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Announcement to ASX 28 October 2020

SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

QUARTERLY HIGHLIGHTS

- Letter of Award issued by Operator to Ensign Energy for drilling of Lockyer Deep-1
- Lockyer Deep-1 Environmental Plan approved
- Lockyer Deep-1 early stage site works to commence in due course
- DMIRS approval for modified work program in TP/15

Perth Basin focused oil and gas exploration company Norwest Energy NL ("**Norwest Energy**" or the "**Company**") is pleased to report on its activities for the quarter ending 30 September 2020.

Exploration Permits EP368 & EP426 (20% & 22.22%)

During the reporting period Operator Energy Resources Limited (ERL) progressed preparations for drilling of the high impact Lockyer Deep-1 gas exploration well and has issued a Letter of Award to Ensign Energy for the Ensign 970 rig. The Environmental Plan has been approved by the Department of Mines, Industry Regulation & Safety (DMIRS) and ERL will commence early stage site works in due course. Drilling is expected to commence by June 2021 and ERL anticipates being in a position to commence drilling from mid-January 2021 onwards, should an early rig slot become available.

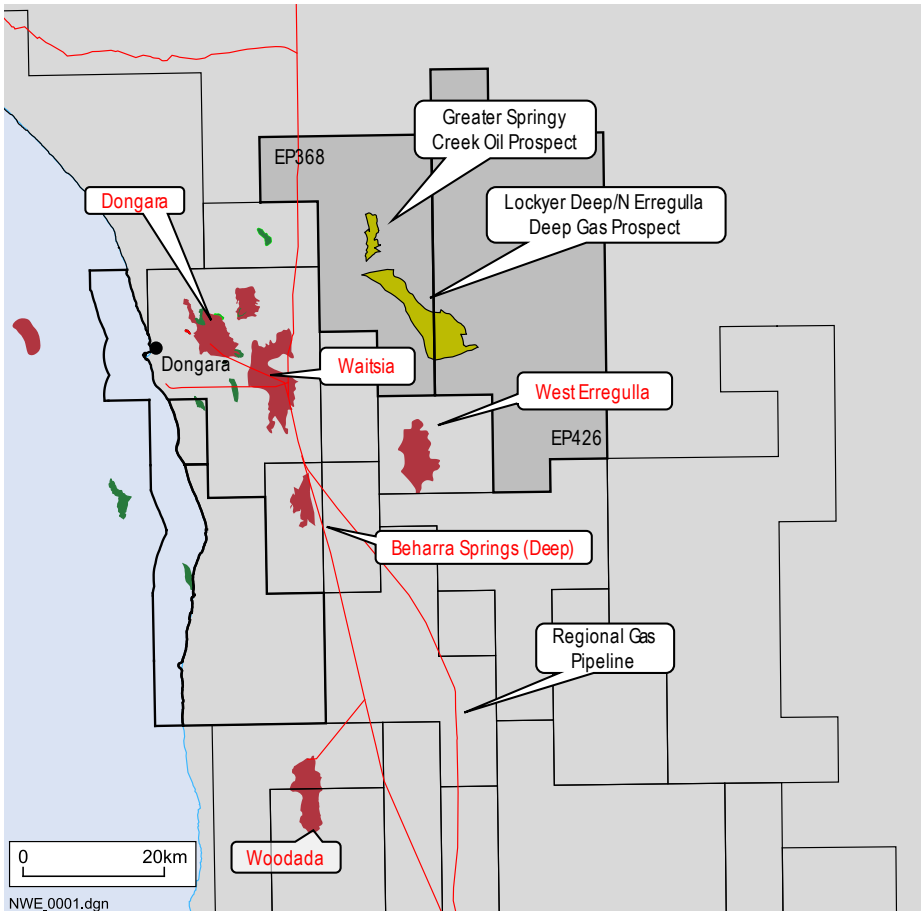


Figure 1: EP368/426 Location Map

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About Lockyer Deep-1

The Lockyer Deep-1 well location (refer Figures 2 & 3) has been selected to test a very large, fault-closed three-way dip structure at the Kingia and High Cliff levels within the Permian gas play's "sweet spot". Drilling at Waitsia, West Erregulla-2 and Beharra Springs Deep has resulted in substantial gas discoveries, and drilling of Strike Energy's West Erregulla-3 well is currently in progress.

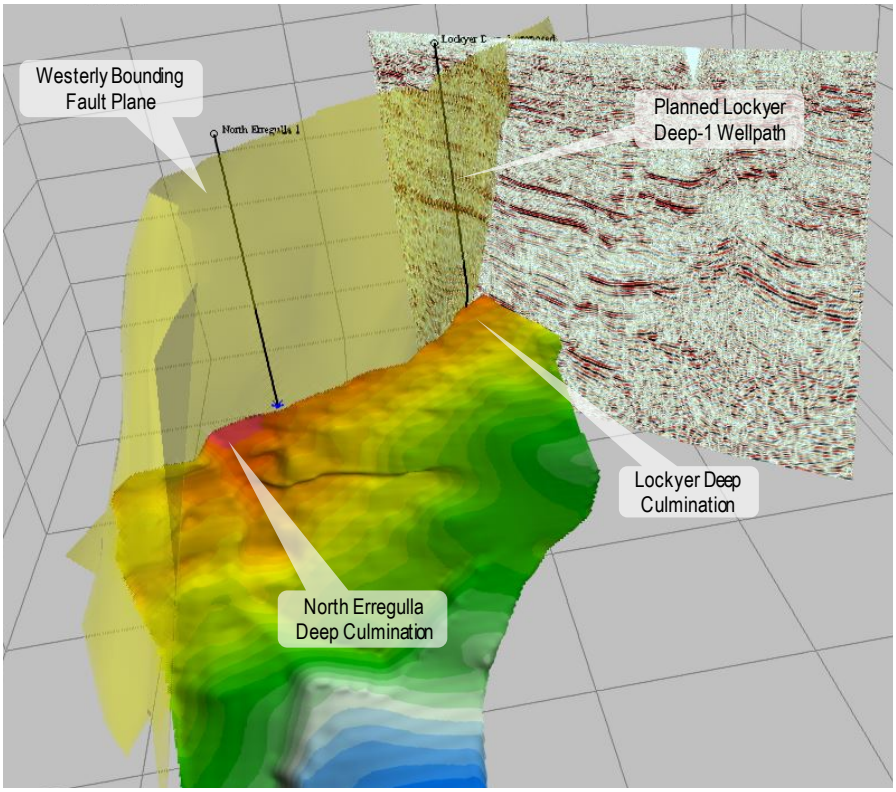


Figure 2: 3D perspective of Lockyer Deep/North Erregulla Deep structure (Top Kingia Fm)

The Geological Chance of Success (GCoS) for the prospect is estimated by Norwest Energy to be 38%, and the Company's estimate of prospective resources for the Lockyer Deep/North Erregulla Deep combination structure is summarised in Table 1 for the Kingia and High Cliff targets combined (refer to ASX announcement of 28 October 2019).

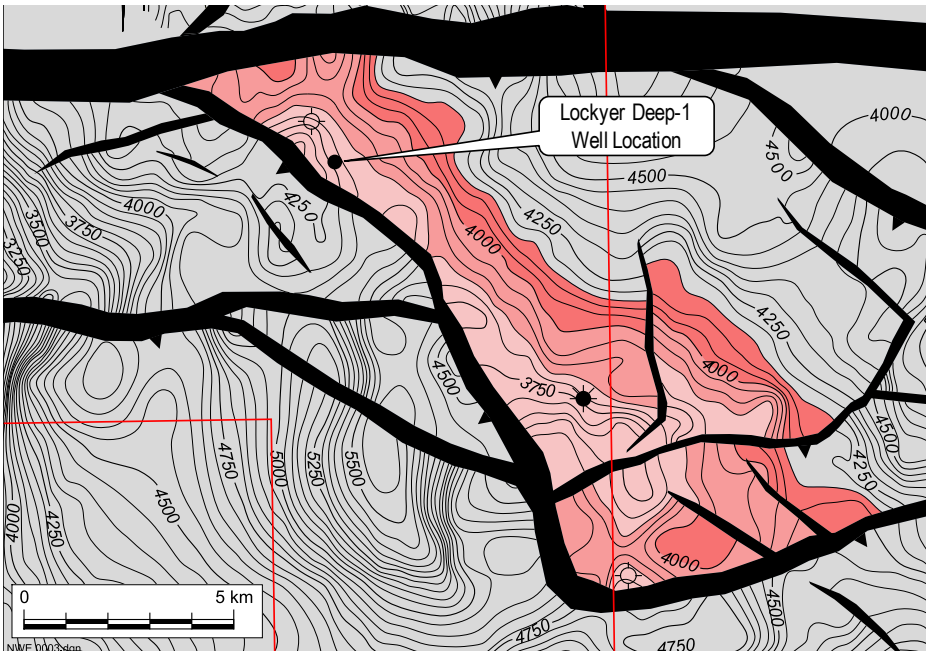


Figure 3: Lockyer Deep/North Erregulla Deep Top Kingia Depth Structure
Showing Low/Mid/High Case Prospective Resource Areas

The quoted High Case represents an area of some 67 km^2. The structure extends downdip further to the northeast of this area and the maximum area within structural closure may be as large as 108 km^2.

	Gross Bcf (100%)			NWE Share Bcf (20%)		
	Low	Mid	High	Low	Mid	High
Lockyer Deep	36	459	1122	7	92	224
North Erregulla Deep	131			22		

Table 1: Lockyer Deep/North Erregulla Deep Prospective Resources

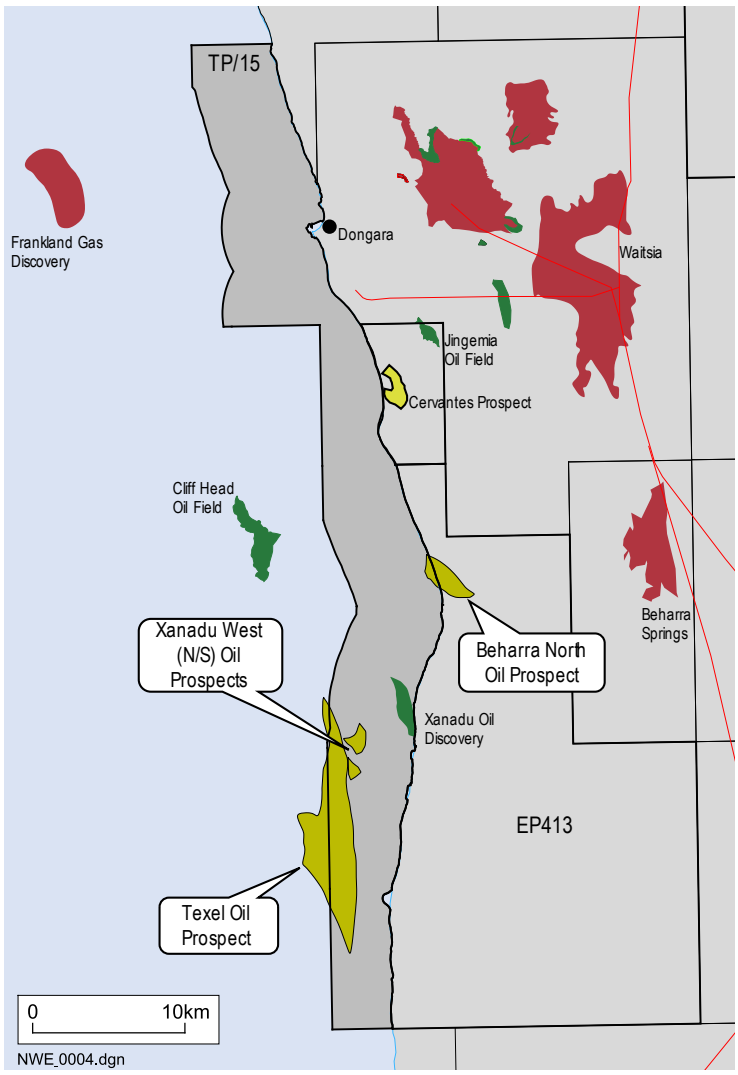
Additional hydrocarbon potential exists within the Wagina Formation. The Wagina is a shallower, secondary target that encountered gas pay at West Erregulla-2 and produces gas at the Beharra Springs gas field.

In addition to the Lockyer Deep/North Erregulla Deep complex, ERL has identified numerous other exploration leads within the permits and has contracted Earth Signal Processing Ltd to complete a seismic data reprocessing program in order to inform the forward work program across the permits. The leads include the Greater Springy Creek oil prospect which, as announced on 8 July 2019, has prospective resources of up to 61 MMbbls oil.

Updates regarding the emerging broader prospect portfolio of EP368/426 will be provided as reprocessed seismic data and interpreted results become available.

TP/15 Exploration Permit (Operator, 25%)

During the reporting period the TP/15 Joint Venture concluded that further appraisal of the 2017 Xanadu oil discovery is not warranted, due to the limited contingent resource. Significant exploration potential remains in TP/15 in the Texel oil prospect, the crest of which is mapped as being located approx. 10km to the southwest of Xanadu. Texel is a Permian oil play, targeting the Kingia and High Cliff Sandstones which host the prolific gas discoveries onshore, on the other side of the Beagle Ridge. Additional oil potential exists in the Dongara Sandstone and Irwin River Coal Measures, the latter being the primary reservoir of the Cliff Head oil field. Two smaller prospects are also present between Xanadu and Texel, at Xanadu West (North & South).



Additional seismic coverage is required to progress Texel to drillable status, and the TP/15 Joint Venture has recently received approval from DMIRS to modify the forward work commitments so that the appraisal well commitment of permit year 3 (commencing 7 December 2020) is replaced by geological studies and seismic feasibility studies. 100 kms of 2D seismic surveying is required in permit year 4 and an exploration well in permit year 5 (both permit years being discretionary). The modified work program enables the TP/15 Joint Venture to progress

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exploration of a large oil target over the next two years at a relatively minor cost before a commitment to drill is required.

EP413 Exploration Permit (Operator, 27.945%)

Norwest Energy is currently revisiting its interpretation of the Beharra North oil lead, situated in the north of EP413 (extending in to TP/15, refer to Figure 4 for location). Beharra North could be de-risked in the event that Metgasco Ltd's planned Cervantes-1 oil exploration well is a success. Cervantes-1 will be drilled in H1 2021 in permit L14, immediately to the north of EP413.

Norwest Energy remains in discussions with third parties regarding its interest in the permit, and in the meantime as Operator is managing the Joint Venture's ongoing rehabilitation commitment relating to the 2015 Arrowsmith 3D seismic survey. It is anticipated that this commitment may be fulfilled by year-end.

Financial

Cash and cash equivalents at 30 September 2020 were $2,733,334. Including receivables and the Company's net share of funds held in its operated joint venture accounts the Company had funding of $2,873,665 at 30 September 2020. The Company anticipates receiving a second tax offset during the current quarter under the R&D Tax Incentive Scheme, related to eligible FY2020 R&D expenditure associated with the Xanadu 3D TZ seismic program.

Notes Pertaining to Quarterly Cashflow Report (Appendix 5B)

Item 2.1(d): Capitalised exploration & evaluation costs of $95,000 pertain primarily to exploration permits EP368 and EP426.

Item 6.1: The aggregate amount of payments to related parties and their associates of $67,000 relates to payments to directors, comprised of remuneration of the Managing Director and fees to the Non-Executive Directors.

ASX Listing Rule 5.3.3: Tenement Details

In accordance with ASX Listing Rule 5.3.3 the following table details Norwest Energy's interests in its oil and gas exploration permits:

Tenement reference and location	Interest at beginning of quarter	Interest at end of quarter
TP/15 Western Australia	25%	25%
EP368 Western Australia	20%	20%
EP426 Western Australia	22.22%	22.22%
EP413 Western Australia	27.945%	27.945%

Table 2: Norwest Energy Permit Interests

Notes regarding prospective resources:

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

2. The estimates of Prospective Resources included in this announcement have been prepared in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE). The PRMS defines prospective resources as those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.

3. Gross Prospective Resources are 100% of the on-block volumes estimated to be recoverable from the prospect in the event that a discovery is made and subsequently developed. The Prospective Resources have been estimated deterministically.

5. The volumes reported are "unrisked" in the sense that the Geological Chance of Success (GCoS) factor has not been applied to the designated volumes.

6. The Prospective Resources reported within this ASX announcement have been estimated by Mr Dean Powell of Powell Seismic Services. Mr Powell has over 40 years of experience as a Geoscientist within the Oil & Gas Industry and is a member of the Society of Exploration

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Geophysicists and the Society of Petroleum Engineers. Mr Powell has consented to the contents of this announcement being released to the ASX.

Authorised for release to ASX by the Board of Directors.

For further information please contact/follow Norwest Energy at:

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