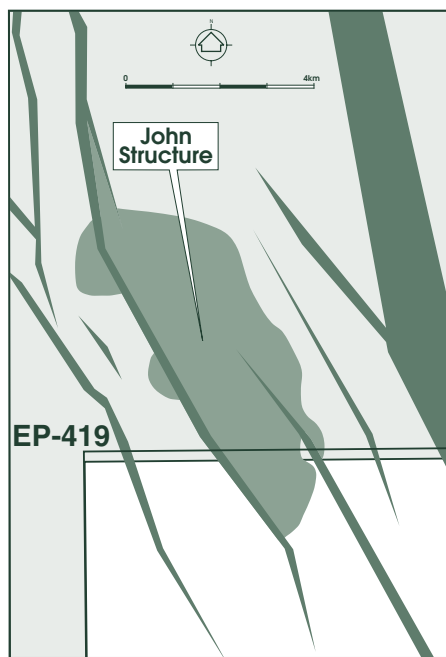


Figure 7 EP-419

EP-368 ONSHORE NORTHERN PERTH BASIN

Norwest Energy NL 10%

EP-368 is situated immediately east of the producing Mt Horner Oil Field. The permit was renewed in November 2002 for a further 5 year term.

During the year, evaluation of data in the vicinity of the Allanooka Fault has been undertaken to investigate possible Hovea style prospects at the Dongara Sandstone level. This work included two sets of reprocessing and depth mapping of existing 2D seismic. At the time of preparing this report, seismic processing is still in progress. Although a number of leads have been highlighted, further work is still required prior to drilling.



REVIEW OF OPERATIONS

Carnarvon Basin

EP-364 OFFSHORE CARNARVON BASIN WESTERN AUSTRALIA

Norwest Energy NL 10%

Offshore permit; EP-364 comprises one graticular block covering a gross area of 79.5 square kilometers. The permit is located on the eastern shelf margin of the Barrow Sub-Basin, inshore from the North Herald, South Pepper, Chervil and Saladin Oil Fields. It contains the recently discovered Cyrano hydrocarbon accumulation and is in close proximity to the Nares/Nasutus oil and gas discovery.

Existing seismic was reprocessed and mapped in the northern portion of the permit. Multi client 3D seismic was purchased and mapped by the operator. A number of small prospects were highlighted by this work.

During the year, the Operator, Tap Oil Limited, drilled Cyrano 1, which intersected a 29 metre oil and gas column of which only 10 metres represented gross oil. The commerciality of this accumulation is yet to be determined. Based on size, risk of gas, timing and other factors, Norwest elected not to participate in drilling of Cyrano 1, but may participate in any production arising from this accumulation by paying a penalty from production to Tap Oil. The payment would be equal to eight times the amount the Company would have paid in respect of operations if it had participated.

Two similar culminations have also been mapped in the Cyrano area. If a further well is proposed in EP-364, Norwest would consider participating at its 10% equity level. It is likely that such a well would be located to investigate a sand bar interpreted from seismic and well data to cut across the prospect, providing potential for improved reservoir quality.



Appraisal drilling
Cliff Head Oil
Field

Photo: Courtesy of
Geraldton Guardian

R E V I E W O F O P E R A T I O N S
V u l c a n S u b B a s i n

**AC/P32 VULCAN SUB BASIN
TIMOR SEA - ASHMORE-
CARTIER TERRITORY**

65.39% interest reducing to
49% paying 41.85% and
Operator

Granted in February 2001, AC/P32 comprises 13 graticular blocks covering an area of about 1,072 square kilometers (265,000 acres). The depleted Skua Oil Field lies about 35 kilometers to the west and the Challis and Cassini Oil Fields are situated 20 kilometers to the northwest.

The Joint Venture purchased 170 square kilometres of Onnia 3D seismic data from the contractor, PGS. At year end interpretation of this data is nearing completion. Mapping has confirmed the existing prospects previously mapped on 2D seismic, and highlighted a potentially large stratigraphic feature with seismic anomalies, which may relate to trapped hydrocarbons. (figure 8) Norwest will seek to farm out part of its equity in this permit prior to drilling.

**AC/P22 VULCAN SUB BASIN
TIMOR SEA - ASHMORE-
CARTIER TERRITORY**

Norwest Energy NL 10%

The Puffin Oil Field is contained within this permit, which comprises 22 graticular blocks covering an area of about 1,800 square kilometers (465,000 acres). Puffin 5, drilled by the Joint Venture, intersected a 9 metre oil column. Production testing of that well was terminated because the high quality reservoir sands flowed into the well bore blocking the testing.

The initial six year permit term for AC/P22 expires during 2003. Negotiations are underway with the Designated Authority for a 5 year renewal and relinquishment programme. On renewal, 25% of the permit area must be surrendered

Onnia 3D survey data licensed by the AC/P22 Joint Venture has been reprocessed at no cost to Norwest under an option agreement with North American independent, Longview

Resources. The data quality has been improved by the reprocessing and this has provided more confidence in the seismic events mapped.

Reprocessing, has downgraded the area of structure on the Puffin Horst. The area adjacent to Puffin 3 and 4 is now interpreted as two or three very small, discrete, non-commercial closures. The Puffin 5 well appears to have been drilled off the crest of that structural closure, but a new well drilled at the crest would not substantially increase the recoverable reserves.

Reprocessing and mapping has, however, provided greater confidence in the Fairfield Prospect, which is located on a terrace adjacent to the main Puffin Horst. The previous failure to find oil except on the Puffin Horst means this prospect carries a degree of risk. Further analysis of this prospect will be undertaken prior to making a decision to drill.

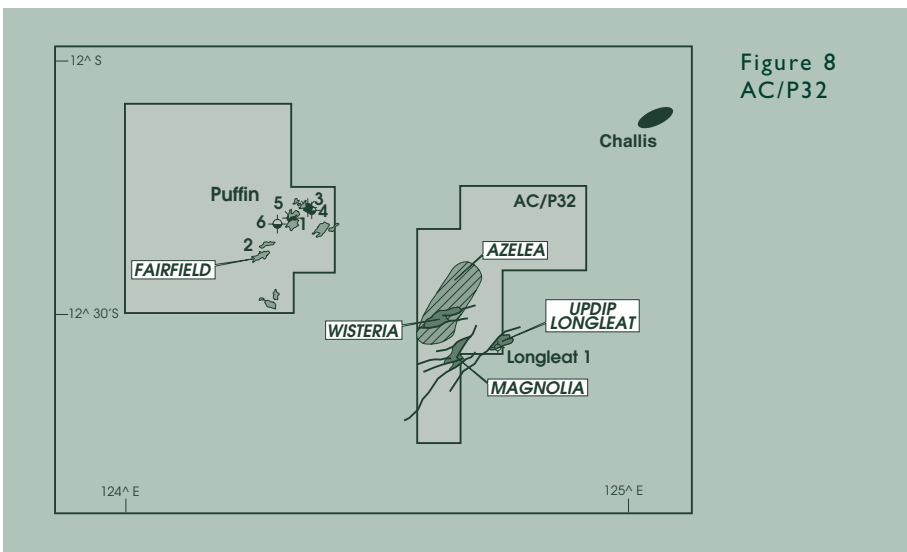


Figure 8
AC/P32

R E V I E W O F O P E R A T I O N S
Northern Perth Basin

**L03-6 ONSHORE NORTHERN
PERTH BASIN**

Norwest Energy 33¹/₃%

In April 2003 Norwest applied for an onshore petroleum permit in the northern Perth Basin over gazetted area L02-6. The Joint Venture has been offered this area as an exploration permit, which, however, must go through the Native Title procedure prior to grant. Evaluation of this block indicates the presence of structuring which could contain hydrocarbons

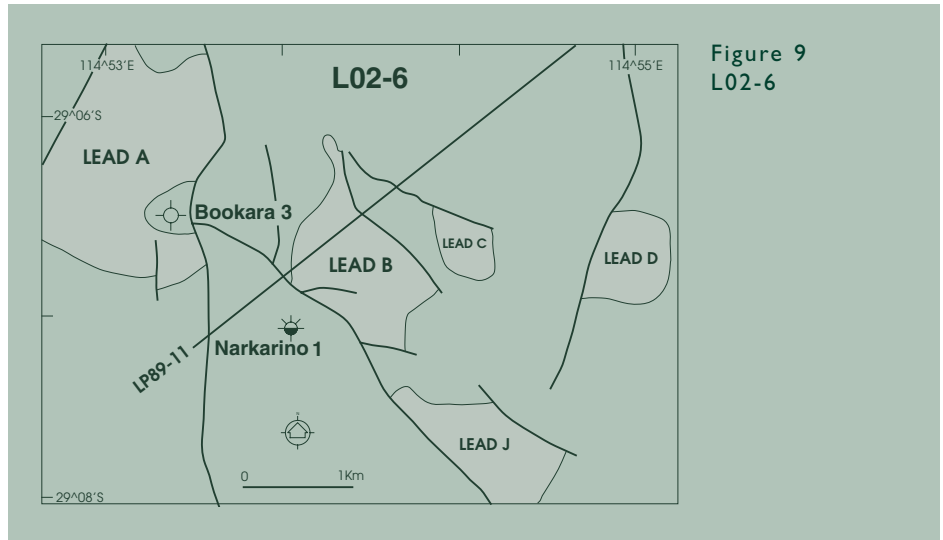


Figure 9
L02-6

The directors present their report together with the financial report of Norwest Energy NL ("the Company") and the consolidated financial report of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2003 and the auditors report thereon.

DIRECTORS

The directors of the Company in office at any time during or since the financial year are:

Mr Thomas Garry O'Meally, BSc, BE(Hons), FASOR, FAIE, Member AGA, APIA (resigned 30 June 2003) (Chairman until resignation) Age : 67

Mr O'Meally has a wealth of both upstream and downstream industry experience gained from a variety of senior roles. For most of his forty years in the oil and gas business he was with AGL, where he held posts in planning, research, development and marketing before being appointed General Manager of all gas distribution subsidiaries. Later, he became General Manager of AGL Petroleum and for Santos Ltd, General Manager Queensland and Northern Territory. Mr O'Meally is a past director of Petroz NL and has served as President of the Australian Gas Association and as a Councilor and Queensland Chairman of the Australian Petroleum Production and Exploration Association.

Mr Henry David Kennedy BA(Geology), MA(Geology), Member CIMMP, SEG, PESA, AIG (Non-Executive Director) Age : 67

Mr Kennedy has had a long association with Australian and New Zealand resource companies and as a technical director has been instrumental in the formation and /or development of a number of successful listed companies, including Pan Pacific Petroleum NL, New Zealand Oil and Gas Limited, Mineral Resources (NZ) Ltd and Otter Exploration NL. During his term as Executive Director of Otter, Pan Pacific and NZOG, these companies were involved in discovery of the Tubridgi gas field and South Pepper, North Herald and Chervil oil fields in Western Australia and the Kupe South and Rua oil/gas condensate fields in New Zealand. As Chairman and Chief Executive of Kiwi International Resources NL and Associated Gold Fields NL, Mr Kennedy was involved in the discovery and development of the Obotan gold project in Ghana prior to the Company being merged with Resolute Samantha Ltd in May/June 1996. He is also a director of two listed overseas companies and the

following Australian listed companies: Dragon Mining NL, Bambuu Limited, Alkane Exploration NL and Sub-Sahara Resources NL.

Mr Alan Ivan Roy Burgess, BSc (Hons), MAusIMM, Member PESA (Director and Chief Executive Officer) Age : 50

Mr Burgess obtained his qualifications in Geology from the University of Western Australia. He has a background which includes technical and management roles with the upstream petroleum industry spanning over 20 years. Operationally he has managed the drilling of a number of wildcat wells, both onshore and offshore. He has considerable experience in the focus area in which Norwest Energy operates. It is this experience that has influenced the choice of acreage acquired by the Company.

Mr Colin Crabb,
BBus, CA, FCIS (Executive
Director) Age : 46

Mr Crabb is a chartered accountant and chartered secretary who has gained considerable experience in the management and administration of resource companies over the last twenty years or so. In the 1980's he worked for 3 different petroleum groups engaged in the exploration, development and production of oil and gas. Between 1990 and May 1996, he was an executive director of Associated Gold Fields NL. He is a director or alternate of Sub-Sahara Resources NL, Dragon Mining NL, Pancontinental Oil & Gas NL and a number of private mineral and petroleum companies in Australia and overseas.

Mr Andrejs (Andrew) Karlis
Svalbe,
BSc (Hons) Econ. Geol.
Member PESA, AAPG, ASEG,
FESWA (Alternate Director
for Mr H.D. Kennedy) Age : 60

Mr Svalbe has in excess of 25 years experience in the oil industry working in Australia and overseas. During this period he has been involved with a diverse range of exploration, development and production projects in the private sector, particularly with Exxon and Pancontinental Petroleum. As Exploration Manager and then Chief Executive Officer, more recently he has been Chief Geoscientist - Petroleum for the Geological Survey of Western Australia. Mr Svalbe is the Chief Executive Officer and Director of Pancontinental Oil & Gas NL.

PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity during the course of the financial year was the exploration for petroleum resources. The area of focus, in particular, is in the Perth Basin and north western Australia and the adjacent area.

There were no significant changes in the nature of the activities of the economic entity during the year.

CONSOLIDATED RESULT

The consolidated loss from ordinary activities for the year attributable to members of Norwest Energy NL was \$2,797,197 (2002 : \$9,239,378 loss).

REVIEW OF OPERATIONS - EXPLORATION ACTIVITIES

A review of operations for the consolidated entity during the year appears in the "Review of Operations" section of the Annual Report.

ENVIRONMENTAL REGULATION

Given the current stage of activities the consolidated entity's operations are not subject to any particular or significant State or Commonwealth environmental legislation or regulation that adversely impact on the operations of the Company. The Board, however, believes that the consolidated entity has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the consolidated entity.

In accordance with the continuous disclosure requirements, readers are referred to announcements lodged with the Australian Stock Exchange Limited, regarding exploration and other activities of the Group.

DIVIDENDS

The directors do not recommend payment of any dividend. No dividends have been paid during the financial year.

STATE OF AFFAIRS

During the year the Company issued 50,000,000 fully paid ordinary shares via placements and a share purchase plan at 8 cents per share. In aggregate the issues raised additional working capital of \$4,000,000 less issue costs of \$173,090. The company also issued 12,000,000 fully paid ordinary shares and 3,000,000 options exercisable at 20 cents on or before 31 December 2003 or at 25 cents on or before 31 December 2004 to Black Roc Oil and Gas plc in exchange for a 7.5% interest in WA-286-P.

The consolidated entity spent some \$4,000,000 on exploration activities, \$733,000 on administration and related expenses and \$2,160,000 exploration expenditure was written off during the year.

In the opinion of directors there were no other significant changes in the state of affairs of the consolidated entity that occurred during the financial year not otherwise disclosed in this report or the financial report.

EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature which in the opinion of the directors of the Company, is likely to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in subsequent financial years.

LIKELY DEVELOPMENTS

Details of the consolidated entity's planned exploration activities may be found in the Review of Operations section of the Annual Report.

Other information as to likely developments in the operations of the consolidated entity and the expected results of those operations in subsequent financial years have not been included in this report because, the directors believe, on reasonable grounds, that to include such information would be likely to result in unreasonable prejudice to the consolidated entity.

OPTIONS

As at the date of this report the following options over ordinary shares are on issue:-

Options now exercisable at 20 cents before 31/12/03 or 25c before 31/12/04(listed)	46,420,643
Options issued to directors and employees exercisable At 20 cents per share before 28/11/2007	4,750,000

The names of persons who currently hold options in the above scheme are entered in the register of options kept by the Company pursuant to Section 170 of the Corporations Act 2001. The register may be inspected free of charge.

These options do not entitle the holder to participate in any share issue in any other body corporate.

No options have been exercised during or since the end of the financial year.

During or since the end of the financial year, the Company granted options over unissued ordinary shares to the following directors and to the five most highly remunerated officers of the company as part of their remuneration:

	No. of options granted	Exercise price	Expiry date
TG O'Mealley	600,000	20 cents	28 November 2007
HD Kennedy	300,000	20 cents	28 November 2007
AIR Burgess	1,500,000	20 cents	28 November 2007
C Crabb	900,000	20 cents	28 November 2007
PL Munachen	750,000	20 cents	28 November 2007
AK Svalbe	300,000	20 cents	28 November 2007

All options were granted during the financial year. No options have been granted since the end of the financial year.

D I R E C T O R S ' R E P O R T

DIRECTORS' INTERESTS

The relevant interest of each director in the ordinary share capital of the Company shown in the register of Directors' Shareholdings as at the date of this report is:

		Fully Paid Shares	Listed Options	Unlisted Options
H.D. Kennedy	direct	72,500		nil
	indirect	29,720,560	6,135,000	300,000
A.I.R. Burgess	direct	nil	nil	nil
	indirect	10,000	5,000	1,500,000
C. Crabb	direct	nil	nil	nil
	indirect	2,863,060	650,000	900,000
A.K. Svalbe	direct	nil	nil	nil
	indirect	nil	nil	300,000

(Alternate for Mr Kennedy)

DIRECTORS' and SENIOR EXECUTIVES EMOLUMENTS

The Company's remuneration of board members and senior executives has been set based upon generally accepted industry standards for small petroleum exploration entities.

Details of the nature and amount of each element of emoluments (1) of each director of the Company and consolidated entity and each of the five named officers of the Company receiving the highest emolument are ;

Director	Base Emolument \$	Superannuation \$	Total \$	Options ⁽⁴⁾ No	Value ⁽⁵⁾ Of Options \$
A.I.R. Burgess(3)	185,325	14,076	199,401	1,500,000	32,884
T.G. O'Meally (2)	30,000	-	30,000	600,000	13,154
C. Crabb	17,500	1,575	19,075	900,000	19,731
A .K. Svalbe	10,000	900	10,900	300,000	6,577
H.D. Kennedy (2)	10,000	-	10,000	300,000	6,577

(1) In relation to the management of the Company and its subsidiaries.

(2) Paid or payable to the director or a director related entity.

(3) Includes \$18,925 accrual for annual leave.

(4) Exercisable on or before 28 November 2007 at 20 cents

(5) The Black-Scholes method was used in arriving at the value of the Options that were issued on 28 November 2002 when the ordinary fully paid shares in the Company were trading at 8.7 cents. The trading price of the ordinary shares in the Company at the time of this report was 5 cents and the exercise price of the Options is 20 cents. Accordingly, the Directors consider that the Options currently have NIL value.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's directors (including meetings of committees of directors) held during the year ended 30 June 2003, and the numbers of meetings attended by each director.

	Formal meetings attended	Number entitled to attend
Number of meetings attended by:		
Mr . T.G. O'Meally	5	5
Mr H.D. Kennedy (or his alternate Mr AK Svable)	5	5
Mr A.I.R. Burgess	5	5
Mr C. Crabb	5	5

It should be noted the directors are of the opinion that it is often more efficient to deal with matters by circular resolutions than by Board Meetings. Matters were dealt with by circular resolution on twenty two (22) occasions during the year.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Indemnification

The Company has not, during or since the financial year end, in respect of the auditor and officers of the company or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings other than resolving to indemnify Mr O'Meally in respect to any claim against him in the future arising from the time in which he was a Director, such indemnity to be limited to the indemnity that would otherwise be covered under the Directors and Officers insurance, or the level of indemnity that the directors would implement in the event that the company did not continue with Directors and Officers Insurance.

Insurances

Since the end of the previous financial year the Company has paid insurance premiums in respect of directors' and officers' liability and legal expenses insurance contracts. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors and officers and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract.

The premiums were paid in respect of the following officers of the Company and its controlled entities:

Current directors and officers of the Company and controlled entities : Mr TG O'Meally (resigned 30 June 2003), Mr HD Kennedy, Mr AIR Burgess, Mr C Crabb, Mr AK Svalbe and Mr PL Munachen.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Norwest Energy NL support the principles of corporate governance and have adhered to the principles that they consider appropriate to the size, nature and scale of operations of the company. The Company's corporate governance statement is contained in the additional ASX information section of this annual report.

AUDIT COMMITTEE

The board is of the opinion that the Company is not of sufficient size to have an audit committee.

Dated this 22 day of September 2003.

Signed at Perth in accordance with a resolution of the directors :

A.I.R. Burgess

Director

STATEMENTS OF FINANCIAL PERFORMANCE

	<i>Note</i>	<i>Consolidated</i>	<i>Consolidated</i>	<i>Company</i>	<i>Company</i>
		2003	2002	2003	2002
		\$	\$	\$	\$
Revenues from Ordinary Activities	2	80,294	55,495	80,291	55,437
Expenses from Ordinary Activities	3				
- Exploration expenditure written off	9	2,162,583	8,621,429	105	18,529
- Provision for diminution of investment in controlled entity		-	-	-	1,282,303
- Provision for non-recovery of loans to controlled entities		-	-	52,440	7,448,194
- Write back of provision for loss on disposal of controlled entity in prior year		-	-	(214,595)	-
- Administration		714,908	673,444	625,538	613,859
Loss from Ordinary Activities before Income Tax Expense		2,797,197	9,239,378	383,197	9,307,448
Income Tax Expense relating to Ordinary Activities	5	-	-	-	-
Net Loss	4	2,797,197	9,239,378	383,197	9,307,448

		<i>Consolidated</i>	<i>Consolidated</i>
		2003	2002
		<i>cents/share</i>	<i>cents/share</i>
EARNINGS / (LOSS) PER SHARE			
Basic EPS	23	(2.02)	(9.77)

The Statements of Financial Performance are to be read in conjunction with the accompanying notes.

S T A T E M E N T S O F F I N A N C I A L P O S I T I O N

	<i>Note</i>	<i>Consolidated</i>	<i>Consolidated</i>	<i>2003</i>	<i>Company</i>
		<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
		\$	\$	\$	\$
Current Assets					
Cash Assets	16(a)	1,200,024	834,804	1,188,658	832,737
Receivables	6	444,132	18,817	27,216	16,169
Total Current Assets		1,644,156	853,621	1,215,874	848,906
Non-Current Assets					
Receivables	6	11,000	11,000	5,496,477	1,283,310
Property, Plant and Equipment	7	10,733	12,907	10,733	12,907
Other financial assets	8	-	-	101	101
Deferred Exploration & Evaluation costs	9	4,266,146	1,791,118	52,164	-
Total Non-Current Assets		4,287,879	1,815,025	5,559,475	1,296,318
Total Assets		5,932,035	2,668,646	6,775,349	2,145,224
Current Liabilities					
Payables	10	1,112,275	66,753	37,654	39,396
Provisions	11	18,925	30,771	18,925	30,771
Total Current Liabilities		1,131,200	97,524	56,579	70,167
Non-Current Liabilities					
Provisions	11	300,000	300,000	-	-
Total Liabilities		1,431,200	397,524	56,579	70,167
Net Assets		4,500,835	2,271,122	6,718,770	2,075,057
Equity					
Contributed Equity	12	24,811,398	19,784,488	24,811,398	19,784,488
Accumulated losses	4	(20,310,563)	(17,513,366)	(18,092,628)	(17,709,431)
Total Equity		4,500,835	2,271,122	6,718,770	2,075,057

The Statements of Financial Position are to be read in conjunction with the accompanying notes.

S T A T E M E N T S O F C A S H F L O W S

	<i>Note</i>	<i>Consolidated</i>	<i>Consolidated</i>	<i>Company</i>	<i>Company</i>
		2003	2002	2003	2002
		\$	\$	\$	\$
Cash Flow Relating to Operating Activities					
Receipts in the course of operations		17,739	11,014	17,739	11,104
Payments to suppliers and employees		(694,935)	(617,171)	(643,175)	(589,864)
Interest received		61,755	44,481	61,752	44,423
Net Operating Cash Flows	16(b)	(615,441)	(561,676)	(563,684)	(534,337)
Cash Flows from Investing Activities					
Proceeds Sale of Plant & Equipment		800	-	800	-
Payments for – EP 419		(100,000)	-	-	-
Payments for investments		-	-	-	(101)
Payments for Property, Plant & Equipment		(4,824)	(6,374)	(4,824)	(6,374)
Payments for exploration activities		(2,742,225)	(2,284,684)	(52,269)	(18,529)
Net Investing Cash Flows		(2,846,249)	(2,291,058)	(56,293)	(25,004)
Cash Flows Related to Financing Activities					
Proceeds from issue of shares	16(c)	4,000,000	2,132,625	4,000,000	2,132,625
Payments related to issue of shares		(173,090)	(96,000)	(173,090)	(96,000)
Loans to controlled entities		-	-	(2,851,012)	(2,274,093)
Net Financing Cash Flows		3,826,910	2,036,625	975,898	(237,468)
Net Increase/(Decrease) in Cash Held		365,220	(816,109)	355,921	(796,809)
Foreign Exchange Gain/(Loss)on cash holdings		-	8,424	-	8,423
Cash at beginning of Year		834,804	1,642,489	832,737	1,621,123
Cash at End of Year	16(a)	1,200,024	834,804	1,118,658	832,737

The Statements of Cash Flows are to be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 - Statement of Accounting Policies

The significant accounting policies which have been adopted in preparation of the financial report are:

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and 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 current valuations of non-current assets.

These accounting policies have been consistently applied by each entity in the economic entity and, except where there is a change in accounting policy, are consistent with those of the previous year.

(b) 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 equity capital or the successful development of existing projects for its ongoing funding requirements.

The Directors are currently evaluating various alternatives and sources of funding. Such alternatives include the issue of further shares for cash and/or the disposal of assets. The Directors consider that the underlying value of its petroleum exploration asset would support a favourable response to the alternatives under consideration. Accordingly, the Directors believe that the preparation of the financial statements on a going concern basis is appropriate.

(c) Principles of Consolidation

The consolidated financial statements of the economic entity include the financial statements of the Company, being the chief entity, and its controlled entities.

Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

The balances, and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated.

(d) Income Tax

The consolidated entity adopts the income statement liability method of tax effect accounting.

Income tax expense is calculated on profit from operating activities adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt.

Future income tax benefits relating to entities with tax losses are only brought to account when their realisation is virtually certain. The tax effect of capital losses is not recorded unless realisation is virtually certain.

(e) Joint Venture Operations

The economic entity's interests in unincorporated joint ventures are brought to account by including its interest in the following amounts in the appropriate categories in the statement of financial position and statement of financial performance:

- each of the individual assets employed in the joint venture;
- liabilities incurred by the economic entity in relation to the joint venture and the liabilities for which is jointly and/or severally liable; and
- expenses incurred in relation to the joint venture.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 - Statement of Accounting Policies (continued)

(f) Exploration and Evaluation Expenditure

Exploration, evaluation and development costs are accumulated in respect of each separate area of interest.

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs are either written off or provided for to the extent that they are not anticipated to be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest until production commences. If production commences, carried forward exploration, evaluation and development costs will be amortised on a units of production basis over the life of the economically recoverable reserves.

(g) Non-Current Assets

The carrying amounts of non-current assets, other than exploration and evaluation expenditure carried forward (refer Note 1(f)), are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount.

In assessing recoverable amounts of non-current assets the relevant cash flows have not been discounted to their present value, except where specifically stated.

(h) Plant and Equipment

Acquisition

Items of plant and equipment are initially recorded at cost and depreciated as outline below.

Depreciation and amortisation

Items of plant and equipment are depreciated using the straight line method over their useful lives.

The rates of depreciation used for each class of asset are as follows ;

Plant and Equipment	13% - 27%
---------------------	-----------

Assets, other than exploration and evaluation expenditure, are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

(i) Accounts payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company or economic entity. Trade accounts payable are normally settled within 60 days.

(j) Investment in Controlled Entities

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount. Dividends and distributions are brought to account in the statement of financial performance when they are declared by the controlled entities.

(k) **Goods and Services Tax**

Revenues, expenses and assets are recognised net of amounts of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from or payable to, the ATO are classified as operating cash flows.

(l) **Foreign Currency Transactions**

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amount receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

Exchange differences relating to the amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of financial performance in the financial year in which the exchange rates change.

(m) **Employee Entitlements - Note 11**

Salaries and annual leave

The provision for employee entitlements to salaries and annual leave represent present obligations resulting from the employees services provided up to the balance date, calculated at undiscounted amounts based on the employee's salary rates that the consolidated entity expects to pay as at the reporting date.

Superannuation Contributions

The Company contributes to several defined contribution superannuation plans for the benefit of both employees and directors. Contributions are charged against income as they are made.

(n) **Abandonment Costs**

Provisions made for well abandonment costs are reflected in deferred exploration expenditures. These costs have been determined on the basis of current costs, current legal requirements and current technology.

Significant uncertainty exists as to the final cost of abandoned wells due to factors including the timing of abandonment, distance for mobilisation, rig rates, exchange rates and whether such abandonment will be part of a programme or a stand alone operation and the entity's ultimate share of such abandonment costs.

	<i>Consolidated</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	\$	\$	\$	\$
Note: 2 REVENUE FROM ORDINARY ACTIVITIES				
Interest Revenue	61,755	44,481	61,752	44,423
Other	17,739	11,014	17,739	11,014
Proceeds sale of plant and equipment	800	-	800	-
	<hr/>	<hr/>	<hr/>	<hr/>
	80,294	55,495	80,291	55,437

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	<i>Consolidated</i>		<i>Company</i>	
	2003	2002	2003	2002
	\$	\$	\$	\$
Note: 3 EXPENSES AND LOSSES				
Auditors Remuneration				
- Audit fees	14,500	17,200	14,500	17,200
- Other services	-	-	-	-
Depreciation of plant and equipment	5,818	5,774	5,818	5,774
Loss on disposal of plant & equipment	380	-	380	-
Foreign exchange (gain) / losses	-	(8,424)	-	(8,424)
Net expense for movements in provisions for :				
Employee entitlements	(11,846)	20,963	(11,846)	20,963
Diminution in investments - controlled entity	-	-	-	1,282,303
Non recovery of receivables - controlled entity	-	-	52,440	7,448,194
Write back over provision for non-recovery from controlled entity disposed previous year	-	-	(214,595)	-

Note 4: ACCUMULATED LOSSES

Balance at beginning of year	17,513,366	8,273,988	17,709,431	8,401,983
Net loss attributable to members of Norwest Energy NL	2,797,197	9,239,378	383,197	9,307,448
Balance at end of year	20,310,563	17,513,366	18,092,628	17,709,431

Note 5: TAXATION

(a) *Income Tax (benefit) / expense*

Prima facie income tax benefit calculated at 30% on the loss from ordinary activities

	(839,159)	(2,771,813)	(114,959)	(2,792,234)
--	-----------	-------------	-----------	-------------

Income tax adjusted for :

non-deductible items :

timing differences –

	2,094	677	2,094	677
	700,975	2,592,718	(43,517)	2,641,835

Amount not brought to account as a carried forward future income tax benefit:

	136,090	178,418	69,348	149,722
--	---------	---------	--------	---------

Income tax attributable to loss from ordinary activities

	-	-	-	-
--	---	---	---	---

(b) *Future income tax benefit not taken to account*

The potential future income tax benefit calculated at 30% in respect of :

Tax losses not brought to account :

Timing differences

	5,188,905	4,436,257	493,761	424,413
	5,678	9,231	3,444,034	3,496,234
	5,194,583	4,445,488	3,937,795	3,920,647

The potential future income tax benefit will only be obtained if :

- (i) the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised, or the benefit can be utilised by another company in the economic entity in accordance with Division 170 of the Income Tax Assessment Act 1997;
- (ii) the relevant company and/or economic entity continues to comply with the conditions for deductibility imposed by the law ; and
- (iii) no changes in tax legislation adversely affect the relevant company and/or economic entity in realising the benefit.

	<i>Note</i>	<i>Consolidated</i>	<i>Consolidated</i>	<i>2003</i>	<i>Company</i>
		<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
		\$	\$	\$	\$
Note 6: RECEIVABLES					
Current					
Sundry Debtors		444,132	18,817	27,216	16,169
Non-Current					
Security bond		11,000	11,000	11,000	11,000
Amounts due from controlled entities	19	-	-	16,946,664	12,895,653
Less : Provision for non-recovery		-	-	(11,461,187)	(11,623,343)
		11,000	11,000	5,496,477	1,283,310

Loans due from controlled entities relate principally to advances to fund exploration expenditures, therefore recovery of these loans is dependent upon the successful development and commercial exploitation, or sale, of exploration interests.

	<i>Consolidated</i>	<i>Consolidated</i>	<i>2003</i>	<i>Company</i>
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	\$	\$	\$	\$
Note 7: PROPERTY, PLANT AND EQUIPMENT				
Balance				
Cost	26,909	26,593	26,909	26,593
Accumulated Depreciation	(16,176)	(13,686)	(16,176)	(13,686)
Total written down amount	10,733	12,907	10,733	12,907
Movement				
Carrying amount at beginning of year	12,907	12,307	12,907	12,307
Additions	4,824	6,374	4,824	6,374
Disposal	(1,180)	-	(1,180)	-
Depreciation	(5,818)	(5,774)	(5,818)	(5,774)
Carrying amount at end of year	10,733	12,907	10,733	12,907

Note 8: OTHER FINANCIAL ASSETS

Non-Current				
Investment in controlled entities	-	-	101	101
	-	-	101	101

Note 9: DEFERRED EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

Expenditure brought forward	1,791,118	8,156,347	-	-
Expenditure incurred during the year	4,637,611	2,256,200	52,269	18,529
Expenditure written off during the year	(2,162,583)	(8,621,429)	(105)	(18,529)
	4,266,146	1,791,118	52,164	-

The ultimate recoupment of costs carried forward is dependent upon the successful development and commercial exploitation, or sale, of the respective areas.

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS**

	2003	Consolidated 2002	2003	Company 2002
	\$	\$	\$	\$
Note 10: PAYABLES				
Current				
Trade creditors	1,112,275	66,753	37,654	39,396

Note 11: PROVISIONS

Current				
Provision for employee entitlements	18,925	30,771	18,925	30,771
Number of employees at year end	1	1	1	1
Non-Current				
Well abandonment costs	300,000	300,000	-	-

The directors have made provision for the possible future costs relating to the Puffin 5 well within permit AC/P22, due to the well being presently suspended as a possible production well. The timing of an amount ultimately payable is dependent on a number of factors, such as rig mobilisation and whether Puffin 5 becomes a production well.

	2003	2002	2003	2002
	No. of Shares/ Options	\$	No. of Shares/ Options	\$
Note 12: CONTRIBUTED EQUITY				
Issued and Paid Up Capital				
Beginning of the financial year	100,471,872	18,725,550	87,595,010	17,747,864
Issued during the year				
Public equity raising	50,000,000	4,000,000	12,500,000	1,000,000
- less transaction costs	-	(173,090)	-	(60,000)
Black Roc acquisition (non-cash transaction)	12,000,000	1,200,000	-	-
Exercise of Options @ 10¢	-	-	376,862	37,686
End of the financial year	162,471,872	23,752,460	100,471,872	18,725,550
Other Contributed Equity				
Option Premium				
Beginning of financial year	43,420,643	1,058,938	-	-
Issued during the year	20c 31.12.03 25c 31.12.04	3,000,000	-	43,797,505
less Transaction costs	-	-	-	36,000
Options exercised	-	-	(376,862)	-
	46,420,643	1,058,938	43,420,643	1,058,938
Unlisted Employee/Director Options 20c- 28.11.07	4,750,000	-	-	-
Total Contributed Equity	-	24,811,398	-	19,784,488

Options

Options to take up ordinary shares in the Company have been granted as follows :

Listed Options

46,420,643 options ("NWEOA") at 30 June 2003. (2002: 43,420,643).

Each option entitles the holder to convert the option to one ordinary share at any time on or before 31 December 2003 at a fixed price of 20 cents per share or 25 cents on or before 31 December 2004. During the year 3,000,000 options were issued as part of the agreement with Black Roc to acquire a 7.5% interest in WA-226-P.

Employee Option Plan Options

4,750,000 options exercisable at 20c on or before 28.11.07 were issued to Directors and Employees during the year.

Restricted and Unlisted Options

The Employee Options as above are unlisted as at 30 June 2003.

Shareholders

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings

In the event of winding up the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

Note 13: COMMITMENTS

Exploration Expenditure Commitments

In order to maintain current rights of tenure to exploration tenements, the economic entity is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various petroleum licenses. These obligations may be varied by addition / deletion of acreage, farm-in or farm-out, renegotiation or other circumstance. Firm commitment in excess of work obligations has been included and obligations in optional work periods are not included.

These obligations are not provided for in the accounts:

	<i>Consolidated</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	\$	\$	\$	\$
Not longer than one year	1,849,600	2,056,400	-	-
Longer than one year but not longer than two years	216,750	1,849,600	-	-
Longer than two years but not longer than five years	2,256,750	-	-	-
Longer than five years	-	-	-	-
	4,323,100	3,906,000	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 14: PARTICULARS RELATING TO CONTROLLED ENTITIES

	<i>Place of Incorporation & business</i>	<i>Class of Share</i>	<i>Interest Held</i>	
			<i>2003 %</i>	<i>2002 %</i>
<i>Parent Entity</i>				
Norwest Energy NL	Australia holding company			
<i>Controlled Entities</i>				
NWE (ZOCA 96-16) Pty Ltd	Australia exploration company	Ord	100	100
Westranch Holdings Pty Ltd	Australia exploration company	Ord	100	100

Note 15: INTEREST IN JOINT VENTURES

The economic entity holds an interest in joint ventures, listed below.

<i>Joint Venture</i>	<i>Nature of Venture</i>	<i>% Interest</i>	
ACP\22	Petroleum Exploration	50.0	Diluting to 10%
EP(A)75	Petroleum Exploration	60.0	Operator of J/V
EP 364	Petroleum Exploration	10.0	
ACP\32	Petroleum Exploration	65.39	Operator of J/V*
WA-286-P	Petroleum Exploration	5.0	
TP-15	Petroleum Exploration	0.0	Earning 10%
EP 368	Petroleum Exploration	10.0	
WA 226	Petroleum Exploration	7.5	Option to sell
EP 413	Petroleum Exploration	1.278	
EP 419	Petroleum Exploration	80.00	

* Reducing to 49% paying 41.85%

Included in the assets and liabilities of the Company and the economic entity are the following items which represent the economic entity's interest in the assets and liabilities employed in the joint ventures, recorded in accordance with accounting policies described in Note 1(e).

	<i>Consolidated</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
<i>Non-Current Assets</i>				
Exploration and/or Evaluation expenditure carried forward	4,266,146	1,791,118	52,164	-
TOTAL ASSETS	4,266,146	1,791,118	52,164	-
TOTAL LIABILITIES	-	-	-	-

Note 16: NOTES TO THE STATEMENT OF CASH FLOWS

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the balance sheets as follows :

	<i>Consolidated</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	\$	\$	\$	\$
(a) Reconciliation of Cash				
Cash at bank	683,081	118,334	671,715	116,267
Commercial Bills (less than 60 days)	516,943	716,470	516,943	716,470
Cash Assets	1,200,024	834,804	1,188,658	832,737
(b) Reconciliation of loss from ordinary activities				
<i>after income tax to net cash provided by operating activities</i>				
Loss from ordinary activities after income tax	(2,797,197)	(9,239,378)	(383,197)	(9,307,448)
Non-cash Transactions				
Exploration expenditure written off	2,162,583	8,621,429	105	18,529
Foreign Exchange gain	-	(8,424)	-	(8,424)
Depreciation expense	5,818	5,774	5,818	5,774
Loss on sale of equipment	380	-	380	-
Provision for diminution of investment	-	-	-	1,282,303
Provision for employee entitlements	(11,846)	20,963	(11,846)	20,963
Provision for non-recovery of receivables	-	-	52,440	7,448,194
Write back over provision in prior year	-	-	(214,595)	-
Changes in assets and liabilities adjusted for				
(Increase)/ decrease in receivables	(8,399)	8,879	(11,047)	4,047
Increase / (decrease) in payables	33,220	29,081	(1,742)	1,725
Net cash used in operating activities	(615,441)	(561,676)	(563,684)	(534,337)
(c) Non-cash Financing and Investing Activities				

During the financial year the consolidated entity acquired exploration assets with a fair value of \$1.2 Million through the issue of shares. This acquisition is not included in the Statement of Cash Flows

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	<i>Company</i>	
	<i>2003</i>	<i>2002</i>
	<i>number</i>	<i>number</i>

Note 17: DIRECTORS' REMUNERATION

The number of directors of the Company whose income from the Company or any related party falls within the following bands :

\$ 10,000 - \$ 19,999	2	2
\$ 20,000 - \$ 29,999	1	2
\$ 30,000 - \$ 39,999	1	-
\$ 190,000 - \$199,999	-	1
\$ 200,000 - \$209,999	1	-

The remuneration bands are not consistent with the emoluments disclosed in the Directors Report as the basis of calculation differs due to the differing requirements of the Corporations Act 2001 and the Accounting Standards.

	<i>Consolidated</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
Total income paid or payable, or otherwise made available, to all directors of the Company and each entity in the economic entity from the economic entity or any related party :	294,638	272,332	294,638	272,332

Note 18: EXECUTIVES' REMUNERATION

The number of executive officers of the economic entity whose remuneration from entities in the economic entity, or related parties falls within the following bands :

	<i>Company</i>	
	<i>2003</i>	<i>2002</i>
	<i>number</i>	<i>number</i>
\$190,000 - \$199,999	-	1
\$200,000 - \$209,999	1	-

The remuneration bands are not consistent with the emoluments disclosed in the Directors Report as the basis of calculation differs due to the differing requirements of the Corporations Act 2001 and the Accounting Standards.

	<i>Company</i>	
	<i>2003</i>	<i>2002</i>
	<i>\$</i>	<i>\$</i>
Total income received, or due and receivable, from entities in the economic entity, or related parties by executive officers of the economic entity whose income is \$100,000 or more :	203,611	191,050

Note 19: RELATED PARTIES

Directors

The names of each person holding the position of director of Norwest Energy NL during the financial year are Messrs H.D. Kennedy, A.I.R. Burgess, C. Crabb and T.G. O'Meally (non-executive director - resigned 30 June 2003). Mr A.K. Svalbe is an alternate director.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the economic entity since the end of the financial year and there were no material contracts involving directors' interests subsisting at year end.

Consolidated
Number Held
2003 2002

Directors' Holdings of Shares and Share Options

The interests of directors of the reporting entity and their director related entities in shares and share options of entities within the economic entity at year end are set out below :

Norwest Energy NL : Fully Paid Ordinary Shares	30,293,560	27,811,060
Options to acquire ordinary shares at an exercise price of 20 cents per share, on or before 31 December 2003, or at an exercise price of 25 cents per share on or before 31 December 2004	7,200,000	6,970,000
Director Options exercisable at 20 cents on or before 28 November 2007	3,600,000	-

Other Transactions with the Company or its Controlled Entities

The Company paid an administration fee to Resource Services International Limited a company of which Messrs Kennedy and Crabb are directors, to cover the provision of administrative / financial services, office accommodation, communication facilities and related administrative services. The amount paid for such services during the year was \$91,335 (2002 : \$ 83,371) by the Company and aggregate total of \$182,669 (2002 : \$ 170,385) by the economic entity. The administration fee will apply for the forthcoming financial year, calculated on the same basis as for the year ended 30 June 2003.

During the year Resource Services International Limited incurred and was reimbursed sundry administrative costs in aggregate total of \$9,452 (2002 : 8,844).

In 2002 director Mr Burgess was paid a cash advance of US\$2,000 (A\$3,476) during the year to fund out of pocket travel and related costs. At this year end \$203 remains unspent and is a receivable of the Company.

An entity controlled by director, Mr O'Meally (resigned 30 June 2003) was reimbursed travel and associated costs in aggregate total of \$8,769 (2002 : \$9,922).

Transactions with Controlled Entities

Details of interests in wholly-owned controlled entities are set out at Note 14. Details of dealings with these entities are set out below:

Loans

Loans between entities in the wholly-owned group are presently unsecured, interest free and have no fixed term for repayment.

	<i>Company</i>	
	2003	2002
	\$	\$

Balances with Entities within the Wholly-Owned Group

Non-Current Receivables		
Loans	16,946,664	12,895,653
less provision for non-recovery	(11,461,187)	(11,623,343)
	5,485,477	1,272,310

Employee Entitlements - Employee Option Plan

During the year 4,750,000 options exercisable at 20c on or before 28 November 2007 were issued to Directors and Employees.

Employee Entitlements - Superannuation Plans

The Company contributes to several defined contribution superannuation plans for the benefit of employees and directors of the Parent Entity. These contributions vest wholly for the respective member concerned and constitute and fully meet the Company's liability under SIS legislation.

Aggregate contributions for the year ended 30 June 2003 were \$ 16,551 (2002 : \$ 14,311).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 20: FINANCIAL INSTRUMENTS

Interest rate risk exposures

The economic entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities are set out below:

	<i>Note</i>	<i>Floating Interest rate</i> \$	<i>Non-Interest bearing</i> \$	<i>Total</i> \$
<i>2003</i>				
Financial Assets				
Cash	(i)	1,199,743	281	1,200,024
Receivables		-	444,132	444,132
		1,199,743	444,413	1,644,156
Financial Liabilities				
Accounts Payable and provisions		-	1,131,200	1,131,200
<i>2002</i>				
Financial Assets				
Cash	(i)	834,523	281	834,804
Receivables		-	18,817	18,817
		834,523	19,098	853,621
Financial Liabilities				
Accounts Payable and provisions		-	97,524	97,524

(i) Cash

Cash includes short-term deposits, maturing within 60 days and paying effective weighted average interest at 4.00% (2002 - 4.04%).

Net Fair Values of Financial Assets and liabilities

The economic entity's financial assets and liabilities in current assets and liabilities in the statement of financial position are carried at amounts that approximate net fair values.

Credit Risk Exposures

Credit risk represents the loss that would be recognised if counter-parties failed to perform as contracted.

The credit risk on financial assets of the economic entity which have been recognised on the balance sheet, is the carrying amount, net of any provision for doubtful debts.

The economic entity is not materially exposed to any individual overseas country or individual customer.

Foreign Currency Risk

The company does not hedge against exchange rate fluctuations.

Note 21: CONTINGENT LIABILITIES

Joint Ventures

The economic entity has entered into agreements for the purpose of exploring and developing certain petroleum tenements. If a participant to a joint venture defaults and fails to contribute its share of joint venture obligations, the remaining joint venture participants may be severally liable to meet the obligations of the defaulting participant.

No such conditions exist as at 30 June 2003, which has not been brought to account at year end.

The Company has received a Notice of Arbitration from AEC International (Australia) Pty Ltd ("AEC") the Operator of AC/P22. There exists a dispute between AEC, this Company and the other Joint Venturer, Ashmore Oil Pty Ltd, concerning AEC's entitlement to be paid rig demobilisation costs allegedly incurred by AEC for the Joint Venture in relation to the drilling of the Puffin 6 Well. This Company denies any liability in respect of those costs and other budget over-runs and will defend this position in the Arbitration instituted by AEC. It is unlikely that a decision will be handed down by the Arbitrator before November 2003. The contingent liability in relation to this dispute and the budget over-runs is estimated to total \$650,000 including approximately \$220,000 in legal fees.

Refer Note: 11 in respect to Provision for well abandonment costs.

During the year Norwest Energy NL provided a number of guarantees in respect of the participation by a wholly owned subsidiary (Westranch Holdings Pty Ltd) in a number of unincorporated joint ventures. The guarantees provide that Norwest Energy NL will, in the event of default, pay the subsidiary's contribution to earn or maintain its interest in the relevant joint ventures.

Note 22: SEGMENT REPORTING

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

	<i>Consolidated</i>	
	<i>2003</i>	<i>2002</i>
	<i>\$</i>	<i>\$</i>

Note 23: EARNINGS PER SHARE

The following reflects the income and share data used in the calculations of the basic earnings per share;

- net loss	2,797,197	9,239,378
	<i>Number</i>	<i>Number</i>
Weighted average number of ordinary shares used in the calculation of earnings per share ;		
- basic earnings per share	138,264,516	94,553,190
	<i>Cents/share</i>	<i>Cents/share</i>
Basic loss per share	(2.02)	(9.77)

No potential ordinary shares are considered dilutive.

D I R E C T O R S ' D E C L A R A T I O N

1. In the opinion of the directors of Norwest Energy NL :
 - (a) the financial statements and accompanying notes 1 - 23, are in accordance with the Corporations Act 2001, including :
 - (i) giving a true and fair view of the financial position of the Company and the consolidated entity as at 30 June 2003 and of their performance, as represented by the results of their operations and their cash flows for the year ended on that date;
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
 - (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.
2. The financial statements have been made out in accordance with applicable Accounting Standards and Urgent Issues Group Consensus Views.

Signed on 22 September 2003 in accordance with a resolution of the directors

A.I.R. Burgess
Director

I N D E P E N D E N T A U D I T R E P O R T
t o t h e M e m b e r s o f N o r w e s t E n e r g y N L

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 both Norwest Energy NL (the "Company") and the Consolidated Entity, for the year ended 30 June 2003. The Consolidated Entity comprises both the Company and the entities it controlled during that 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.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's and the Consolidated Entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

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

Independence

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

Audit opinion

In our opinion, the financial report of Norwest Energy NL is in accordance with:

a) the Corporations Act 2001, including:

- i. giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2003 and of their performance for the financial year ended on that date; and
- ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

b) other mandatory professional reporting requirements in Australia.

KPMG

B C FULLARTON

Partner

Perth

25 September 2003

In accordance with the Listing Rules of the Australian Stock Exchange, the following information is provided :

CORPORATE GOVERNANCE STATEMENT

This statement outlines the main Corporate Governance practices that were in place throughout the financial year ending 30 June 2003.

DIRECTOR COMMITTEE MEETINGS.

The Corporate Governance Issues in particular audit, remuneration, director selection and environmental issues are to be handled on a "as needed basis", until such time as the size of the Company and exploration and development activities have grown to the stage the Company would require more than four Directors on the Board. Such a stage would likely be met where the Company is to become an oil or gas producer.

Until then the Directors take the view that ;

- Mr Burgess will be responsible for exploration and environmental matters,
- Mr Crabb with commercial issues including audit and legal matters,
- Mr Kennedy with director selection and remuneration matters, and
- Mr O'Meally performing an independent corporate over-view.(until resigned 30 June 2003)

INTERNAL CONTROL Framework

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility the Board has instigated an internal control framework that will be reviewed regularly.

ROLE OF SHAREHOLDERS

The Board of Directors aim to ensure that the shareholders are informed of all major developments affecting the economic entity's state of affairs. Information is communicated to shareholders as follows ;

- All matters that are likely to be market sensitive are communicated to the Australian Stock Exchange in accordance with Continuous Disclosure requirements;
- The Company has established an internet Website at <http://www.norwestenergy.com.au>, which provides information on developments in the economic entity's activities, including all public announcements;
- Where there has been significant activity, the quarterly exploration activities report submitted to the Australian Stock Exchange Limited, is distributed by mail to all shareholders;
- The half-yearly report contains summarised financial information and a review of operations of the economic entity during the period. The half year report is prepared in accordance with the requirements of applicable Accounting Standards and the Corporations Act 2001 and is lodged with the Australian Securities Commission and the Australian Stock Exchange Limited. This report is sent to any shareholder who requests it;
- The annual report is distributed to all shareholders. The Board ensures that the annual report includes relevant information about the operations of the economic entity during the year, changes in the state of affairs of the economic entity, in addition to the other disclosures required by the Corporations Act 2001;
- Shareholders are generally given the opportunity to ask questions at the Annual General Meeting and at other shareholder briefings and are free to make enquiries at other times ; and
- Shareholders are responsible for voting on the appointment of directors.

S H A R E H O L D E R I N F O R M A T I O N

SUBSTANTIAL SHAREHOLDERS

The Company's Register of Substantial Shareholders, prepared in accordance with section 715 of the Corporations Act 2001, recorded the following information as at 22 September 2003 ;

<i>Name</i>	<i>Number of Shares</i>	<i>Class of Share</i>
Northbourne Limited, Rockfield Investments Limited, Sundowner International Limited, Henry David Kennedy and Graeme McKinnon Menzies	28,562,053	Fully Paid Ordinary

HOLDERS IN EACH CLASS OF SECURITY

<i>Class of Security</i>	<i>Number of Holders</i>
<i>Listed</i>	
Fully Paid Ordinary Shares	2,294
31 December 2004 Options at 25 cents (exercise price)	453

VOTING RIGHTS ATTACHED TO EACH CLASS OF SECURITY

At a general meeting of the Company every holder of shares entitled to vote may vote in person or by an attorney, representative or proxy and has one vote on a show of hands and one vote for each share held on a poll. Option holders have no voting rights attaching.

DISTRIBUTION OF EQUITY SECURITIES

The distribution of members and their holdings, as at 22 September 2003 of fully paid ordinary shares and options (to acquire an equal number of Fully Paid Ordinary Shares at an exercise price of 20 cents on or before 31 December 2003 or 25 cents each on or before the expiry date of 31 December 2004) was as follows :

<i>Shares Held</i>	<i>No. of Shareholders</i>	<i>No. of Optionholders</i>
1 - 1,000	24	12
1,001 - 5,000	270	80
5,001 - 10,000	418	70
10,001 - 100,000	1,347	211
100,001 and over	235	80
Totals	2,294	453
less than marketable parcel (10,639 shares)	719	

TWENTY LARGEST EQUITY SECURITY HOLDERS

Shares

The names of the 20 largest holders of fully paid ordinary shares as at 22 September 2003 are listed below :

<i>Name</i>	<i>Number of Shares</i>	<i>Percentage</i>
Northbourne Limited	19,963,060	12.29
Nefco Nominees Pty Ltd	9,310,000	5.73
National Nominees Limited	3,162,700	1.95
Brian Lesleigh Williams + Valerie Ruby Dawn Williams	3,000,000	1.85
Argil Pty Ltd	2,595,959	1.60
Toltec Holdings Pty Ltd	2,100,000	1.29
Mr Lawrence Grice	2,045,014	1.26
Mr Ronal Bearne Hawkins	1,200,000	0.74
Alkane Exploration NL	1,100,000	0.68
Jemaya Pty Ltd	1,055,504	0.65
Cressing Pty Ltd <Cressing Super Fund>	1,000,000	0.62
Ravina Ltd	1,000,000	0.62
Tony Cassarino	971,200	0.60
Angus Ian Faed + Tonia Dorothy Faed	910,000	0.56
Alan Douglas Hopwood	850,000	0.52
Mohamad Abas	800,000	0.49
A I McLean Investments Pty Ltd	750,000	0.46
Janine Mary Wawryk	742,923	0.46
Fiscal Holdings Pty Ltd <Computer Fiscal SRV S/F A/C>	700,000	0.43
Mingcourt Holdings Pty Ltd	700,000	0.43
Total	53,956,360	33.23

Options

The names of the 20 largest holders of listed Options, (to acquire an equal number of Fully Paid Ordinary Shares at an exercise price 25 cents each on or before the expiry date of 30 December 2004) as at 22 September 2003 are listed below :

<i>Name</i>	<i>Number of Shares</i>	<i>Percentage</i>
Northbourne Limited	5,600,000	12.06
Darren John Hall	2,951,250	6.36
Mohamed Abas	1,299,999	2.80
Kenneth Owen Kuhnemann + Meredith Bernice Kuhnemann	1,100,000	2.37
Bin Mohamed Abas	1,000,000	2.15
Cossimo Russo + Susan Lydia Russo	1,000,000	2.15
Robert Renouf	760,000	1.64
William Joseph Czermak	657,141	1.42
Daniel James Grimwood	630,000	1.36
Colbern Fiduciary Nominees Pty Ltd	600,000	1.29
Peter Alaric Hayes	600,000	1.29
John Alexander Venn	600,000	1.29
Robert Emmett Mann	535,000	1.15
Oxley Graeme Maley	531,863	1.15
Graham McIntyre Dawe	522,500	1.13
Rachael Suzanne Carlin	500,000	1.08
Erkan Eric Cihanger	500,000	1.08
Commodore Pty Ltd <Commodore A/c>	500,000	1.08
Ronald Charles Dixon	500,000	1.08
Robert George Brooks	483,800	1.04
Total	20,871,553	44.97

Unlisted Securities

There were 4,750,000 unlisted options on issue at 30 June 2003. The options are exercisable on or before 28 November 2007 at an exercise price of 20 cents each.

Restricted Securities

At the date of this report, there are no restricted securities on issue.

On Market Buy Back

There is no current market buyback

T E N E M E N T S C H E D U L E

<i>Permit No.</i>	<i>Location / Administrator</i>	<i>Type of Permit</i>	<i>Interest</i>
ACP/22	Ashmore Cartier Islands Northern Territory	Petroleum Exploration Permit Offshore	50% ***
EP 364	Carnarvon Basin Western Australia	Petroleum Exploration Permit Offshore	10%
ACP\32	Ashmore Cartier Islands Northern Territory	Petroleum Exploration Permit Offshore	65.39% ****
WA-286-P	Perth Basin Western Australia	Petroleum Exploration Permit Offshore	5%
TP/15	Perth Basin Western Australia	Petroleum Exploration Permit Offshore	0 earning **
EP 368	Perth Basin Western Australia	Petroleum Exploration Permit Onshore	10%
EP(A) 75 (*)	Northern Territory	Application for Petroleum Exploration Permit Onshore	60%
WA-226P	Perth Basin Western Australia	Petroleum Exploration Permit Offshore	7.5% *****
EP 413	Perth Basin Western Australia	Petroleum Exploration Permit Onshore	1.278% Western Australia
EP 419	Perth Basin Western Australia	Petroleum Exploration Permit Onshore	80%
LO3-6 (application)	Perth Basin Western Australia	Petroleum Exploration Permit (application) Onshore	33.33% Subject to Native Title process

* The Northern Land Council (for the benefit of the Daly River / Port Keats Aboriginal Land Trust) have sought to place the application in moratorium for a period of five years in accordance with the Aboriginal Land Rights (Northern Territory) Act 1976. However there is a level uncertainty that such action by the Northern Land Council can be effected. It is the Company's understanding that the Application may have in fact been effectively granted, due to an alleged administrative error by the relevant Minister. Legal advice has been sought to determine the true position.

** Earning 10% by funding 20% of the cost of drilling the next well in this permit plus cost of testing if required

*** 50% reducing to 10% if an option is exercised and a well drilled

**** Reducing to 49% paying 41.85%

***** Sold an Option to Roc Oil



NORWEST ENERGY NL

100 Stirling Street, Perth
Western Australia 6000
PO Box 8260
Perth Business Centre
Western Australia 6849

Telephone: (+61 8) 9228 8251
Facsimile: (+61 8) 9227 9079
Email: ivanb@norwestenergy.com.au
Web Site: www.norwestenergy.com.au