



18<sup>th</sup> May 2006

ASX Announcement

***Norwest Energy advises that AED Oil Limited today announced the following:***

### **“Puffin-7 Successful Oil Well Testing**

**Following the successful Puffin-7 well testing, the initial capacity for oil production is calculated to be in excess of 15,000 barrels of oil per day. The oil is light sweet crude with a specific gravity of 0.804 corresponding to 45 degrees API.**

AED Oil Limited (**Company**) as Operator of AC/L6 reports that it has successfully tested the Puffin-7 well at stabilised rates up to 9,700 barrels of oil per day through the 4-1/2” tubing at a flowing wellhead pressure of 677psi (pounds per square inch) on a 48/64” choke size with no formation water or sand observed.

The testing followed running of the wellhead and the subsea tree and clean up flows for the well. The maximum rate was limited by the rate at which test facilities could be safely operated on the drilling rig and the test was terminated due to equipment overheating concerns caused by the extent of flaring required.

Based on the test results a productivity index in the order of 150 bopd/psi (barrels of oil per day/psi) is calculated which is indicative of an extremely productive formation and effective completion. The reservoir pressure is approximately 3,000psi and it is calculated that the well is capable of production rates in excess of 15,000 bopd at the anticipated flowing wellhead pressures in excess of 600psi. The oil is a light sweet crude with a specific gravity of 0.804 corresponding to 45 degrees API.

Oil samples have been collected and will be analysed for reservoir fluid properties and for refinery assays for sales purposes.

The well tested a gross horizontal section in the LK1a oil reservoir from 2,513m to 3,187m of which 635m was net oil bearing LK1a sandstone. The total horizontal section was 867m from 2,320m to 3,187m. The well was terminated in clean oil sand.

The interval tested is excellent quality, high permeability late Cretaceous LK1a sandstone. This is the same reservoir as that encountered in the Puffin-5 and Puffin-1 wells. Puffin-7 intersected the reservoir at approximately 0.4km to the NNE of Puffin-5 and 1.3 km due north of Puffin-1. Puffin-5 tested oil in June 2000.

Water depth at the location is 103m. Other reported depths are measured depths referenced to the rotary table (MDRT). References to TVDSS are to True Vertical Depth Sub Sea.”

***Norwest Energy has a 1.25% ORRI in AC/P22 and the Puffin Oilfield (AC/L6)***

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