

**ASX Announcement**

14 March 2007

***Indian Companies BPCL & Tata Petrodyne Farm-in  
to UK Block 48/1b&2c***

Norwest Energy announces that a Farm-in Agreement has been signed between the Joint Venture parties in Block 48/1b&2c, and Indian companies Bharat Petroleum Corporation Limited (BPCL) and Tata Petrodyne Limited (TPL).

Under the terms of the agreement, BPCL and TPL will each fund a 40% share of the costs on an appraisal/development well to be drilled on a gas discovery originally drilled by Amoco in 1984. In exchange, BPCL and TPL will each earn a 25% interest in the block. The promoted costs of the well are capped at US\$23 million. The license terms require the well to be drilled before December 2008, and the well is expected in 2008. The retained interest is subject to a royalty.

The original 1984 well proved the presence of a gas column in the structure and subsequent work by Norwest and its partners indicate gas volumes significantly larger than the minimum economic field size. A number of producing fields in the immediate vicinity provide a range of alternatives for gas production/delivery to onshore gas plants.

Interest in the license following the farm-in are:

Encore NNS Limited and Encore Petroleum Limited:	25% (Operator)
NWE Southern Cross (UK) Pty Ltd: <i>(wholly owned subsidiary of Norwest Energy NL)</i>	25%
Bharat Petroleum Corporation Limited:	25%
Tata Petrodyne Limited	25%

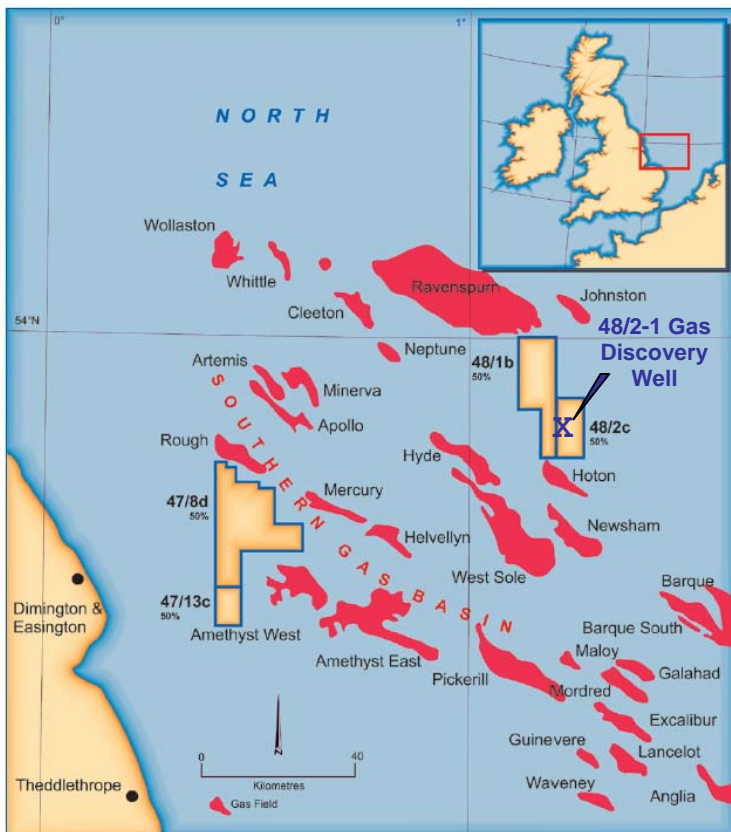
BPCL is a Fortune 500 company. BPCL's main business focus is in refining and marketing of petroleum products in India, and it has recently entered the upstream oil and gas industry via an aggressive acquisition program through farm-in and bid rounds. The company has a market capitalisation of approximately US\$3 billion, a sales turnover in 2005-06 of almost US\$19 billion; and it employs over 13,500 staff.

TPL is a fully owned subsidiary of Tata Sons which is in turn part of the Tata Group. TPL is engaged in the exploration and production of crude oil and natural gas and has interests in Indian oil and gas blocks. The Tata Group is one of India's largest and most respected business conglomerates, with revenues in 2005-06 of \$21.9 billion, and a market capitalisation of \$55.7 billion making it the largest private sector company in India. It recently acquired the Anglo-Dutch group Corus for \$11.3billion.

Norwest CEO Mr Joe Salomon stated that the signing of the Farm-in Agreement marked the completion of one series of negotiations and hopefully the beginning of many further business connections with BPCL and TPL.

“In addition, Encore has recently become a partner with us in all of our UK licenses and has taken over the operatorship of Block 48/1b&2c from Norwest. Encore has a most impressive and proven management and technical team, and we look forward to further engagement with the company.

We continue to see the North Sea as an excellent place to do business and a potential growth area. This progress provides us with a great platform for further growth.”



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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.*