



**ASX Announcement**

9<sup>th</sup> March 2007

***Puffin South West Oil Resources***

Norwest provides reference to the latest Oil Initially in Place (OIIP) estimates in the Puffin South West region as issued by AED Oil Limited in an ASX announcement dated 8<sup>th</sup> March 2007.

In the announcement, AED quotes an estimated range of Oil Initially in Place (OIIP) for the SW area of 38 to 97 million barrels, with a most likely volume of 65 million barrels. Further in the announcement, AED provides details relating to the reservoir and oil distribution in the SW area, and the critical factors that may affect the estimate of the OIIP volumes.

Norwest holds a 1.25% over-riding royalty interest which covers the entire AC/P22 permit. This includes recoverable and OIIP volumes for the NE1 and NE2 areas previously quoted by AED, the SW area, the Woodlea prospect which is undrilled, and other exploration opportunities.

As Norwest's interest in the permit is by way of a royalty rather than equity, Norwest converts the estimated hydrocarbon volumes quoted by AED to a potential dollar value for Norwest. In doing so certain assumptions must be made including an estimate of potential recoverable volumes. On parameters where lesser information is available, Norwest applies conservative assumptions. For example the recovery factor applied for the NE2 and SW areas is 44% compared to AED's range of 40 to 70%.

AED's announcement includes comments on the degree of uncertainty associated with the SW area estimates and states that the accuracy can only be improved through further drilling. We encourage the reader to study AED's announcements.

The table of oil volumes provided below illustrates Norwest's estimate of potential recoverable volumes for the SW area using the information provided by AED, along with volumes for NE1 and NE2 provided in earlier statements. A single number quoted for recoverable volumes indicates that AED has quoted these recoverable volumes. A number followed by a range indicates that Norwest has made assumptions from AED's information.

	OIIP Million Barrels	Recoverable Volumes Million Barrels
NE1 Oil Volumes P50	67	40
NE2 Oil Volumes, average (and range)	20.5 (11-30)	9 (5-13)
SW Oil Volumes, most likely (and range)	65 (38-97)	29 (15-68)
Total	152.5	78

The potential value of Norwest's royalty stream using the estimated recoverable volume is **AU \$65 million**. (Assumptions: oil price of US\$50 per barrel and exchange rate of \$0.75).

For detailed information please refer to AED's announcements on the ASX website.

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*The summary report on the oil and gas projects is based on information compiled by Mr. J A Salomon, BAppSc (Geology), Chief Executive Officer of Norwest Energy NL. Mr. Salomon holds a relevant degree in geology and has been practising petroleum geology for 25 years. Mr. Salomon is the full-time Chief Executive Officer of Norwest Energy NL and has consented in writing to the inclusion of the information stated in the form and context in which it appears.*