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ABN: 65 078 301 505  
Level 2, 6 Thelma Street  
West Perth WA 6005  
PO Box 1264 West Perth WA 6872  
Tel: +61 8 9227 3240  
Fax: +61 8 9227 3211  
www.norwestenergy.com.au

## **Xanadu -1 spud date accelerated Planned for 5 September 2017**

### **HIGHLIGHTS**

- **Xanadu – the largest untested oil prospect in the Basin at 160MMbbls recoverable**
- **Testing three separate intervals**
- **Spud date 5 September 2017**
- **Enerdrill Rig-3 on location at Xanadu**
- **Drilling expected to take 23 days from spud date**
- **Drilled from onshore to offshore target location as a deviated well**
- **Development scenario for a success case delivers commercial production to market utilising existing nearby infrastructure**

Norwest Energy NL ('Norwest') is pleased to announce that due to excellent progress with preparation and site works, the spud date for conventional oil well Xanadu-1 has been brought forward to 5 September 2017. Drilling will be completed using Enerdrill Rig-3 that has just completed the highly successful Waitsia-3 and Waitsia-4 wells on AWE Limited operated L1/L2.

The rig is now on location at Xanadu, with all additional ancillary equipment currently being mobilised, and rig-up operations are underway at site. Drilling is expected to take 23 days, with the well to be drilled from onshore to offshore using a deviated profile, with the target location situated in shallow water adjacent to the coast. Regular updates will be provided to the market throughout the campaign.

The Xanadu-1 well is targeting the Xanadu prospect, with an unrisks recoverable resource of 160 million barrels of conventional oil (Refer Table 2). The Xanadu-1 well primary target is the Permian Dongara Sandstone, with secondary targets in the Irwin River Coal Measures and the High Cliff Sandstone. The structure is considered to be one of the biggest untested oil targets in the Basin, with this same play resulting in four oilfield discoveries in the vicinity, namely Cliff Head, Hovea, Eremia and Jingemia. With the focus of the Waitsia wells on conventional gas, Xanadu represents the opportunity to reinvigorate positive developments in the Perth Basin.

Norwest is joined by Triangle (Global) Energy, 3C Group and Whitebark Energy in the TP/15 Joint Venture (Refer Table 1).

Norwest CEO Shelley Robertson commented:

*“After a very successful year that has seen Norwest finalise the TP/15 Joint Venture with high caliber partners Triangle, 3C Group and Whitebark and successfully raise over \$1.5M via equity placements and*

the recent share purchase plan, I am very pleased to be able to deliver the drilling of Xanadu to shareholders.

Norwest has a highly skilled technical team in place to complete this drilling program, as evidenced by the smooth pathway to date with approvals, planning and preparation, and we look forward to the campaign with great anticipation.

A large conventional oil discovery at Xanadu, combined with the recent success of AWE’s prolific Waitsia drilling program will bring much greater focus to the region. Xanadu-1 is the third and final well to be drilled in the Basin this year, and represents a rare opportunity for investors to participate in a drilling event. Success at Xanadu is seen as a game-changer for Norwest shareholders.

Norwest is already planning the development scenarios for a success case that will see commercial production fast-tracked to market utilising the excellent infrastructure already existing in Western Australia”.

## TP/15 Joint Venture

Norwest Energy retains Operatorship of TP/15 with a free-carried 25% interest in the drilling program, up to 110% of the approved budget. If the capped amount is reached (110% of approved budget), each of the parties will contribute to additional expenditure in proportion to their interests in TP/15, including Norwest. Upon completion of the Xanadu-1 drilling program, Norwest will contribute 25% of any future exploration expenditure on TP/15.

**Table 1.**

Name	Allocation of Expenditure	Interest in TP/15	
Norwest	0%	25%	(Operator)
3C Group	40%	30%	
Triangle	40%	30%	
Whitebark	20%	15%	

## Unrisked Prospective Recoverable Resources

Unrisked recoverable oil volumes have been estimated deterministically and are summarised in Table 2 below. A 50% recovery factor has been assumed.

**Table 2.**

Un-risked Prospective Resource: recoverable volumes oil (MMstb) <sup>1</sup>			
Reservoir	Low estimate	Best estimate	High estimate
Dongara Sandstone	3	12	22
Irwin River Coal Measures	13	88	159

Un-risked Prospective Resource: recoverable volumes oil (MMstb) <sup>1</sup>			
Reservoir	Low estimate	Best estimate	High estimate
High Cliff Sandstone	29	60	256
<b>Total</b>	<b>45</b>	<b>160</b>	<b>437</b>

<sup>1</sup>The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

## Project Location

TP/15 is located in the offshore northern Perth Basin, approximately 250km north of Perth.

The permit occupies the 3 nautical mile wide state territorial waters of Western Australia, adjacent to the township of Port Denison, and covers an area of 645km<sup>2</sup>.

Xanadu is a conventional oil prospect located near the southern end of the TP/15 permit.

The well will be drilled from an onshore surface location to the offshore target location.

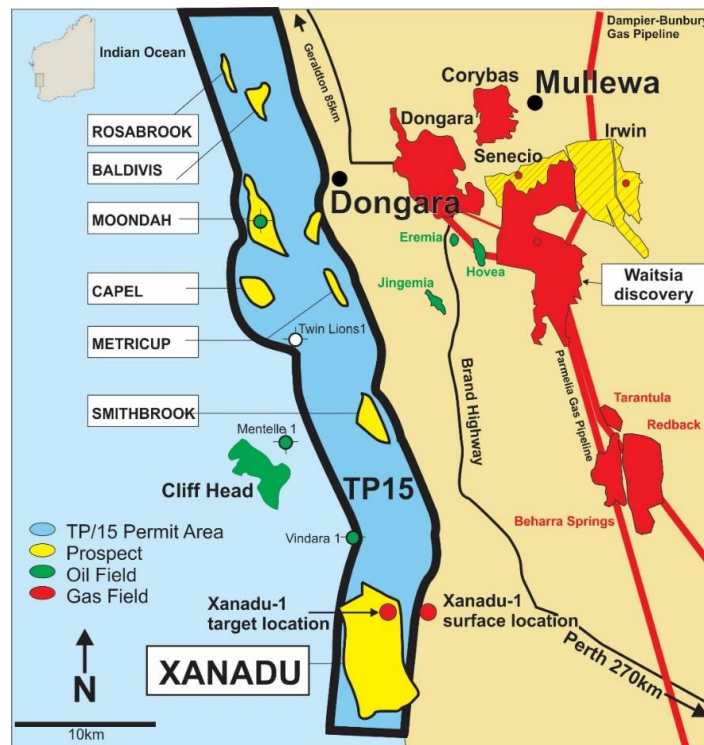


Figure 1. TP/15 location map

Norwest's assessment of the chance of discovery and chance of development associated with the Xanadu prospect are provided in Table 3.

Table 3.

Reservoir	Chance of Success
Dongara Sandstone	14%
Irwin River Coal Measures	13%
High Cliff Sandstone	6%

Refer announcement released to ASX on 29/10/2014.

**For further information, please contact Norwest Energy:**

phone: +61 8 9227 3240  
email: info@norwestenergy.com.au  
website: www.norwestenergy.com.au

**Competent Person**

The information on the Xanadu prospect is based on information compiled by Mr. Dean Powell of Powell Seismic Services. Mr. Powell holds a Bachelor Degree of Applied Science (Physics) and is a member of the Society of Exploration Geophysicists and the Society of Petroleum Engineers. He has over 40 years of experience in petroleum exploration.

Mr. Powell has consented in writing to the inclusion of the information stated in the form and context in which it appears.