

ASX Announcement

5 February 2007

New Block Awarded in UK Offshore

Norwest Energy advises that its wholly owned subsidiary, NWE Southern Cross (UK) Pty Ltd, has been awarded a new license in the UK offshore by the UK Department of Trade and Industry.

The license is located in the Southern Gas Basin adjacent to an existing License (number P1350) in which Norwest has a 50% interest. Both blocks are on trend with, and updip of the Amethyst Gas Field which has reserves of 735 billion cubic feet and has been in production since 1991.

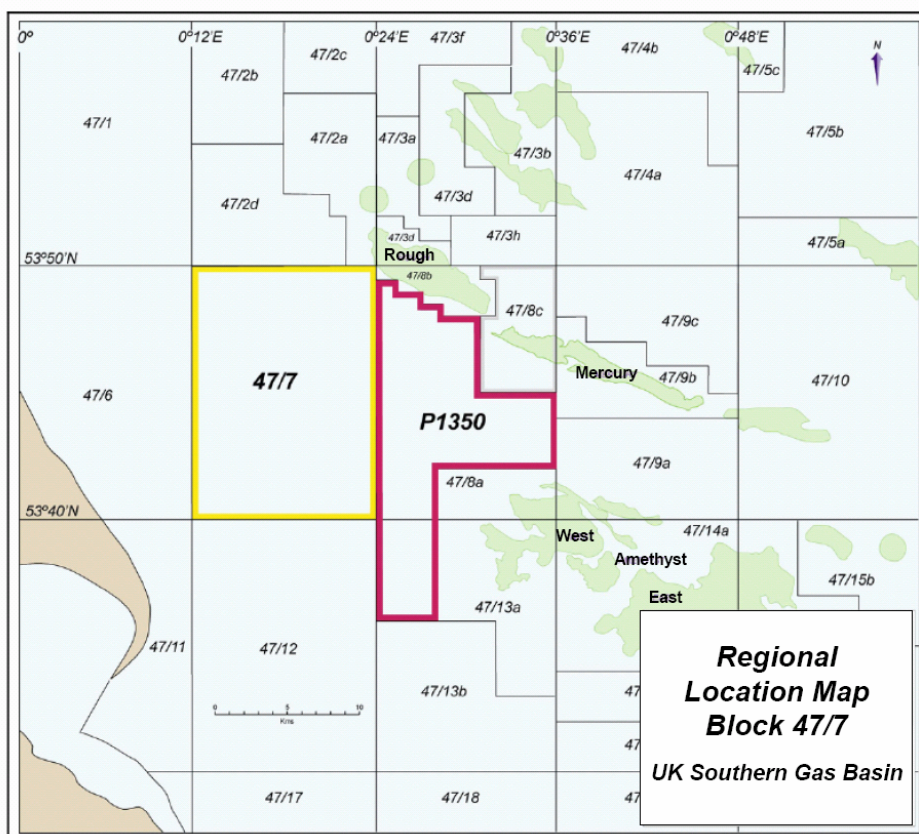
Block 47/7 lies between the Easington and Dimlington gas terminals onshore Yorkshire and the Rough gas field now used for gas storage. As a result, up to six pipeline delivery routes cross 47/7.

The license is covered by a modern grid of 2D seismic data. The terms of the license provide an initial two year term with a commitment to complete reprocessing and interpretation of existing data. At the end of the first term a “drill or drop” decision is required. The second two year term carries a commitment to drill one well.

NWE Southern Cross holds a 50% interest in the license with the remaining 50% held by Encore Oil, a London base company with an active UK offshore portfolio of assets.

Norwest's CEO, Joe Salomon, commented that the additional license strengthens Norwest's position in the UK considerably.

"We see the UK as a good place to be doing business. The North Sea is a mature petroleum province, the government ensures that data is readily and very cheaply available and all indications are that there are many more discoveries yet to be made. Deals are available both through very reasonable bid rounds and direct negotiation with other parties. Our growing association with Encore, a pro-active with a very experienced and capable staff is very pleasing. We are working to make the UK a significant part of Norwest's overall business."



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