



AC/P32 Farm-out to Cosmo Energy

Norwest Energy NL (Norwest), is pleased to announce the execution of a farm-in agreement between a number of the AC/P32 Joint Venture parties and Cosmo Energy Exploration & Development Ltd (Cosmo Energy).

Under the terms of the agreement, Cosmo Energy will acquire a total 22.5% equity interest in the AC/P32 Licence from the participating farm-out partners by contributing towards the cost of the Wisteria-1 exploration well on a 2 for 1 promoted basis. The promote payable by Cosmo Energy is capped at an agreed dry hole cost for this exploration well.

As a result of the farm-out, Norwest's equity interest in the AC/P32 License will reduce from 24.08% to 15.0%, with a remaining exposure towards the dry-hole cost of the Wisteria well of less than 6%. Any costs incurred beyond the agreed farm-in cap such as well completion and testing would be funded by Norwest at its reduced 15% equity interest.

Cosmo Energy is the oil and gas exploration arm of the Cosmo Oil Group, a major Japanese oil refiner and distributor with annual sales of over 2.8 trillion yen. The Cosmo Group already holds interests in several Timor Sea permits including the Tenacious and Audacious oil discoveries some 50 km to the north of the AC/P32 Licence.

As a consequence of this farm-out agreement, the Joint Venture interests in the AC/P32 Licence will now be as follows (subject to standard regulatory approvals):

Coogee Resources (Operator)	22.5%
Westranch Holdings (100% subsidiary of Norwest)	15.0%
Cosmo Energy	22.5%
Bharat Petroleum Corporation Limited	20.0%
Adelphi Energy	10.0%
Bounty Oil and Gas	10.0%

Peter Munachen, Norwest's CFO, commented:

“Together with our Joint Venture partners, we are very pleased that a significant corporation of Cosmo's size and experience will be joining the joint venture in the lead up to the drilling of the Wisteria-1 exploration well later this year. The terms of this farm-out deal reflect the quality and potential of the AC/P32 permit, in which the multi-objective Wisteria Prospect alone is targeting up to 200 million barrels of oil.



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As a result of this transaction, Norwest will be free-carried for much of the projected dry-hole cost of drilling Wisteria, yet retain a considerable equity interest with attractive leverage potential for our shareholders in a discovery case. The farmout arrangement is consistent with Norwest's measured approach across our assets, both in managing our shareholders funds in a challenging cost environment, and through building our relationships with experienced and capable operators and Joint Venture partners.

A suitable drilling rig has also now been secured and we expect to drill the Wisteria-1 well during the third quarter of 2008 as part of a multi well drilling program by the permit operator, Coogee Resources."

For further information please contact Peter Munachen on 08-9227 3240, or email info@norwestenergy.com.au, or visit Norwest's website at www.norwestenergy.com.au.

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