

6 November 2008

ASX Announcement

PUFFIN DRILLING PROGRESS REPORT

Norwest Energy (ASX:NWE) advises that AED Oil Limited (ASX:AED) and its JV partner, East Puffin Pty Ltd report that flow testing at the Puffin-11 well drilled in the Puffin South West Region has now been completed.

Preliminary geological and reservoir engineering assessments indicate that the 25m oil bearing interval intercepted by the Puffin-11 well comprises a single reservoir in Late Cretaceous sandstones with two main sand packages. As previously reported flow testing was conducted for both packages. The objectives of the testing were to confirm the communication between the sands and determine reservoir parameters and fluid characteristics.

The preliminary results from this testing indicate that the oil from both sand intervals contributes to the oil flow, that the oil is of similar quality to oil produced elsewhere in the field and that the reservoir sand is highly permeable. The flow testing was limited by the capacity to flare but nonetheless tested at rates up to 3,600 bopd through a 44/64" choke at a flowing wellhead pressure of 325 psig. The oil gravity is calculated as in the range 43-45 degrees API with a gas oil ratio of scf/sth. Based on the testing, an initial well productivity in excess of 10,000 bopd is calculated based on appropriate completion.

The reservoir is a new discovery and preliminary assessments indicate that the reservoir sands intersected by the Puffin-11 well confirm and extend the existence of the oil sand formation intersected by the Puffin-10 well drilled late last year. This reservoir is interpreted as a Late Cretaceous reservoir which includes LK1a sands. This new reservoir is separate from and adds to the other as-yet undeveloped sandstone reservoirs in the Puffin South West region. These other reservoirs include the LK1a reservoir at Puffin-9 and the UK1a reservoir at Puffin-9 and at Puffin-2.

Further evaluation of flow test results and the geological and reservoir assessment is continuing. In the meantime the Puffin-11 has now been plugged and suspended pending continuing work on well planning for optimal development.

The Wilcraft drilling rig is now relocating to the Puffin-12 site in the Puffin NE region.

Norwest has a 1.25% over-riding royalty over production from the Puffin Field.

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.

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.