

Norwest Energy NL

ACN 078 301 505

Notice of Annual General Meeting Explanatory Statement Proxy Form

To assist Shareholders in their consideration of resolutions to be put to the Annual General Meeting of Shareholders of the Company to be held at the Holiday Inn City Centre, 788 Hay Street, Perth, Western Australia on Thursday, 27 November 2008 at 2.00pm (WDT).

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Shareholders of Norwest Energy NL ACN 078 301 505 will be held at the Holiday Inn City Centre, 788 Hay Street, Perth, Western Australia on Thursday, 27 November 2008 at 2.00pm (WDT).

AGENDA

ORDINARY BUSINESS

Annual Financial Statements

To receive and consider the Annual Financial Statements, the Directors' Report and Auditor's Reports of the Company for the year ended 30 June 2008.

BY ORDINARY RESOLUTION

To consider, and if thought fit, to pass the following resolutions as ordinary resolutions:

1. Resolution 1 - Remuneration Report

"To receive and adopt the Remuneration Report for the year ended 30 June 2008."

Note that the vote on this item is advisory only and does not bind the Directors or the Company.

2. Resolution 2 - Re-election of Director – Mr Henry David Kennedy

"That Mr Henry David Kennedy, who retires by rotation in accordance with Clause 15.2 of the Constitution and, being eligible for re-election, be re-elected as a Director."

3. Resolution 3 - Employee Incentive Scheme

"That, pursuant to and in accordance with Listing Rule 7.2, Exception 9 and for all other purposes, the Company approves the issue of securities under the employee incentive option scheme for employees and directors known as the "Norwest Energy NL Employee Incentive Scheme", the rules of which are contained in Section 2 of the accompanying Explanatory Statement, as an exception to Listing Rule 7.1"

The Company will disregard any votes cast on Resolution 3 by a director of the Company, and any associate of these persons. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. Resolution 4 - Issue of Options – Dr Roger Neil O'Brien

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, the Company approves the allotment and issue of for no consideration, the following Options to Roger Neil O'Brien or his nominee:

- a) 1,000,000 Options at an exercise price of \$0.20 each expiring on 30 June 2013;*
- b) 2,000,000 Options at an exercise price of \$0.25 each expiring on 30 June 2013; and*
- c) 2,000,000 Options at an exercise price of \$0.30 each expiring on 30 June 2013,*

in each case on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting (including section 3 of the Explanatory Statement)."

A person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy

form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. Resolution 5 - Ratification of Share placement

“That, pursuant to and in accordance with Listing Rule 7.4 and all other purposes, the Company ratifies and confirms the issue of an aggregate of 13,000,000 fully paid ordinary shares in the Company at an issue price of 13 cents (\$0.13) each to clients of Kirke Securities Limited.”

The Company will disregard any votes cast on Resolution 5 by a person who participated in the issue and any person associated with those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Dated at Perth this 17 day of October 2008
By Order of the Board

E A Myers
Company Secretary

NOTES

These notes form part of the Notice of Annual General Meeting. The Notice of Annual General Meeting should be read in conjunction with the accompanying Explanatory Statement.

Defined words and phrases used in this Notice of Annual General Meeting are defined in section 4 of the accompanying Explanatory Statement.

Voting Entitlements

In accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that Shares held as at 5.00pm (WDT) on 25 November 2008 will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Proxies

A proxy form is attached to the end of the Explanatory Statement.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not himself or herself be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

In accordance with section 250BA of the Corporations Act, the Company specifies the following information for the purposes of receipt of proxy appointments:

By mail and by hand during office hours.	288 Stirling Street, Perth, Western Australia 6000	By Facsimile:	+ 61 8 9227 3211
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Each member entitled to vote at the Annual General Meeting has the right to appoint a proxy to attend and vote at the meeting on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow

the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the meeting (proxy forms can be lodged by facsimile). If signing under a power of attorney, the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.

Bodies corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

Norwest Energy NL

ACN 078 301 505

Explanatory Statement to Shareholders to Accompany Notice of Annual General Meeting

This Explanatory Statement has been prepared for the information of Shareholders in Norwest Energy NL in connection with the resolutions to be put to Shareholders at the Annual General Meeting of the Company to be held at the Holiday Inn City Centre, 788 Hay Street, Perth, Western Australia, on 27 November 2008 at 2.00pm (WDT) other than those relating to the ordinary business of receiving accounts and election of Directors. Capitalised terms are defined in the glossary in section 4 of this Explanatory Statement.

Section 1: The Resolutions

Financial Statements and Reports

The Corporations Act and the Company's Constitution require the following reports in respect of the year ended 30 June 2008 to be laid before the meeting:

- (i) the Financial Report (which includes the financial statements and Directors' declaration); and
- (ii) the Directors' Report and the Auditor's Report.

In accordance with the Corporations Act, Shareholders as a whole will be given a reasonable opportunity at the Annual General Meeting to ask questions.

The Corporations Act and the Company's Constitution do not require shareholder approval of these reports.

Resolution 1. Remuneration Report

Section 250R(2) of the Corporations Act requires the Company to propose a resolution that the Remuneration Report be adopted. Section 250R(3) provides that the vote on this resolution is advisory only and does not bind the Company or the Directors. In accordance with the Corporations Act, Shareholders as a whole will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. The Remuneration Report can be found in the Company's Annual Report 2008.

The Directors unanimously recommend that Shareholders vote in favour of this resolution.

Resolution 2. Re-election of Mr H D Kennedy as a Director

Pursuant to clause 15.2 of the Company's Constitution, Mr Kennedy, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Kennedy is a geologist who has had a long association with Australian and New Zealand resource companies and as a technical director has been instrumental in the formation and/or development of a number of successful listed companies. During his term as executive director, these companies were involved in discovery of the Tubridgi gas field and South Pepper, North Herald and Chervil oil fields in Western Australia and the Kupe South and Rua oil/gas condensate fields in New Zealand. As chairman and chief executive of Kiwi International Resources NL and Associated Gold Fields NL, Mr Kennedy was involved in the discovery and development of the Obotan gold project in Ghana prior to the company being merged with Resolute Samantha Ltd in May/June 1996.

Resolution 3. Employee Incentive Scheme

The Directors consider that it was desirable to establish an option scheme under which employees may be offered the opportunity to subscribe for Options to acquire Shares in the Company in order to increase the range of potential incentives available to them and to strengthen links between the Company and its employees and accordingly propose to adopt the Norwest Energy NL Employee Incentive Scheme ("**Scheme**") on the passing of this resolution.

The Scheme is designed to provide incentives to the employees of the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances the Directors consider that the incentives to employees are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Scheme is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

Shareholder approval is required if any issue of Employee Options pursuant to the Scheme is to fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued without shareholder approval. Accordingly, shareholder approval is sought for the purposes of Listing Rule 7.2 Exception 9(b) which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue.

Prior shareholder approval will be required before any Director or related party of the Company can participate in the Scheme.

Under the Scheme, the Board may offer to Eligible Persons the opportunity to subscribe for such number of Employee Options in the Company as the Board may decide and on the terms set out in the rules of the Scheme, a copy of which is contained in section 2 of this Explanatory Statement. Employee Options granted under the Scheme will be offered to participants in the Scheme on the basis of the Board's view of the contribution of the Eligible Person to the Company.

In accordance with the requirements of Listing Rule 7.2 Exception 9(b) the following information is provided:

- a) a copy of the rules of the Scheme is set out in Section 2 to this Explanatory Statement;
- b) this is the first approval sought under Listing Rule 7.2 Exception 9 with respect to the Scheme; and
- c) a voting exclusion statement has been included for the purposes of Resolution 3.

Resolution 4. Issue of Options to Dr Roger Neil O'Brien

Shareholders will be asked at the meeting to approve pursuant to Listing Rule 7.1, the issue to Roger Neil O'Brien, the Company's Chief Executive Officer, or his nominee, of a total of 5,000,000 Options for no consideration. The Options expire on 30 June 2013 and have the following exercise prices and vesting conditions:

- a) 1,000,000 Options with an exercise price of \$0.20 cannot be converted to Shares until after 31 March 2009;
- b) 2,000,000 Options with an exercise price of \$0.25 cannot be converted to Shares until after 30 September 2009;
and
- c) 2,000,000 Options with an exercise price of \$0.30 cannot be converted to Shares until after 31 March 2010;

The full terms and conditions of the Options are set out in section 3 of this Explanatory Statement.

The Options are to be issued to the Roger Neil O'Brien as an incentive for future performance. The issue of the Options, and their exercise prices, was contemplated at the time of Dr O'Brien's appointment as a Chief Executive Officer, being 1 July 2008. On that date, the Company announced to the market that the Options were to form the incentive component of Dr O'Brien's terms of appointment and part of his remuneration package.

Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue. The number of Options the subject of Resolution 4 does not represent more than 15% of the Company's Shares on issue however approval pursuant to Listing Rule 7.1 is sought in order for the Company to retain its capacity to issue up to 15% of its issued capital, if required, in the next 12 months without shareholder approval.

The following additional information in relation to the Options to be issued is provided to Shareholders for the purposes of Listing Rule 7.3:

- a) the maximum number of Options the Company can issue is 5,000,000;
- b) the Company will allot and issue the Options on 1 November 2009;
- c) the Options will be issued for no consideration;

- d) the Options will be issued and allotted to Dr Roger Neil O'Brien, or his nominee. Dr O'Brien is not considered a related party of the Company;
- e) the terms of the Options are set out in section 3 of the Explanatory Statement; and
- f) no funds will be raised from the issue of the Options.

Resolution 5. Ratification of Share Placement

This resolution ratifies a placement of 13,000,000 Shares pursuant to Listing Rule 7.4. The placement was to a number of clients of Kirke Securities Limited and was completed on 14 July 2008.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold in Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval.

Pursuant to Resolution 5, the Directors are seeking ratification under Listing Rule 7.4 of the issue of 13,000,000 Shares that was made on 14 July 2008 in order to restore the right of the Company to issue further shares within the 15% limit during the next 12 months.

The following additional information is provided to Shareholders for the purposes of Listing Rule 7.5:

- a) the number of securities allotted was 13,000,000 Shares;
- b) the price at which the Shares were issued was \$0.13 per Share;
- c) the terms of the Shares are the same as those governing the current issued ordinary shares in the Company;
- d) the allottees were clients of Kirke Securities Limited, and were all unrelated parties of the Company;
- e) the funds raised (\$1,690,000) which have been and are being used to fund further exploration expenditures and for the day to day operating expenses of the Company; and
- f) the Shares were quoted on ASX on 16 July 2008.

Section 2. Norwest Energy NL Employee Incentive Scheme

1. Commencement

Subject to the passing of an ordinary resolution authorising the establishment of the Scheme at the Annual General Meeting of the Company to be held on 27 November 2008 the Scheme takes effect from such date subsequent to that meeting.

2. Interpretation

In these Rules, unless the context otherwise requires:

- **ASX** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;
- **Company** means Norwest Energy NL ABN 65 078 301 505;
- **Directors** means the Board of Directors, or any of them, of the Company from time to time;
- **Eligible Employee** means a part time employee, full time employee, contractor, consultant, officer, executive director or non-executive director of the Company or a related corporation.
- **Eligible Nominee** means a spouse of an Eligible Employee, a body corporate in which an Eligible Employee is beneficially entitled to not less than 50% of the issued voting share capital, or a trustee of a family trust established for the benefit of the family of the Eligible Employee, in their capacity as trustee;
- **Listing Rules** means the Listing Rules of ASX;
- **Options** means options to subscribe for fully paid ordinary shares in the capital of the Company;
- **Scheme** means the Norwest Energy NL Employee Incentive Scheme established in accordance with these Rules;
- **Related Corporation** means a related body corporate within the meaning of section 50 of the Corporations Act;
- **Rules** means these rules as from time to time amended;
- **Share** means a fully paid ordinary share in the capital of the Company;
- **Strike Price** means the amount equal to 125% of the average of the closing sale price of Shares on ASX on either, the last ten (10) business days preceding and the ten (10) days after, the date on which it was resolved by the directors to issue EIS Options to Eligible Employees, or in the event of share holder approval being necessary for the issue of EIS Options to Eligible Employees, the last ten (10) business days preceding and the ten (10) business days after the date on which it was resolved by the directors to issue the EIS Options, subject to the obtaining of shareholder approval; and
- **Takeover Period**, in relation to a takeover bid or takeover announcement in respect of Shares in the Company, means the period referred to in section 624 of the Corporations Act, provided that where a takeover bid is publicly announced prior to the service of a bidder's statement on the Company in relation to that takeover bid, the Takeover Period will be deemed to have commenced at the time of that announcement.

Words denoting the singular number include the plural number and vice versa and words denoting a gender include all genders.

3. Eligibility

- All Eligible Employees who the Directors may determine, in their absolute discretion without having to assign reasons therefore, shall be eligible to participate in the Scheme;
- Directors may only participate in the Scheme with the prior approval of shareholders in accordance with the Listing Rules

4. Limitation on Number of Options Issued

The total number of Shares the subject of an offer or invitation to Eligible Employees made under the Scheme (**the Offer**) at any time shall not exceed 5% of the total number of issued shares in that class at the date of the Offer when aggregated with:

- the total number of Shares in the same class as the Shares the subject of the Offer that would be issued were each outstanding offer, invitation or option to acquire unissued Shares made pursuant to the Scheme, otherwise on issue or any other employee share scheme accepted or exercised (as the case may be); and
- the number of Shares in the same class as the Shares the subject of the Offer issued by the Company under all employee share plans or employee option plans during the previous five years.

5. **Entitlements**

Subject to Rule 4, the number of Options (if any) which an Eligible Employee is granted shall be determined by the Directors in their discretion. The determination of the Directors in each case shall be absolute and the Directors shall not be obliged to give reasons to an Eligible Employee for any such determination. Nothing in these Rules shall prohibit the Directors from determining to grant Options to an Eligible Employee on more than one occasion.

6. **Application**

If the Directors determine that Options are to be granted to certain Eligible Employees under the Scheme, such Eligible Employees who are chosen shall be invited to apply in their own names or in those of an Eligible Nominee to take up, in whole or in part, their entitlement to those Options under the Scheme.

7. **Acceptance**

The Company shall be obliged to accept any application made in terms of Rule 6, provided that the application accords, in all respects, with these Rules and is for such number of Options, or part thereof, to which the Eligible Employee is entitled. Upon acceptance of a duly complying application the Company, within ten business days, shall deliver an Option certificate in respect of the Options applied for to the Eligible Employee or the Eligible Nominee, as the case may be.

8. **Terms and Conditions**

- No monies will be payable for the issue of Options.
- Each Option shall carry the right in favour of the Option holder to subscribe for one Share.
- Subject to the Listing Rules, the Shares subscribed for on exercise of Options shall be issued at the Strike Price, and shall be payable in full on exercise of the Options.
- Unless otherwise approved by resolution of Directors, Options issued pursuant to the Scheme shall, subject to paragraph (g), be exercisable as follows:
 - 50% may be converted to Shares after a period of six months has elapsed from the date of issue;
 - 100% may be converted to Shares after a period of twelve months has elapsed from the date of issue;
- Options issued pursuant to the Scheme must be exercised within three years after their date of issue.
- Notwithstanding paragraph (d), but subject always to paragraph (g), an Option holder may exercise any Options during a Takeover Period.
For the avoidance of doubt, paragraph (g) does not permit the exercise of any Option by any Option holder who:
 - ceased to be an Eligible Employee; or
 - is the Eligible Nominee of a person who ceased to be an Eligible Employee, prior to the commencement of the Takeover Period.
- Unless otherwise approved by a resolution of the Directors, upon a person ceasing to be an Eligible Employee (**the Past Eligible Employee**) all Options issued to the Past Eligible Employee or his Eligible Nominee pursuant to the Scheme must be exercised by the Past Eligible Employee or the executor or administrator of the Past Eligible Employee's estate in the event of death within 6 months of the Past Eligible Employee ceasing to be an Eligible Employee (**Retirement Date**) or they will cease to have any force or effect but only those Options that the Past Eligible Employee or his Eligible Nominee was entitled (other than by virtue of paragraph (f)) to exercise at the Retirement Date may be exercised.
- Subject to the Listing Rules, an Option holder may not sell, transfer, assign, give or otherwise dispose of, in equity or in law, the benefit of the Options, other than to an Eligible Nominee of that Option holder.

- i) Options shall not be listed for official quotation on ASX nor on any other official stock exchange in any other country.
- j) Options shall be exercisable by the delivery to the Registered Office of the Company of the Option exercise form appearing on the reverse of the Option certificate stating the intention of the Option holder to exercise all or a specified number of Options held by the Option holder accompanied by the Option certificate and a cheque made payable to the Company for the subscription moneys for the Shares. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by the Option holder.
- k) The Company shall allot the resultant Shares and despatch the holding statements within five business days of the exercise of the Option.
- l) Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- m) The Company shall within 3 business days of allotment make application to have Shares allotted pursuant to an exercise of Options listed for official quotation by ASX and any other stock exchange on which the Shares are quoted from time to time.
- n) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- o) There will be no change to the exercise price of the Option or the number of Shares over which the Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than a bonus issue).
- p) If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- q) In the event of a re-organisation of the issued capital of the Company the Options shall be re-organised in accordance with the Listing Rules.

9. **Amendment of the Scheme**

The Scheme may not be amended without the prior approval of shareholders of the Company in general meeting held in accordance with the Listing Rules.

Section 3: Terms and Conditions of the Options proposed to be issued to R N O'Brien (or nominee)

Tranche 1 - \$0.20 Options

- a) No monies are payable for the issue of the Options.
- b) Each Option carries the right in favour of the Option holder to subscribe for one Share.
- c) Subject to the Listing Rules, Shares subscribed for on exercise of the Options are issued at the Exercise Price of an amount equal to \$0.20 each.
- d) Subject to paragraph (f), the Options may only be converted into shares after 31 March 2009.
- e) The Options issued must be exercised on or before 30 June 2013.
- f) Notwithstanding paragraph (d) an Option holder may exercise any of the Options during a Takeover Period.
- g) Subject to the Listing Rules, an Option holder may not sell, transfer, assign, give or otherwise dispose of, in equity or in law, the benefit of the Options, other than to an Eligible Nominee of that Option holder.
- h) The Options cannot be listed for official quotation on ASX nor on any other official stock exchange in any other country.
- i) The Options are exercisable by the delivery to the Company of the Option exercise form appearing on the reverse of the option certificate stating the intention of the Option holder to exercise all or a specified number of the Options held by the Option holder accompanied by the option certificate and a cheque made payable to the Company for the Exercise Price for each of the Options to be exercised. An exercise of only some of the Options does not affect the rights of the Option holder to the balance of the Options held by the Option holder.
- j) The Company must allot the resultant Shares and dispatch the holding statements within five business days of the exercise of the Options.
- k) Shares allotted pursuant to an exercise of Options rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- l) The Company must within 3 business days of allotment make application to have Shares allotted pursuant to an exercise of the Options listed for official quotation by ASX and any other stock exchange on which the Shares are quoted from time to time.
- m) There are no participating rights or entitlements inherent in the Options and holders are not entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- n) There will be no change to the exercise price of the Option or the number of Shares over which the Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than a bonus issue).
- o) If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which the Options are exercisable will be increased by the number of Shares which the Option holder would have received if the Options had been exercised before the record date for the bonus issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- p) In the event of a re-organisation of the issued capital of the Company the Options must be re-organised in accordance with the Listing Rules.

In these terms and conditions:

"**Eligible Nominee**" means a spouse of a Director, a body corporate in which a Director is beneficially entitled to not less than 50% of the issued voting capital, or a trustee of a family trust established for the benefit of the family of the Director, in their capacity as trustee.

"**Takeover Period**", in relation to a takeover bid in respect of the Shares in the Company, means the period referred to in section 624 of the Corporations Act, provided that where a takeover bid is publicly announced prior to the service of a bidder's statement on the Company in relation to that takeover bid, the Takeover Period will be deemed to have commenced at the time of that announcement.

Tranche 2 - \$0.25 Options

- a) No monies are payable for the issue of the Options.
- b) Each Option carries the right in favour of the Option holder to subscribe for one Share.
- c) Subject to the Listing Rules, Shares subscribed for on exercise of the Options are issued at the Exercise Price of an amount equal to \$0.25 each.
- d) Subject to paragraph (f), the Options may only be converted to Shares after 30 September 2009.
- e) The Options issued must be exercised on or before 30 June 2013.
- f) Notwithstanding paragraph (d) an Option holder may exercise any of the Options during a Takeover Period.
- g) Subject to the Listing Rules, an Option holder may not sell, transfer, assign, give or otherwise dispose of, in equity or in law, the benefit of the Options, other than to an Eligible Nominee of that Option holder.
- h) The Options cannot be listed for official quotation on ASX nor on any other official stock exchange in any other country.
- i) The Options are exercisable by the delivery to the Company of the Option exercise form appearing on the reverse of the option certificate stating the intention of the Option holder to exercise all or a specified number of the Options held by the Option holder accompanied by the option certificate and a cheque made payable to the Company for the Exercise Price for each of the Options to be exercised. An exercise of only some of the Options does not affect the rights of the Option holder to the balance of the Options held by the Option holder.
- j) The Company must allot the resultant Shares and dispatch the holding statements within five business days of the exercise of the Options.
- k) Shares allotted pursuant to an exercise of Options rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- l) The Company must within 3 business days of allotment make application to have Shares allotted pursuant to an exercise of the Options listed for official quotation by ASX and any other stock exchange on which the Shares are quoted from time to time.
- m) There are no participating rights or entitlements inherent in the Options and holders are not entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- n) There will be no change to the exercise price of the Option or the number of Shares over which the Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than a bonus issue).
- o) If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which the Options are exercisable will be increased by the number of Shares which the Option holder would have received if the Options had been exercised before the record date for the bonus issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.

- p) In the event of a re-organisation of the issued capital of the Company the Options must be re-organised in accordance with the Listing Rules.

In these terms and conditions:

"Eligible Nominee" means a spouse of a Director, a body corporate in which a Director is beneficially entitled to not less than 50% of the issued voting capital, or a trustee of a family trust established for the benefit of the family of the Director, in their capacity as trustee.

"Takeover Period", in relation to a takeover bid in respect of the Shares in the Company, means the period referred to in section 624 of the Corporations Act, provided that where a takeover bid is publicly announced prior to the service of a bidder's statement on the Company in relation to that takeover bid, the Takeover Period will be deemed to have commenced at the time of that announcement.

Tranche 3 - \$0.30 Options

- a) No monies are payable for the issue of the Options.
- b) Each Option carries the right in favour of the Option holder to subscribe for one Share.
- c) Subject to the Listing Rules, Shares subscribed for on exercise of the Options are issued at the Exercise Price of an amount equal to \$0.30 each.
- d) Subject to paragraph (f), the Options may only be converted to Shares after 31 March 2010.
- e) The Options issued must be exercised on or before 30 June 2013.
- f) Notwithstanding paragraph (d) an Option holder may exercise any of the Options during a Takeover Period.
- g) Subject to the Listing Rules, an Option holder may not sell, transfer, assign, give or otherwise dispose of, in equity or in law, the benefit of the Options, other than to an Eligible Nominee of that Option holder.
- h) The Options cannot be listed for official quotation on ASX nor on any other official stock exchange in any other country.
- i) The Options are exercisable by the delivery to the Company of the Option exercise form appearing on the reverse of the option certificate stating the intention of the Option holder to exercise all or a specified number of the Options held by the Option holder accompanied by the option certificate and a cheque made payable to the Company for the Exercise Price for each of the Options to be exercised. An exercise of only some of the Options does not affect the rights of the Option holder to the balance of the Options held by the Option holder.
- j) The Company must allot the resultant Shares and dispatch the holding statements within five business days of the exercise of the Options.
- k) Shares allotted pursuant to an exercise of Options rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- l) The Company must within 3 business days of allotment make application to have Shares allotted pursuant to an exercise of the Options listed for official quotation by ASX and any other stock exchange on which the Shares are quoted from time to time.
- m) There are no participating rights or entitlements inherent in the Options and holders are not entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- n) There will be no change to the exercise price of the Option or the number of Shares over which the Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than a bonus issue).

- o) If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which the Options are exercisable will be increased by the number of Shares which the Option holder would have received if the Options had been exercised before the record date for the bonus issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- p) In the event of a re-organisation of the issued capital of the Company the Options must be re-organised in accordance with the Listing Rules.

In these terms and conditions:

"**Eligible Nominee**" means a spouse of a Director, a body corporate in which a Director is beneficially entitled to not less than 50% of the issued voting capital, or a trustee of a family trust established for the benefit of the family of the Director, in their capacity as trustee.

"**Takeover Period**", in relation to a takeover bid in respect of the Shares in the Company, means the period referred to in section 624 of the Corporations Act, provided that where a takeover bid is publicly announced prior to the service of a bidder's statement on the Company in relation to that takeover bid, the Takeover Period will be deemed to have commenced at the time of that announcement.

Norwest Energy NL

ACN 078 301 505

Section 4: Glossary of Defined Terms

The following terms and abbreviations used in this Explanatory Statement and Notice of Meeting have the following meanings:

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors.

Business Day means a day on which trading takes place on the stock market of the ASX.

Company or **Norwest** means Norwest Energy NL (ABN 95 078 310 505).

Constitution means the Company's Constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Dollar or \$ means Australian dollars unless otherwise indicated.

Eligible Persons means a person eligible to participate in the Scheme.

Employee Options means Options to acquire shares under the Scheme.

Listing Rules means the official Listing Rules of the ASX.

Options mean the options to acquire Shares, the terms and conditions of which are set out in sections 2 and 3 (as applicable) of this Explanatory Statement.

Scheme means the Norwest Energy NL Employee Incentive Scheme set out in Section 2 of this Explanatory Statement.

Share means an ordinary fully paid share in the Company.

Shareholder means the holder of one or more Shares.

WDT means Australian Western Daylight Time.

Norwest Energy NL

ACN 078 301 505

Norwest Energy NL PROXY FORM

I of
being a member of Norwest Energy NL hereby appoint

..... of
or failing him

..... of

or failing them, the Chairman of the meeting as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held at the Holiday Inn City Centre, 788 Hay Street, Perth, Western Australia, on Thursday 27th November 2008 at 2.00pm WDT and at any adjournment thereof.

If no person is named above or if the person named does not attend the meeting or is not a legally effective choice the Chairman of the meeting will be my/our proxy to vote for me/us on my/our behalf at the meeting or any adjournment of the meeting. I/we understand that the Chairman intends to vote undirected proxies in favour of Resolutions 1 to 5.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of resolution 3, please place a mark in the box.

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of resolution 3 and that votes cast by the Chair of the meeting for resolution 3 other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote on resolution 3, the Chair will not cast your votes on resolution 3 and your votes will not be counted in calculating the required majority if a poll is called on the resolution 3.

I/we understand that if I/we have not directed my/our proxy how to vote, my/our proxy may vote or abstain from voting as he or she thinks fit.

RESOLUTIONS

		FOR	AGAINST	ABSTAIN
1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Director - Mr H D Kennedy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Employee Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Issue of Options to Dr R N O'Brien	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this.....day of.....2008

If the member is a company, it must affix its Common Seal or sign by a duly authorised officer.

Please sign on the reverse of this form

Proxy forms (and power of attorney, if any, under which the proxy form is signed) must be:
sent by mail or delivered to 288 Stirling Street ,Perth, Western Australia, 6000 or
by fax to: +61 8 9227 3211

Norwest Energy NL

ACN 078 301 505

Proxy Form Page 2

If the member is a company;

EXECUTED by)

ACN)

in accordance with section 127 of the)

Corporations Law)

.....
Director/Company Secretary*

.....
Director/Sole Director and Sole Company Secretary*

.....
Name of Director/Company Secretary*
(BLOCK LETTERS)

.....
Name of Director/Sole Director and Sole Company
Secretary* (BLOCK LETTERS)

*Delete whichever is not applicable

OR

.....
Signature

.....
(Insert capacity in which duly authorised officer is
signing for a member which is a company)

If the member is an individual or joint holders:

.....
Signature

.....
Signature

Instructions for appointment of proxy

1. A member entitled to attend and vote at the Annual General Meeting convened by the above Notice of Annual General Meeting is entitled to appoint not more than 2 proxies to vote on the member's behalf.
2. Where 2 proxies are appointed and the appointment does not specify the proportion or number of the member's votes each proxy may exercise half of the member's voting rights.
3. A proxy need not be a member.
4. Proxy forms (and the power of attorney, if any, under which the proxy form is signed) must be received at 288 Stirling Street, Perth, Western Australia, fax number (08) 9227 3211 no later than 48 hours before the time fixed for holding the meeting.
5. Appointment of a proxy by a member being a natural person must be under the hand of the member or of an attorney appointed in writing by the member.
6. Appointment of a proxy by a member being a body corporate must be under the common seal of the body corporate or under the hand of an attorney appointed in writing by the body corporate.
7. If signing under a power of attorney, the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.
8. The proxy appointment may be a standing appointment for all general meetings until it is revoked.

As permitted by the Corporations Act, the Company has determined that all securities of the Company registered as at 5.00pm WDT on 27 November 2008 will be taken for purposes of the meeting, to be held by the persons who are the registered holders. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Proxy forms (and power of attorney, if any, under which the proxy form is signed) must be:
sent by mail or delivered to 288 Stirling Street, Perth, Western Australia, 6000 or by fax to: +61 8 9227 3211