



3 February 2006

Company Announcement

## **Third Well Drilled, First Two Wells Fraced in Kentucky**

Norwest Energy NL has been advised by the drilling Operator of the Little Sandy Project, Hay Exploration, that the third well in the three well program has been successfully drilled and is now cased and awaiting fracing and completion. Indications of free gas were observed.

The well was drilled to a total depth of around 688 metres (2,258 feet) and intersected 148 metres (487 feet) of Devonian Shale.

Wireline logs have been run and are currently being evaluated. In addition to the shale potential, hydrocarbon indications are present in the shallower Berea section. The Berea and other zones are secondary targets in all three wells.

The first two wells in Kentucky have been fraced and completed. The wells are currently shut in to determine well pressures after flowing gas at modest, unstabilised rates. A frac and completion program is currently being determined for the third well. This is likely to involve a dual stage program in the Devonian Shale and the Berea. If the results on the Berea are encouraging, then additional Berea completion programs for the first two wells will be considered.

### **Little Sandy Project**

**Well Type :** Unconventional shale gas (onshore)

**Working Interests :** Norwest Energy Limited – 60% (Project Operator)  
Alto Energy Inc. - 30%  
Hay Exploration – 10% (Drilling Operator)

**Objective :** Primary Target - Devonian Shale (Gas)  
Secondary Target - Berea Sandstone (Oil)

In the **West Virginia Project**, Norwest has been advised by the Operator, Ascent Resources, WV, Inc that drilling of the first three wells in a possible seven well program is due to commence this month. Norwest CEO, Joe Salomon commented that the target shale section in the West Virginia areas will be the deepest yet seen in Norwest's Appalachian projects which leads to expectations of higher reservoir pressures and flow rate potential.

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