



NORWEST ENERGY NL
288 Stirling Street
Perth, Western Australia, 6000
PO Box 8260, Perth Business Centre
Western Australia, 6849

ABN: 65 078 301 505
Tel: +61 8 9227 3240
Fax: +61 8 9227 3211
Email: info@norwestenergy.com.au
Web: www.norwestenergy.com.au

ASX: NWE

9 September 2009

ASX Announcement

Norwest Energy completes follow-up airborne gravity survey over onshore Northern Perth Basin - North Erregulla Prospect.

FTG (full tensor gravity gradiometry) imaging expected to provide good data at low cost and prepare prospects for drilling.

Perth-based oil and gas explorers Norwest Energy and Empire Oil & Gas have completed an airborne FTG survey over their North Erregulla oil prospect in the northern Perth Basin about 40km inland from Dongara.

Contractor Bell Geospace completed the 400km survey on Tuesday September 8. This survey for Norwest and Empire was done as follow-on work to an airborne FTG survey over Norwest's nearby TP/15 offshore acreage that was completed on Sunday September 6.

Bell Geospace will take 30 days to provide separate reports of the results for each survey. Norwest has considerable experience with FTG data, and expects to have interpreted the contractor's reports by early November. Full results of the surveys will be known and released to the market by mid November.

North Erregulla – known to hold light oil

Norwest also has interests in two onshore blocks in the northern Perth Basin that hold the North Erregulla oil prospect. The company is in the process of undertaking an equity swap with Empire Oil & Gas so that both companies will have stakes in the neighbouring permits EP368 (currently held by Norwest) and EP426 (currently held by Empire). On completion of the equity swap, Norwest will hold a 20% equity in each permit and Empire and its JV parties 80%.

This unitisation will let the companies explore North Erregulla with one definitive well. Empire will be the operator in this joint venture.

The North Erregulla structure is known to hold oil in more than one reservoir, and the oil reservoir objectives at this prospect produce commercial quantities of oil elsewhere in the onshore northern Perth Basin.

Drill stem tests from the North Erregulla-1 well, drilled by WAPET in 1967, confirmed a live oil system.

One DST recovered 72.5 litres of 38° API oil from the Arranoo Member (a sandy layer in the Lower aged Triassic Kockatea Shale). Another DST recovered 30 litres of 38° API oil from the Dongara Sandstone located immediately beneath the known source rock, the Hovea Member, of the Kockatea Shale. There were also oil shows in the Wagina Sandstone lying directly beneath the Dongara Sandstone.

Norwest believes the North Erregulla structure also has untested light crude oil in the Cattamarra formation and significant deeper gas potential in the High Cliff Sandstone equivalent.

The bulk of the North Erregulla prospect is in EP 426 but the North Erregulla-1 well is in EP 368.

With the pending unitisation of the EP 368 and EP 426 permit interests and the completion of the FTG survey, Norwest and Empire can now move quickly to develop a location for a North Erregulla-2 well up-dip from the North Erregulla-1 site.

Conditional upon the proposed equity swap, Norwest subsidiary Westranch will hold 20% in both permits. Westranch has accepted the renewal of EP368 for a further five-year period and is awaiting the formal grant from the Department of Mines and Petroleum.

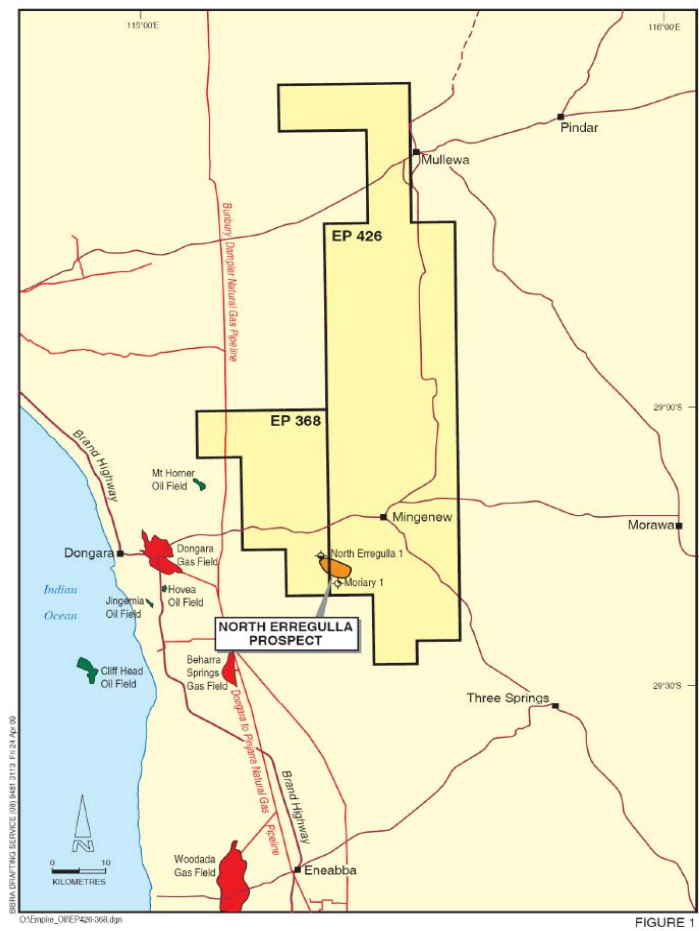


FIGURE 1

The North Erregulla Oil Prospect is located over petroleum exploration permits EP 426 and EP 368.

Full Tensor Gradiometry imaging (FTG) – more geological information at lower cost

FTG is undertaken from a light aircraft flown at low altitudes. FTG measures the gradient of the Earth's gravity field, recording shifts in the density of underlying rocks and can deliver results on both shallow and deeper targets.

Since its commercialisation in the mid 1990s the technology has been steadily improving. Today, FTG is highly sophisticated and can provide strong 3D image quality and a detailed exploration dataset. This helps reduce risks and increase returns for petroleum explorers and producers, according to Norwest chief executive Peter Munachen.

“When combined with seismic data and regional well logs, FTG can greatly clarify the local geological picture,” Mr Munachen said.

“The technology is also highly cost-effective. On a kilometre-by-kilometre basis, FTG surveys cost significantly less than seismic acquisitions.

“This technology offers a real edge for companies that have the expertise to use it effectively. Norwest believes our innovative use of FTG can help advance our onshore and offshore northern Perth basin projects.”

Peter Munachen
Chief Executive Officer/Director
Norwest Energy NL

9 September 2009

For further information please contact Peter Munachen or Ernie Myers on 08-9227 3240, or email info@norwestenergy.com.au.

Media and Investor Enquiries: please contact Fortbridge on +612 9331 0655.