



10 July 2008

**NORWEST AGREES TO SELL ITS 10% INTEREST IN RETENTION LEASE  
R3 OFFSHORE CARNARVON BASIN TO OIL BASINS LIMITED**

Norwest Energy NL (ASX:NWE ) advises that the Company has agreed with Oil Basins Limited (OBL) to sell to OBL its 10% interest in petroleum exploration Retention Lease R3 located in offshore Carnarvon Basin, Western Australia.

The agreed consideration for this transaction is \$26,667 plus 333,333 ordinary OBL shares with a gross booked cost translating to approximately \$60,000. The transfer is subject to the usual joint venture partner consents and formal registration with the West Australian Department of Industry and Resources.

Operator TAP Oil has previously determined that the technically recoverable volumes from the Cyrano Oil and Gas field are approximately 0.92 MMbbls oil and 0.53Bscf of gas. Norwest did not contribute to the cost of drilling the two wells that delineated the Cyrano Oil Field that is within Retention Lease R3. Pursuant to the terms of the Joint Venture Agreement as Norwest did not contribute to the cost of drilling C1 and C2, in the event that production commences from the Cyrano Field, Norwest would not be entitled to share in production until the contributing parties had recovered all of their costs plus a substantial premium over costs relative to the Norwest interest. Given the small size of the field, the 10% interest of Norwest and other relevant economic factors combined with the JVA requirements it was determined that there was no economic potential for the Company to maintain its interest in R3. Accordingly it accepted OBL's offer to purchase the 10% interest.

The current R3 lease holders are:

Tap (Shelfal) Pty Ltd (a wholly owned subsidiary of TAP Oil Limited) (Operator)	75%
Wildlook Enterprises Pty Ltd (a wholly owned subsidiary of Black Rock Oil & Gas Plc)	15%*
Westranch Holdings Ltd (a wholly owned subsidiary of Norwest Energy NL)	10%

*\*Wildlook has entered agreement to sell its 15% interest to Oil Basins Ltd*

For and on behalf of  
Norwest Energy NL

EA Myers  
Company Secretary



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**About Norwest Energy NL**

Norwest is a Perth-based exploration and production company with project interests in Australia and the UK. It also has a 1.25% over-riding royalty over production from the Puffin Field operated by East Puffin Pty Ltd ( a subsidiary of Sinopac International Petroleum and Production Corporation) and AED Limited .

Norwest maintains a UK office to support its North Sea activities as well as to seek out UK and International exploration and production opportunities. It also maintains a representative office in New Delhi.