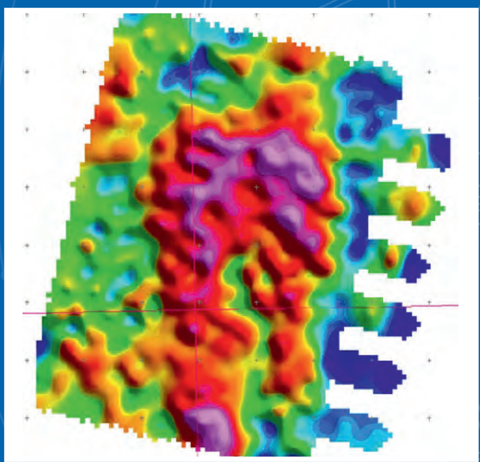

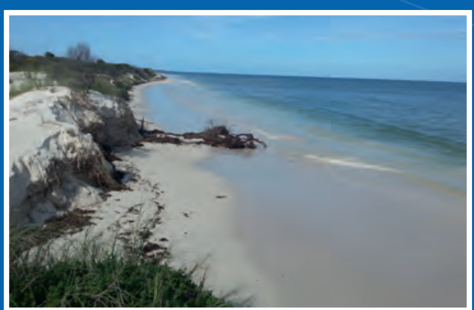

2015 ANNUAL REPORT

CORPORATE DIRECTORY

NORWEST ENERGY NL
ABN 65 078 301 505
ACN 078 301 505

DIRECTORS
Mr Michael John Fry
(Non-Executive Chairman)

Mr Henry David Kennedy
(Non-Executive Director)

Mr Peter Lawson Munachen
(Executive Director, CEO)

COMPANY SECRETARY
John Douglas Annand

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AUDITORS
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Level 1, Lincoln House
4 Ventnor Avenue
West Perth WA 6005

AUSTRALIAN SECURITIES EXCHANGE
NWE

FRANKFURT STOCK EXCHANGE
NUX

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CHAIRMAN'S LETTER

Dear Shareholders,

It is my pleasure to present the Norwest Energy NL Annual Report for the year ended 30 June 2015.

Norwest is an active participant holding some of the most prospective acreage in the northern Perth Basin, with net acreage of approximately 3,100km^2 that includes both conventional and unconventional opportunities in oil and gas.

In the year, Norwest continued to drive an active exploration and appraisal program at its numerous permits within the Basin that are being assessed for future exploration potential, including completing and progressing a number of important initiatives to add value to these projects. This included the successful completion of the EP413 Arrowsmith 3D seismic survey acquisition, the identification of the Lockyer Deep prospect in EP368, the identification of and ongoing discussions with potential farm-in partners into TP/15, and increasing our footprint in the southern part of the Basin by being awarded EP492 and by acquiring the rights over Special Prospecting Authority SPA-16 AO. Internationally, in late CY2014 Norwest was awarded P2265 in the Wessex Basin, in the southern United Kingdom.

Importantly, Norwest also continues to actively engage with industry, Government bodies and regulators, relevant stakeholders and the local communities in which we operate to ensure we foster positive relationships and drive transparent, two-way communication.

Notwithstanding depressed oil and gas prices throughout the year, your Board strongly believes in the underlying fundamentals of the energy market and the economic drivers underpinning Norwest's suite of projects, including Norwest's close position to existing natural gas transportation pipelines and the ability to supply domestic markets that have strong demand.

This is supported by increased activity and interest in the Perth Basin throughout FY2015, which has continued early in FY2016. For example, Norwest is very encouraged by the recent drilling success within the Basin, such as results achieved by AWE at Senecio-3, Waitsia-1 and 2, and Irwin-1, which are all located on acreage in close proximity to Norwest's permits. In addition, Transerv has achieved recent drilling success at their Warro gas field. Significant results from these and future drilling campaigns will continue to bring greater focus to the Basin and should see an increased interest from potential new entrants, service providers and investors.

Looking ahead to FY2016, Norwest remains focussed on delivering the strategic initiatives at our suite of projects to meet our objectives, including:

- Drilling the Arrowsmith-3 well within EP413, which is anticipated to be drilled in CY2016;
- Drilling the Lockyer Deep well within EP368, which is anticipated to be drilled in CY2016;
- Securing a farm-in partner for the drilling of Xanadu-1 within TP/15;
- Unlocking value for shareholders at our other projects in both the Perth Basin and the Wessex Basin in the UK; and
- Continuing to consult with local stakeholders and regulators as part of our ongoing stakeholder consultation program to ensure we implement best practice and are transparent.

I would like to thank my fellow directors for their contributions throughout the year as well as the dedicated management team and staff of Norwest in progressing the Company's initiatives. I would also like to thank the Company's joint venture partners.

Lastly, I would like to thank our shareholders for their ongoing support of Norwest. The Company's directors and management believe that Norwest is well placed to capitalise on the recent exploration success achieved in the Basin, and we look forward to delivering on these opportunities that will best position Norwest to generate shareholder value during FY2016 and beyond.

Michael Fry
Non-Executive Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

Norwest Energy fulfilled a number of important objectives throughout the year as it moved closer to unlocking the potential of our northern Perth Basin acreage.

Norwest successfully completed the EP413 Arrowsmith 3D seismic survey acquisition, participated in the identification of the Lockyer Deep prospect in EP368, progressed discussions with potential farm-in partners into TP/15, and increased its footprint in the southern part of the Basin through the award of EP492 and the acquisition of the rights over Special Prospecting Authority SPA-16 AO. In addition, Norwest was awarded P2265, situated in the Wessex Basin in the southern United Kingdom.

At a corporate level, Norwest's operations continue to be constantly reviewed in order to drive cost efficiencies and the effective deployment of resources. These operational and corporate initiatives will best position Norwest to deliver value on the Company's objectives and provide value to shareholders.

Operations

Norwest remained focussed on our most advanced project, the Arrowsmith shale gas discovery within EP413. During Q2 CY2015, Norwest successfully completed the EP413 Arrowsmith 3D seismic acquisition survey on behalf of the EP413 Joint Venture. The survey was designed to assess the extent of the resource surrounding Arrowsmith-2, and to assist in defining the optimal location and target formation for Norwest's first horizontal well, Arrowsmith-3.

Preliminary results from the seismic data processing indicate a substantial improvement in structural definition. Preliminary planning with the co-venturers has commenced for Arrowsmith-3, planned for the 2015/16 permit year, with timing dependent upon equipment availability and the regulatory approvals process.

The final decision on surface location, target formation and lateral extent will be made once the 3D seismic survey processing and interpretation cycle is completed in Q4 CY2015, as a clear understanding of the subsurface geology is essential to this process.

Norwest remains committed to progressing the opportunities on our other projects in the Perth Basin.

The 100 per cent owned TP/15 offshore conventional oil exploration permit remains a key focus for Norwest, particularly with the 160 million barrel recoverable oil potential of prime prospect Xanadu. Norwest continues to progress discussions with interested parties to join in the exploration program for this block.

The operator of EP368, Empire Oil and Gas NL, has advised Norwest that following the successful completion of the "Black Swan" airborne geophysical survey it has identified a high impact, near-term drilling prospect named Lockyer Deep. This prospect will be targeting the Kingia reservoir fairway identified following the recent drilling success by AWE at Senecio-3, Waitsia-1 and 2, and Irwin-1, all located in acreage immediately adjacent and to the west of EP368.

Elsewhere in the Perth Basin, Norwest increased its acreage footprint via the award of EP492 and by acquiring the rights over Special Prospecting Authority SPA-16 AO (SPA). The combined acquisition of EP492 and the SPA adds a further 1,665 km^2 to the area controlled by Norwest in the Perth Basin, taking the total area net to Norwest to 3,100km^2.

Internationally, Norwest was awarded P2265, situated in the Wessex Basin in the southern United Kingdom. Norwest holds 65% of the permit and since the award was granted, reprocessing of the historical 3D seismic data has commenced and is anticipated to be finalised during Q4 CY2015. Immediately to the west of P2265 and straddling this permit is the Colter Prospect (operated by InfraStrata plc) which is estimated to have 50 mmbbls oil in place. The reprocessing of the historical 3D seismic data will further assist in determining how far this prospect extends into P2265.

Outlook

Norwest has successfully demonstrated its ability to build up a prominent acreage position in the northern Perth Basin and has continued to deliver on the initiatives required to drive value from this suite of assets. The northern Perth Basin has strong underlying economic fundamentals and we are encouraged by the renewed focus and increased activity in the region from other parties, as this interest provides further avenues for Norwest to leverage off our strong acreage position in the region.

With the recent drilling success achieved in the Basin at both the Waitsia and Warro gas fields, and with further exploration planned by both Norwest and a number of other operators, there is no doubt that further exploration success will continue to bring greater focus to the Basin.

With the potential to participate in the drilling of three wells during CY2016 (Arrowsmith-3, Lockyer Deep and Xanadu-1), Norwest will have a very active exploration program over the short to medium term. And even though Norwest only have a minor interest in the Jingemia oil field (under abandonment review), the field is in a hydrocarbon producing province and it would not take much to re-activate it given the right circumstances.

We remain cognisant that our exploration programs will require additional funding to carry forward and develop, however there are a range of options under consideration. With the increased interest in the Perth Basin from other parties there are various avenues to explore with the objective of delivering the best possible value for shareholders.

Finally, I would like to thank the Norwest team for their dedication throughout the year in delivering on the Company's strategic initiatives. I look forward to the opportunities and dynamic work program planned for the year ahead, with Norwest taking the next steps along the development pathway for each of its projects.

Peter L Munachen
Chief Executive Officer

PERMIT SUMMARY

Permit	Location	Type of Permit	Area (100%)	Norwest (%)
NORTHERN PERTH BASIN				
EP368	Perth Basin, WA	Onshore	600.3 km²	20%
EP426	Perth Basin, WA	Onshore	2360.0 km²	22.22%
EP413	Perth Basin, WA	Onshore	508.3 km²	27.945%
L14	Perth Basin, WA	Onshore	39.8 km²	6.278%
TP/15	Perth Basin, WA	Offshore	645.8 km²	100%
EP492	Perth Basin, WA	Onshore	860.0 km²	100%
SPA-016 AO	Perth Basin, WA	Onshore	805.0 km²	100%
TOTAL AREA NET TO NORWEST 3,100.1 KM2 (766,261.4 ACRES)				
TIMOR SEA				
AC/L6 (ROYALTY)	Vulcan Sub-Basin, NT	Offshore	252.1 km²	1.25% ORRI
UNITED KINGDOM				
P2265	Wessex Basin, UK	Offshore	225 km²	65%

Table 1. Norwest Permit Schedule

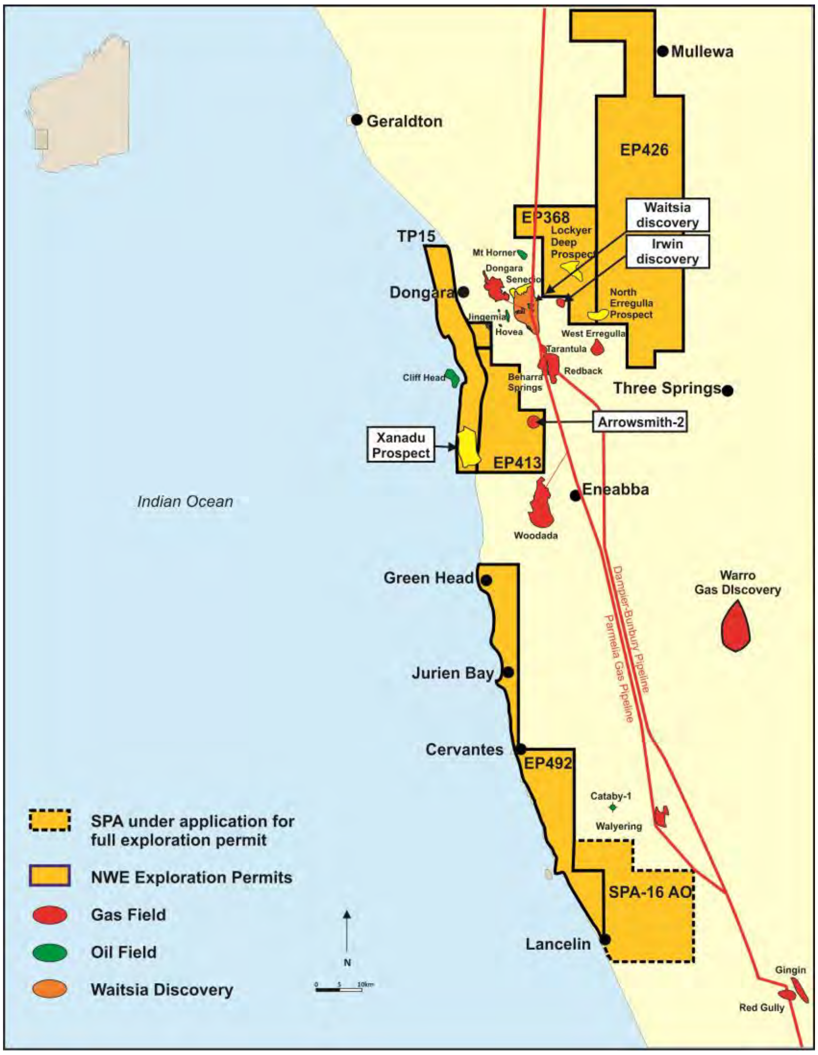


Figure 1. Norwest - Northern Perth Basin Acreage

Norwest Energy is a junior exploration company with interests in seven tenements in the northern Perth Basin, Western Australia, and one permit in the offshore Wessex Basin, United Kingdom.

Company Strategy

To maintain a strong focus on the northern Perth Basin, with a diverse portfolio providing significant exploration potential and exciting opportunities for development and growth.

To conduct all operations in a sustainable manner by focusing on health, safety and environmental outcomes and by maintaining positive and open communications with local communities, stakeholders and our company shareholders.

AUSTRALIA – NORTHERN PERTH BASIN

Natural gas exploration is vital to Western Australia, both in unlocking new sources of energy and for providing local jobs and economic opportunities for regional communities. The northern Perth Basin is a proven hydrocarbon province, in close proximity to infrastructure servicing the domestic gas market. The industry has been operating safely in the region for over 50 years, with more than 200 wells safely drilled.

Recent northern Perth Basin gas discoveries by AWE Limited (Waitsia discovery), and Transerv Energy (Warro discovery) reinforce the potential for ongoing exploration discoveries within the basin.

Norwest's projects in the basin are all in prime locations, surrounded by commercially producing fields and recent discoveries, and with excellent access to infrastructure.

2015/16 is shaping up to be one of the most exciting periods of exploration activity in the history of the northern Perth Basin, and likewise for Norwest Energy. The past year has been a period of consolidation and planning for Norwest, in preparation for the potential drilling of three wells on Norwest-held interests within the next twelve to eighteen months (EP413, TP/15 and EP368).

EP413 (Norwest 27.945%, Operator)

EP413 is located approximately 300km north of Perth, predominantly to the western side of the Brand Highway between Eneabba and Dongara.

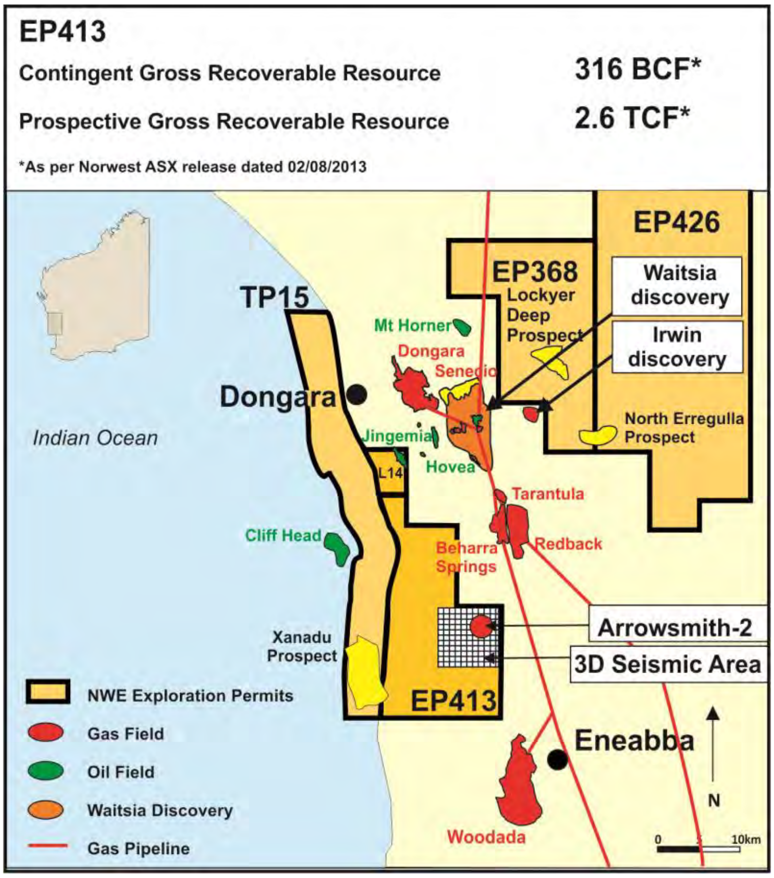


Figure 2. EP413 Permit Location Map

The EP413 Arrowsmith 3D seismic survey acquisition was completed in mid-2015.

The processing of the large volume of data generated from the acquisition program has been ongoing, with final results expected early in CY Q42015.

Norwest has been closely liaising with the specialist US company completing the processing, with preliminary results demonstrating a substantial improvement in structural definition.

Once this interpretation is complete, the EP413 JV will make a decision on the surface location and target formation for Arrowsmith 3, the next well to be drilled in exploring this highly prospective permit.

Figure 3. EP413 3D Seismic Survey Acquisition, Arrowsmith Location, April 2015

Environmental Baseline Studies

Since Q3 2014, Norwest has been involved with AWE Limited, Transerv Energy and the Seismology Research Centre in a baseline passive seismic recording research study. The purpose of the study is to develop a comprehensive understanding of the baseline natural background seismicity within the region. As part of this process, a seismometer was installed at the Arrowsmith location to capture any background seismic events, with results being compiled into a database for further analysis.

During 2015, Norwest also signed an agreement to participate in a CSIRO led program - 'Baseline Characterisation and Monitoring Protocols for Development of Shale and Tight Gas Resources, Perth Basin'. Along with several other operators, Norwest is sponsoring and contributing data to this research program, the aim of which is to provide better understanding of suitable methods and protocols for establishing environmental baselines associated with tight gas development.

Permit Status

The permit was renewed in August 2013 for a further five years. The five year work program for EP413 included the 3D seismic acquisition program (now complete) and the future drilling of two wells in Years 3 and 5 of the program.

Due to the protracted approvals process for the 3D acquisition program, Norwest applied for a six month suspension of the work program, and in March 2015 this suspension was granted. The Year 3 work program commitment involves the drilling of one exploration well, which is currently in the early planning stages, pending results from the 3D seismic survey data processing.

EP413 Joint Venture

Norwest Energy	27.945% (Operator)
AWE Limited	44.252% (via subsidiaries)
Bharat PetroResources Ltd	27.803%

TP/15 (Norwest 100%, Operator)

Exploration Permit TP/15 is a conventional oil play located offshore northern Perth Basin in close proximity to the Cliff Head, Jingemia and Eremia oil fields and the Dongara gas field.

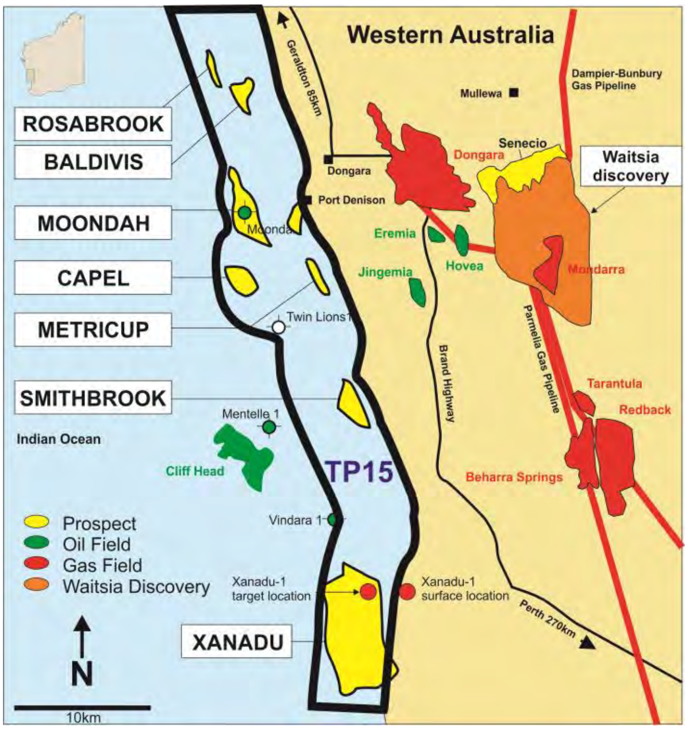


Figure 4. TP/15 Prospect Location Map

The permit occupies the 3 nautical mile wide state territorial waters offshore Western Australia adjacent to the township of Port Denison and covers an area of 645.8km^2.

The prime prospect is Xanadu, with a P50 un-risked prospective recoverable resource of 160mmbbls of oil, as detailed in the ASX announcement dated 29/10/2014.

The intention of Norwest is to secure a farm-in partner to provide free-carry through the drilling of Xanadu-1. Norwest continues to progress discussions in this regard with Rey Resources to agree on the terms and conditions under which Rey may earn an interest in TP/15.

The Xanadu Prospect

Structurally, the Xanadu Prospect is a prominent horst block lying parallel to the coastline in very shallow water. Xanadu-1 will target Permian sands from a depth of approximately 800 metres. Near-shore sands of the Dongara Sandstone represent the primary target, with secondary targets in the fluvio-deltaic Irwin River Coal Measures and the regressive marine sands of the High Cliff Sandstone.

Retrieval and mapping of additional 2D marine seismic data has provided a comprehensive regional interpretation of the structural setting and charge history for the Xanadu oil prospect.

The structural mapping, which is based on good quality 2D seismic data, as well as high resolution gravity data resulting from a 2009 airborne 3D Full Tensor Gradiometry Survey indicates the Xanadu Prospect is geologically similar to both the Cliff Head and Hovea structures.

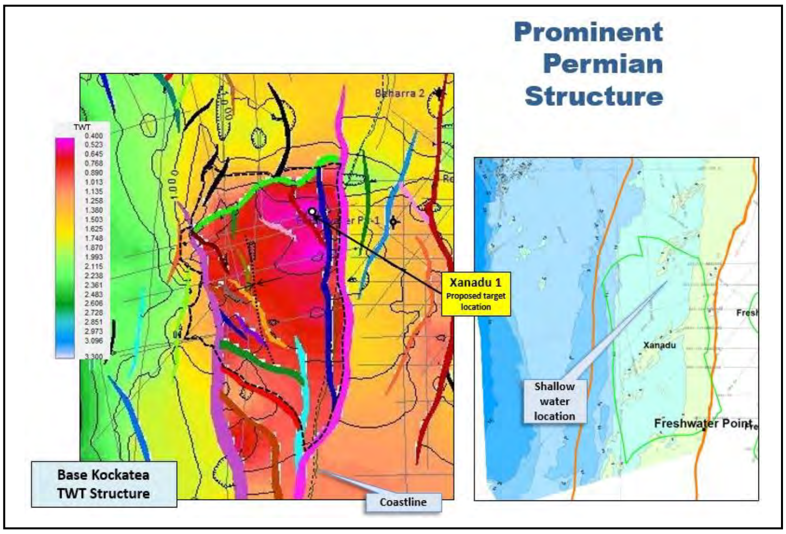


Figure 5. Seismically derived structural definition at the top of the Permian reservoir sequence (Dongara/Wagina – IRCM – Kingia/High Cliff Sandstone)

In estimating the recoverable oil volumes summarised in Table 2 below, a 50 per cent recovery factor has been assumed.

Table 2. Xanadu Prospect Volumetrics

Un-risked Prospective Resource: recoverable volumes oil (mmstb)*			
Reservoir	**Low estimate**	**Best estimate**	**High estimate**
Dongara Sandstone	3	12	22
Irwin River Coal Measures	13	88	159
High Cliff Sandstone	29	60	256
Total	45	160	437

**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.*

Xanadu-1 Drilling Program

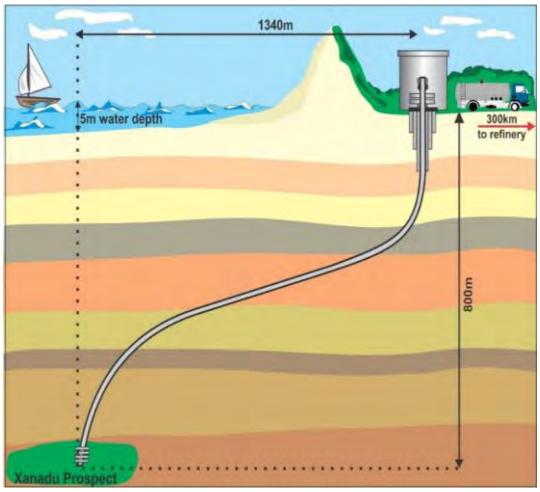


Figure 6. Schematic of Xanadu-1 well trajectory

Xanadu-1 presents a unique opportunity to drill a relatively low cost offshore play from onshore.

Since 2001 this play has resulted in four oilfield discoveries in the vicinity, namely Cliff Head, Jingemia, Hovea and Eremia.

The timing of drilling Xanadu-1 is scheduled for the 2015/16 permit year, dependent upon a range of factors including government approvals process, rig availability and securing a farm-in partner.

Health, Safety and Environmental

Figure 7. Rehabilitation progress at RHS-1 location

Norwest has been managing the rehabilitation of the Red Hill South-1 (RHS-1) onshore well location since 2011.

A weeding and re-seeding program was implemented during the year to assist with the rehabilitation process, and excellent progress has been achieved (refer Figure 7).

Norwest has completed annual spring monitoring surveys over the past 3 years, with the next survey scheduled for October 2015.

EP368 and EP426 (Norwest – EP368- 20%, EP426- 22.22%)

EP368 and EP426 are situated at the northern end of the hydrocarbon fairway running through the northern Perth Basin, and lie directly to the east of AWE's recent significant Waitsia and Irwin gas discoveries.

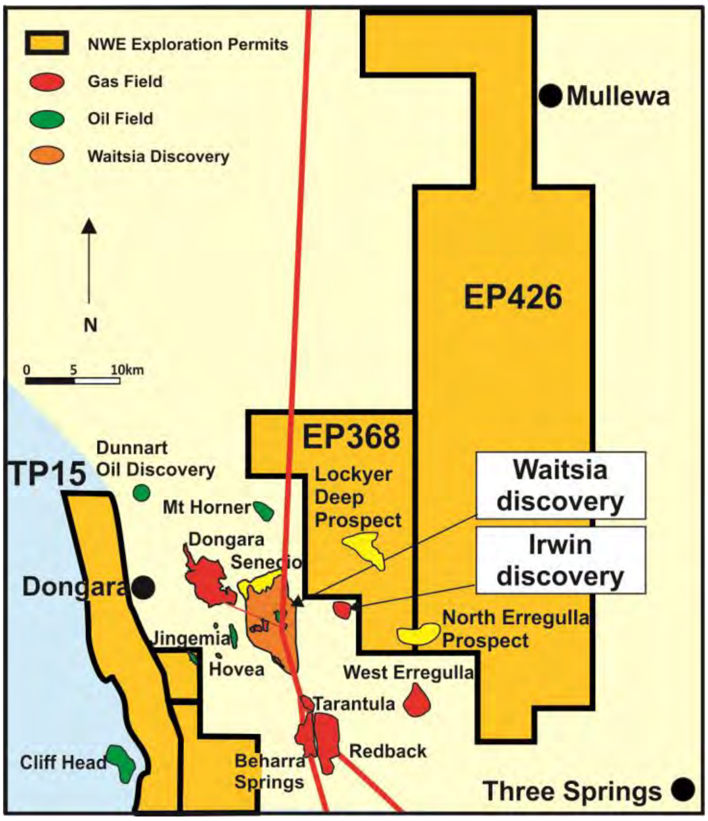


Figure 8. EP368 / EP426 Permit Location Map

Earlier in 2015, the operator of EP368/426 Empire Oil and Gas NL successfully completed the 'Black Swan' airborne geophysical survey.

The survey identified a new prospect Lockyer Deep, which targets the Kingia reservoir fairway associated with the Waitsia play immediately to the west.

The extent of the play into EP368 remains to be confirmed but the results of the recent AWE Irwin-1 well suggest that the Kingia reservoir fairway increases in thickness to the east and thus potentially into EP368.

The proposed Lockyer Deep well is a medium risk well, targeting between 25 and 134 BCF, with a best case estimate of 58 BCF[1].

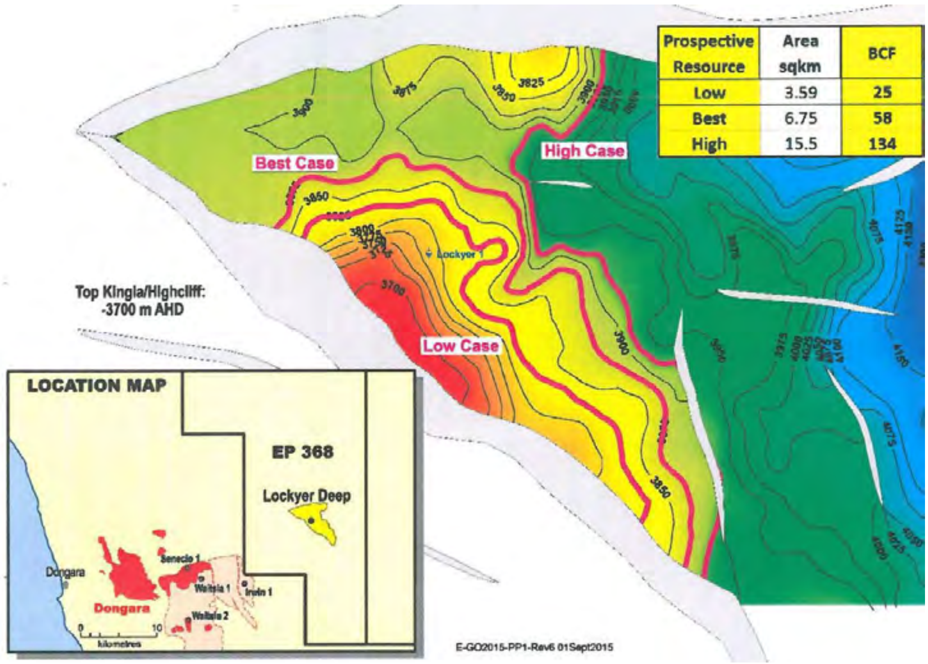
Lockyer Deep will also be used to appraise an attractive secondary oil target from the previously discovered oil in both the Lockyer-1 and North Erregulla-1 historic wells where oil was encountered in the Dongara/Wagina sandstone in tight reservoir. The deep gas potential of the Kingia Sandstone was not reached by these wells and as such remains untested.

The reprocessing of more than 400km of historic 2D seismic data in the vicinity of Lockyer 1 and North Erregulla 1 is nearing completion, with encouraging results which can be expected to greatly reduce structural risk. The improvement in data quality is substantial and offers the potential of providing a significant improvement in the definition of the subsurface structure, and improving confidence in selecting future drilling locations.

The operator has a contingent rig slot secured for the drilling of Lockyer Deep in mid-2016 subject to funding and government approvals.

Should Lockyer Deep be successful, there is immediate follow up potential at the North Erregulla prospect, located to the south west of Lockyer Deep.

[1]Refer Empire Oil and Gas NL (ASX: EGO) Investor Presentation released to ASX on 2nd September 2015



Lockyer Deep Prospective Resources:
Kingia / High Cliff Sandstones

Secondary targets:
Hovea Member;
Dongara Sandstone;
Caryngininia Formation

Figure 9. Lockyer Deep Prospect

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.

EP492 (Norwest 100%)

EP492 is a compilation of 21 onshore blocks in the northern Perth Basin, covering 860km^2 and is located between Lancelin and Green Head.

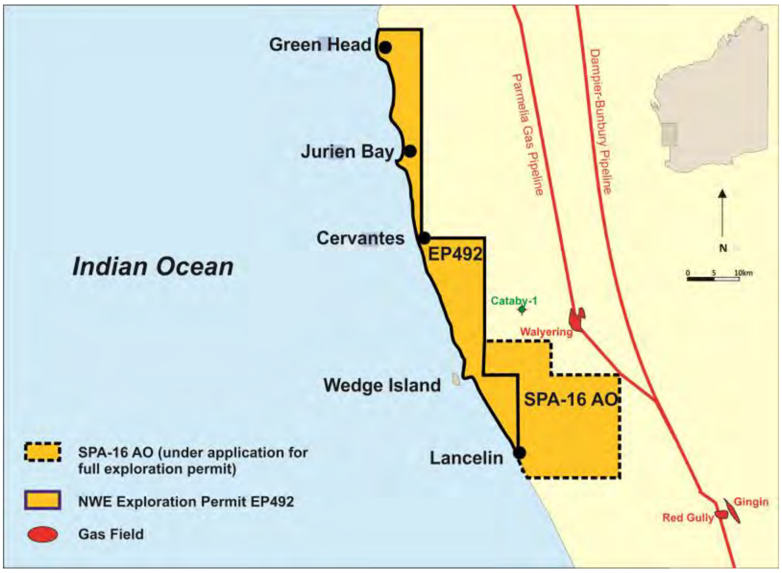


Figure 10. EP492 and SPA-16 AO permit location map

In October 2014, Norwest received notification of the award of the petroleum exploration permit, following a successful negotiation with the Yued People, the Native Title claimants for the permit area.

Since award of the block, Norwest has been engaged in data retrieval and interpretation of the structural and depositional history of EP492 to assist with evaluating the hydrocarbon prospectivity of the region.

Permit Status

EP492 has a six year term, with Year One of the work program requiring desktop geological studies of the permit area. The Year Two work program includes acquisition of 2D seismic data, planning for which is now underway.

Figure 11. EP492 Signing Ceremony with Yued People, December 2014

In December 2014 Norwest hosted a signing ceremony celebration to give thanks to the Yued People.

Norwest looks forward to a long a prosperous relationship with both the Yued People and the communities within the region.

SPA-16 AO (Norwest 100%)

SPA-16 AO (SPA) is located at the southern end of the northern Perth Basin and adjoins Norwest's 100% owned EP492 (Refer Figure 10 for SPA location).

The SPA also adjoins EP447 that contains the Walyering gas/condensate field, and EP432 containing both the Cooljarloo and Woolka oil prospects and the Cataby-1 oil discovery.

Data retrieval and preliminary seismic interpretation of historic data has been undertaken on the permit to further assist with the evaluation of hydrocarbon prospectivity.

Norwest has applied to the Department of Mines and Petroleum to convert the SPA to an Exploration Permit and has submitted a proposed six year minimum work program for consideration.

L14 - JINGEMIA OIL FIELD (Norwest 6.278%)

The L14 production licence contains the Origin Energy operated Jingemia oil field. The Jingemia project has now come to the end of its commercial life and has now been placed under care and maintenance, leading to eventual abandonment and rehabilitation. Jingemia is estimated to have initially contained 12 million barrels of oil in place, with 4.6 million barrels produced to date.

L14 Joint Venture

Origin Energy	49.189% (Operator)
AWE Limited	44.141% (via subsidiaries)
Norwest Energy NL	6.278%
Roc Oil (WA) Pty Ltd	0.250%
J Geary	0.142%

TIMOR SEA - PUFFIN FIELD (Norwest 1.25% ORRI)

The Puffin Field, which is located within AC/P22 and governed by Production Licence AC/L6, covers a combined area of approximately 900km^2, and is situated in the Commonwealth waters of the southern Timor Sea. The Puffin Field is operated by Chinese major Sinopec Limited (60% interest) with AED Oil Limited (Subject to Deed of Company Arrangement) (AED - 40%).

Oil production from the Puffin Field ceased in 2009. Norwest still holds a 1.25% ORRI on any future production generated by Sinopec and AED from the AC/P22 permit area however any future royalty payments are highly unlikely given AC/P22 was surrendered by the operator in Q3 CY2014 and the AC/L6 petroleum production licence ceased to be in force with effect from 21 April 2015.

UNITED KINGDOM

P2265 (Blocks 98/7b, 98/8a and 98/12a) – Offshore Wessex Basin (Norwest 65%)

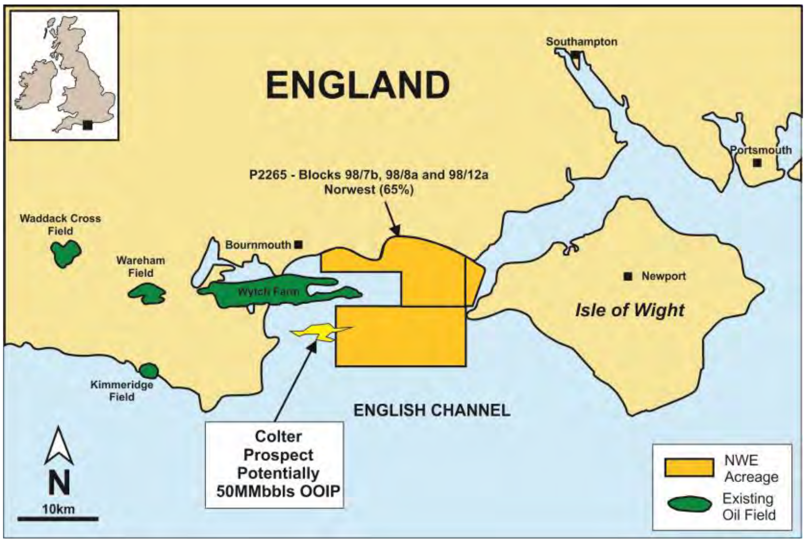


Figure 12. P2265 Permit Location Map

Permit P2265 lies to the east of the producing Wytch Farm oil field in Bournemouth Bay in southern England and includes conventional oil targets, with the ability for nearshore conventional targets to be drilled from onshore.

The Joint Venture holds a significant dataset over the area including 2D and 3D seismic, reprocessing of which is currently being carried out in the United States.

Time processing has been completed and depth processing is continuing. It is anticipated that this reprocessing will be finalised before the end of Q4 CY2015.

Immediately to the west of P2265 and straddling this permit is the Colter Prospect (operated by InfraStrata plc) which is estimated to have 50 MMbbls oil in place. The reprocessing of the historical 3D seismic data will further assist in determining how far this prospect extends into P2265.

Norwest and HALO have two years to reprocess the historical 3D seismic data, select a drillable target and find a suitable farm-in partner. At the end of this two year period, a commitment must be given to drill a well in the subsequent two years or relinquish the Licence.

P2265 Joint Venture

NWE Mirrabooka (UK) Pty Ltd	65%
Hague and London Oil (HALO)	35% (Administrator)

CORPORATE

Community Relations

Norwest has an ongoing policy of liaising with all relevant stakeholders, local community groups and the general public in ensuring transparency on project related matters.

During Q3 CY2015, Norwest participated in the Oil and Gas Expo, an event hosted by the Shire of Irwin to provide an opportunity for the local community to liaise directly with companies operating in the region. The event was well attended by companies, state and local government representatives, interest groups, service providers and members of the public.

Norwest continues to sponsor local community events, and is an active member of various committees and industry groups involved in communicating with relevant stakeholders, in order to earn the ongoing support and trust of our local communities.

Directors' Report

The Directors of Norwest Energy NL present their report consisting of Norwest Energy NL (“Norwest” or “the Company”), and its subsidiaries (“Consolidated entity” or “Group”), for the financial year ended 30 June 2015.

1. DIRECTORS AND OFFICERS
The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Mr Michael John Fry (Independent Non-Executive Chairman), BCom, FFin
Mr Fry, 57, became a Director of Norwest on 8 June 2009 and Chairman on 18 September 2009. Mr Fry has extensive experience in capital markets and corporate treasury, specialising in risk management. Mr Fry is the Non-Executive Chairman of Brookside Energy Ltd (previously Red Fork Energy Limited) (since April 2004) and Challenger Energy Limited (since January 2007). Past directorships include Killara Resources Limited (July 2008 to October 2012).

Mr Peter Lawson Munachen (Executive Director, CEO), FCA, FAICD
Mr Munachen, 69, became a Director of Norwest on 26 November 2003 and CEO on 3 December 2008. Mr Munachen is a Chartered Accountant and former partner in an international accounting practice and has considerable experience in the resources industry. Past directorships include Currie Rose Resources Inc. (March 2005 to December 2012) and East Africa Resources Limited (March 2010 to April 2015).

Mr Henry David Kennedy (Non-Executive Director), MA (Geology), SEG
Mr Kennedy, 79, became a Director of Norwest on 14 April 1997. Mr Kennedy 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, including Pan Pacific Petroleum NL, New Zealand Oil and Gas Limited (NZOG), Mineral Resources (NZ) Ltd and Otter Exploration NL. During his term as Executive Director of Otter, Pan Pacific and NZOG, these companies were involved in the discovery of the Tubridgi and South Pepper gas fields, North Herald and Chervil oil fields in Western Australia and the Kupe South and Rua oil/gas condensate fields in New Zealand. Mr Kennedy is also a Director of Pancontinental Oil & Gas NL (since August 1999). Past directorships include East Africa Resources Limited (March 2013 to April 2015).

Mr John Douglas Annand, (Company Secretary) B.Bus, CA, AGIA
Mr Annand was appointed to the position of Company Secretary on 30 June 2014. Mr Annand previously worked at Woodside Energy for 16 years, where he held a number of commercial and financial roles, most recently within the North West Shelf Venture. Mr Annand also previously worked at PricewaterhouseCoopers, KPMG, and NAB, and is a qualified Chartered Accountant and a Chartered Secretary.

2. DIRECTORS INTERESTS
As at the date of this report, the Director’s interests in the securities of the Company are as follows:

		Ordinary Shares	**Options over Ordinary Shares**
Mr Michael John Fry	(Non-Executive Chairman)	9,966,067	4,000,000
Mr Peter Lawson Munachen	(Executive Director, CEO)	20,105,084	8,000,000
Mr Henry David Kennedy	(Non-Executive Director)	40,949,262	4,000,000

3. EARNINGS PER SHARE

	2015	2014
Basic earnings per share	**(0.27)**	(0.21)
Diluted earnings per share	**(0.27)**	(0.21)

4. CORPORATE INFORMATION

Corporate Structure
Norwest Energy NL is a no liability Company that is incorporated and domiciled in Australia.

Nature of Operations and Principal Activities
The principal activity of the Consolidated entity during the course of the financial year was exploration for hydrocarbon resources.

Norwest is operator of the EP413 Joint Venture. There have been no significant changes in the nature of those activities during the year, other than as disclosed above.

4. CORPORATE INFORMATION (continued)

Objectives
Objectives of the Group include:

- continued exploration on the Company's current permits;
- seek new ventures suitable for inclusion in the Group's assets;
- manage risks involved in the exploration industry; and
- maintain liquidity.

The Group's targets and strategies for meeting the above objectives include:

- prepare work programmes best suited for exploration success;
- consider strategic alliances through joint ventures to minimise risks to the Group;
- focus on cost cutting in all non-essential areas; and
- review appropriate fundraising proposals.

Employees

The Consolidated Entity had five employees as at 30 June 2015 (2014: four employees).

5. OPERATING AND FINANCIAL REVIEW

Operations Summary
Review of Operations

In Australia, the Norwest Group holds the following interests:

- 27.945% in EP 413 (as operator);
- 20% in EP 368;
- 22.22% in EP 426;
- 6.278% in L14 Jingemia Oilfield;
- 100% of TP/15;
- 100% in EP492; and
- 100% in Special Prospecting Authority SPA-16 AO.

EP 413
During the year, Norwest successfully completed the Arrowsmith 3D seismic acquisition survey on behalf of the EP413 Joint Venture. The survey was designed to assess the extent of the resource surrounding the Arrowsmith-2 well, and to assist in defining the optimal location and target formation for Norwest's first horizontal well, Arrowsmith-3. The final decision on surface location, target formation and lateral extent will be made once the 3D seismic survey processing and interpretation cycle is complete, as a clear understanding of the subsurface geology is essential to this process.

TP/15
Norwest intends to farm-out TP/15 by seeking a "carry" through the exploration drilling phase whilst retaining a material interest in the permit. The Company is progressing discussions with Rey Resources Ltd and negotiations are underway to agree on the terms and conditions under which they may earn an interest in TP/15. Norwest has commenced the planning phase for drilling of Xanadu-1, located at the southern end of the permit. Independent interpretation conducted during the year combined with third-party research findings, supports the drilling of Xanadu-1.The timing of drilling Xanadu-1 is dependent upon a range of factors including government approvals process, rig availability and securing a suitable farm-out partner.

EP 368 / EP 426
An airborne geophysical survey was completed during the year by Empire Oil and Gas NL on behalf of the Joint Venture. The survey involved the acquisition of airborne gradiometric gravity data and will be used to identity exploration leads and prospects for drilling within both permits with final interpretation expected to be available by December 2015. Reprocessing of existing 2D seismic data was also conducted to ascertain if any improvement in seismic quality can be achieved, and if so the reprocessing will be extended to assist in maturing a drilling location(s).

EP492 (previously STP-EPA-00064)
The Western Australian Department of Mines and Petroleum ("DMP") awarded Exploration Permit EP492 to Norwest in November 2014. It has a six year term, with year one of the work program requiring geological studies, followed in year two with a 2D seismic survey. Data retrieval and interpretation of structural and depository history of the permit has been undertaken to assist with the evaluation of hydrocarbon prospectivity. The preliminary geological review of a geological lead suggests the potential for oil rather than gas.

SPA-16 AO
Norwest has applied to the DMP to convert the SPA to an Exploration Permit and has submitted a proposed six year minimum work program for consideration.

Operations Summary (continued)

L14 Jingemia Oilfield
The L14 production licence contains the Origin Energy operated Jingemia oil field. The Jingemia project has been placed under care and maintenance, leading to eventual abandonment and rehabilitation. Jingemia is estimated to have initially contained 12 million barrels of oil in place, with 4.6 million barrels produced to date.

United Kingdom

- 65% in P2265 – Offshore Wessex Basin

In November 2014, the UK Department of Energy and Climate Change awarded a Promote Licence over the offshore blocks within P2265. Norwest and Hague and London Oil Plc have two years to reprocess the historical 3D seismic data, select a drillable target and find a suitable farm-in partner. At the end of this two year period, a commitment must be given to drill a well in the subsequent two years or relinquish the licence.

Performance Indicators
Management and the Board monitor the Group's overall performance by:

- evaluating whether exploration activity and expenditure is adding value to the asset portfolio;
- analysis of financial budgets versus actual results; and
- the Company's share price.

The underlying drivers which contribute to the Company's performance and can be managed internally include a disciplined approach to reducing the Group's non-essential costs and allocating funds to those activities which will add shareholder value. The Company's share price is often influenced by factors outside the control of management and the Board, such as market conditions, however through effective communication between the Company and all of its stakeholders the Company can provide assurance that there are regular reviews in place to determine actions which should be implemented to increase Company performance.

Dynamics of the Business
The Board are focussed on Norwest developing its interests in existing acreage in Western Australia and the UK. Norwest seeks to farm out its interests where appropriate to de-risk its exposures and facilitate successful exploration and development.

Results of Operations
The net loss of the Consolidated entity for the year ended 30 June 2015 of $3,157,781 was higher than the loss of the prior year of $2,254,467. The main contributing factors were;

- exploration expenditure written off was substantially higher in the year ended 30 June 2015; $1,347,654 compared to $468,615 during the year ended 30 June 2014; and
- the Research and Development rebate received was lower in the year ended 30 June 2015; $426,462 compared to $818,565 received during the year ended 30 June 2014.

Financial Position
At 30 June 2015, the Group had cash reserves of $1.41m (2014: $3.34m) and no debt. Fundraising during the financial year raised $1.58m (before costs) from a share purchase plan and a placement. The proceeds were used to fund the Group's exploration activities and also to supplement working capital.

At 30 June 2015, the Group had net assets of $4.8m (2014: $6.5m) a decrease of $1.7m. This is largely attributable to:

- a decrease in cash and cash equivalents from $3.4 million to $1.4m primarily due to funds used during the year in relation to operating activities of $3.1m relating to exploration, evaluation, production, and administrative costs; and
- an increase in deferred exploration and evaluation asset from $3.8m to $4.7m due to expenditure incurred in conducting the 3D seismic acquisition survey over EP 413.

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS
In the opinion of Directors there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

7. SIGNIFICANT EVENTS AFTER THE BALANCE DATE
In the interval between the end of the financial year and the date of this report, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Directors' Report

8. LIKELY DEVELOPMENTS AND EXPECTED RESULTS
Likely developments in the operations of the Group that were not finalised at the date of this report included:

- Farm-out process with Rey Resources by seeking a “carry” through the exploration drilling phase for the Xanadu-1 campaign within TP/15.

Further information on likely developments in the operations of the Consolidated entity and the expected results of operations have not been included in this financial report because the Directors believe it would be likely to result in unreasonable prejudice to the Consolidated entity.

9. ENVIRONMENTAL REGULATION AND PERFORMANCE
Norwest has as one of its central tenets, a policy of fully complying with and surpassing the requirements for environmental management in whatever country/jurisdiction that it operates in. To this end Norwest has developed and implemented where appropriate the following:

- corporate environment policies and procedures that are communicated to and adhered to by all employees;
- environmental management systems and programmes relevant to each level of organisation based on but surpassing the level of standards applying in each jurisdiction;
- annual budgets for environmental systems implementation;
- plans for continuous monitoring and improvement;
- workforce training on environmental issues including assignment of management representatives and facilitators to monitor environmental systems;
- a set of quantitative objectives and targets aimed at continuous improvements which exceed legal compliance;
- continuous reviews of performance at different levels in the organisation and projects hierarchy; and
- a strategy for conducting impact-assessment surveys and periodic audits.

Native Title
There is the risk that native title, as established by the High Court of Australia’s decision in the Mabo case, exists over the land on which the Consolidated entity holds exploration permits. It is impossible at this stage to quantify the impact (if any), which native title may have on the operations of the Consolidated entity.

Past History
Norwest has historically met all environmental requirements through third parties and its partner companies. Accordingly, Norwest is conversant with environmental requirements and has developed a corporate environmental policy based on:

- government regulation and requirements;
- experience from past projects; and
- assistance from expert consulting groups.

10. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS
The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who has been an officer of the Company or Group for any liability caused as such by an officer and any legal costs incurred in defending an action for any liability.

During or since the end of the financial year, no amounts have been paid by the Company or Group in relation to the above indemnities. During the financial year, an annualised insurance premium was paid to provide adequate insurance cover for Directors and officers against any potential liability and the associated legal expenses of a proceeding.

11. DIVIDENDS
No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

12. REMUNERATION REPORT - Audited

This Remuneration Report, which forms part of the Directors' Report, outlines the remuneration of the Key Management Personnel ("KMP") of Norwest. For the purposes of this report, the KMP are the Directors and the CFO/Commercial Manager/Company Secretary.

Remuneration Policy
The Group's remuneration policy for its KMP has been developed by taking into account the size of the management team for the Group, the nature and stage of development of the current operations and market conditions and comparable salary levels for companies of a similar size and operating in a similar sector.

In addition, the Board in determining the remuneration policy for KMP places emphasis on the following: the Group is currently only undertaking exploration, appraisal and development activities, risks associated whilst undertaking these activities and other than profit from asset sales, the Company does not expect any profitable operations until sometime in the future.

Executive Remuneration
The Group's remuneration policy for its executive officers is to provide a fixed component and a performance based component (short and long term incentives). The Company aims to:

- reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company;
- align the interests of executives with those of shareholders and business objectives; and
- ensure total remuneration is competitive by market standards.

Fixed remuneration is reviewed regularly by the Board. The process consists of a review of Company and individual performance, relevant comparative remuneration externally and internally and, where appropriate external advice on policies and practices. It also takes into account any change to the scope of the role performed by the executive and any other relevant factors of influence.

The Group has chosen to provide Incentive Options to KMP as part of their remuneration and incentive arrangements in order to attract and retain their services and to provide incentive linked to performance of the Group. The Incentive Options have exercise prices at or above market share price (at the time of agreement/grant). As such, the Incentive Options granted are generally only of benefit if the KMP perform to the level whereby the value of the Group increases sufficiently to warrant exercising the Incentive Options granted.

The Company prohibits executives entering into arrangements to limit their exposure to Incentive Options granted as part of their remuneration package.

Employment Contracts with Executives
Mr Munachen, Chief Executive Officer, has an employment agreement with the Group which specifies the duties and obligations to be fulfilled by Mr Munachen in his role as Chief Executive Officer. The contract may be terminated by either party by giving three months' notice. No amount is payable in the event of negligence or incompetence in regard to the performance of duties. Mr Munachen receives a fixed remuneration component of $396,000 per annum.

Mr Annand, CFO, Commercial Manager, and Company Secretary, has an employment contract which specifies the duties and obligations to be fulfilled in his role. The contract may be terminated by either party by giving three months' notice. No amount is payable in the event of negligence or incompetence in regard to the performance of duties. Mr Annand receives a fixed remuneration component of $320,000 (including superannuation) per annum.

Non-Executive Director Remuneration
The Board's policy is for fees to Non-Executive Directors to be no greater than market rates for comparable companies for time, commitment and responsibilities and seeks to set remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whist incurring a cost which is acceptable to shareholders. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The non-executive directors receive a fixed fee for their services. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting (this is currently $400,000 per annum). Fees for Non-Executive Directors are not linked to the performance of the Group. However to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and given the current size, nature and opportunities of the Company, Non-Executive Directors may receive Incentive Options in order to secure their initial or ongoing holding and to retain their services.

Fees for the Chairman are presently $60,000 per annum (2014: $60,000) and fees for Non-Executive Directors are presently set at $50,000 per annum (2014: $50,000). These fees cover main board activities and Non-Executive Directors may receive additional remuneration for other services provided to the Company, including but not limited to, membership of committees.

The Company prohibits Non-Executives entering into arrangements to limit their exposure to Incentive Options granted as part of their remuneration package.

Relationship between Remuneration of KMP and Shareholder Wealth
During the Company's exploration and development phases, the Board anticipates that the Company will retain earnings (if any) and other cash resources for the exploration and development of its projects. Accordingly the Group does not have a policy with respect to the payment of dividends and returns of capital and thus there was no relationship between the Board's policy for determining the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company.

The Board did not determine the nature and amount of remuneration of the KMP by reference to changes in the Company's shares traded between the beginning and end of the financial years. However, as noted above certain KMP are granted Incentive Options which generally will be of greater value to KMP if the value of the Company's share price increases.

Relationship between Remuneration of KMP and earnings
As discussed above, the Company is currently undertaking exploration and development activities, and does not expect to be undertaking profitable operations until sometime in the future. Accordingly the Board does not consider earnings during the current and previous financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

Emoluments of Directors and Other KMP

	Short term Salary & Fees	Post-Employment Superannuation	Share-based Payments Options	Total	Performance related
	$	$	$	$	%
Directors					
Michael J Fry					
2015	**60,000**			**60,000**	**-**
2014	60,000	-	-	60,000	-
Peter L Munachen					
2015	**396,000**			**396,000**	**-**
2014	396,000	-	-	396,000	-
Henry D Kennedy					
2015	**50,000**			**50,000**	-
2014	50,000	-	-	50,000	-
Other KMP					
John D Annand					
2015	**299,550**	**18,784**	-	**318,334**	-
2014	269,725	17,775	85,000	372,500	24
TOTAL 2015	**805,550**	**18,784**	-	**824,334**	**-**
TOTAL 2014	775,725	17,775	85,000	878,500	

Options and rights granted to KMP
There were no options issued during this financial year. During the financial year ended 30 June 2014, the Company granted options for no consideration over unissued ordinary shares in the Company to the following executives as part of their remuneration.

	Number granted	Grant date	Fair value per option at grant date ($)	Exercise price per option ($)	Expiry date	Number of options vested during 2014
John D Annand	5,000,000	29 Jul 13	$0.017	$0.1155	28 Nov 16	5,000,000

Details of the values of options granted, exercised or lapsed for each KMP of the Group during the past two financial years are as follows:

	Value of Options granted (A) $	Value of Options exercised (B) $	Value of Options lapsed (C) $	Value of Options included in remuneration report $	Remuneration that consists of Options %
2015					
Michael J Fry	-	-	96,000	-	-
Peter L Munachen	-	-	159,999	-	-
Henry D Kennedy	-	-	96,000	-	-
2014					
John D Annand	85,000	-	-	85,000	24

A. The value of options granted in the year is the fair value of the options calculated at grant date using an appropriate option pricing model.
B. The value of options exercised during the year (if any) is calculated as the market price of the shares of the Company on the Australian Securities Exchange at the close of trading on the date the options were exercised after deducting the price paid to exercise the option.
C. The value of options that lapsed during the year (if any) represents the benefit forgone and is calculated at the date of option issue using an appropriate option pricing model.

For details on the valuation of the options, including models and assumptions used, please refer to Note 20 to the financial statements.

Option holdings of Key Management Personnel

	Held at 1 July	Granted as Remuneration	Exercised	Net Other Change	Vested and exercisable at 30 June
2015					
Michael J Fry	7,000,000	-	-	(3,000,000)	4,000,000
Peter L Munachen	13,000,000	-	-	(5,000,000)	8,000,000
Henry D Kennedy	7,000,000	-	-	(3,000,000)	4,000,000
John D Annand	5,000,000	-	-	-	5,000,000
2014					
Michael J Fry	7,000,000	-	-	-	7,000,000
Peter L Munachen	13,000,000	-	-	-	13,000,000
Henry D Kennedy	7,000,000	-	-	-	7,000,000
John D Annand	-	5,000,000	-	-	5,000,000
Ernest A Myers	1,750,000			(500,000)	1,250,000

Shareholdings of Key Management Personnel

	Held at 1 July	Purchases	Sales	Net Other Change	Held at 30 June
2015					
Michael J Fry	6,782,704	3,183,363	-	-	9,966,067
Peter L Munachen	10,554,998	9,550,086	-	-	20,105,084
Henry D Kennedy	37,765,900	3,183,362	-	-	40,949,262
John D Annand	1,500,000	20,161,291	-	-	21,661,291
2014					
Michael J Fry	5,782,704	1,000,000	-	-	6,782,704
Peter L Munachen	8,906,274	1,648,724	-	-	10,554,998
Henry D Kennedy	37,265,900	500,000	-	-	37,765,900
John D Annand	-	1,500,000	-	-	1,500,000
Ernest A Myers	419,998	35,000	-	-	454,998

Loans with KMP
No loans were provided to or received from Key Management Personnel during the year ended 30 June 2015 (2014: nil).

Other Transactions with KMP
Resource Services International (Aust) Pty. Ltd, a company of which Mr Munachen and Mr Myers are directors and beneficial shareholders, was paid $20,148 (2014: 333,302) for the provision of accounting, administration, secretarial and office services during the year, which was fully paid as of the reporting date. The services provided by Resource Services International (Aust) Pty Ltd were terminated with effect from 30 June 2014 and were instead performed by staff directly employed by Norwest Energy.

End of Remuneration Report.

Directors' Report

13. SHARE OPTIONS
At 30 June 2015 unissued ordinary shares under options were:

Expiry date	Exercise price	Number of options
25 August 2015	$0.036	1,650,000
26 May 2016	$0.065	1,000,000
28 November 2016	$0.1155	39,000,000
Total outstanding as at 30 June 2015		**41,650,000**

14. DIRECTORS' MEETINGS
The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

		Board meetings	
		Number eligible to attend	**Number attended**
Mr Michael John Fry	(Non-Executive Chairman)	1	1
Mr Peter Lawson Munachen	(Executive Director, CEO)	1	1
Mr Henry David Kennedy	(Non-Executive Director)	1	1

The directors are of the opinion that it is often more efficient to deal with matters by circular resolutions than by board meetings, as such five circular resolutions were signed and these resolutions addressed nine different matters.

Committee membership
As at the date of this report, the Company did not have any formal committees.

15. AUDITOR'S INDEPENDENCE DECLARATION
The auditor's independence declaration is set out on the following page and forms part of the Directors' Report for the year ended 30 June 2015.

16. NON-AUDIT SERVICES
The Company's auditor, Rothsay Chartered Accountants, did not provide any non-audit services during the year (2014: nil).

Signed in accordance with a resolution of the Directors.

Mr Michael John Fry

Non-Executive Director and Chairman

Perth 29 September 2015

ROTHSAY
Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Norwest Energy NL
PO Box 1264
West Perth WA 6872

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2015 financial statements; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Rolf Garda (Lead auditor) R Garda

Rothsay

Dated 29 September 2015

Corporate Governance Statement

This Corporate Governance Statement has been prepared on the basis of disclosure under the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("ASX Principles and Recommendations").

The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company. Where, after due consideration, the Company's corporate governance practices depart from the ASX Principles and Recommendations, the Board has offered full disclosure of the nature of and reason for the departure.

The Company's website www.norwestenergy.com.au contains a corporate governance section that includes copies of the Company's corporate governance policies and practices mentioned in this statement.

	Recommendation	Comply Yes/No
Principle 1 – Lay solid foundations for management and oversight		
1.1	Disclose the respective roles and responsibilities of the Board and management and disclose those matters expressly reserved to the Board and those delegated to management.	Yes
1.2	Undertake appropriate checks before appointing a Director or putting forward for their election and provide security holders with all material information in its possession relevant to their election or re-election as a director.	Yes
1.3	Written agreement with each director and senior executive setting out the terms of their appointment.	Yes
1.4	The Company Secretary should be accountable to the Board through the Chair, on all matters to do with the proper functioning of the Board.	Yes
1.5	Have a diversity policy with the measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them. The proportion of men and woman on the Board, Senior Management and the whole organisation should be disclosed.	Yes
1.6	Disclose a process for periodically evaluating the performance of the Board, its committees and individual directors and disclose whether a performance evaluation was undertaken during the reporting period.	Yes
1.7	Disclose a process for periodically evaluating the performance of the senior executives and disclose in relation to each reporting period whether an evaluation took place during the reporting period.	Yes
Principle 2 – Structure the Board to add value		
2.1	If the entity does not have a Nomination Committee disclose that fact and the processes it employs to address board succession issues and to ensure the Board has the correct mix of directors to enable it to discharge its duties and responsibilities effectively.	Yes
2.2	Disclose a Board skills matrix setting out the mix of skills and diversity that the Board has or would like to achieve.	Yes
2.3	Disclose the names of the independent Directors, along with the length of service of each director.	Yes
2.4	A majority of the Board should be independent.	No
2.5	The Chair of a Board should be an independent director, and should not be the same person as the CEO.	Yes
2.6	Have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes
Principle 3 – Act ethically and responsibly		
3.1	Establish a code of conduct for its directors, senior executives and employees.	Yes
Principle 4 – Safeguard integrity in corporate reporting		
4.1	If the entity does not have an Audit Committee disclose that fact and the processes it employs that independently safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Yes
4.2	Before the Board approves its' financial statements, it should receive from its CFO and CEO a declaration that in their opinion the financial records have been maintained properly and that the financial records comply with the appropriate accounting standards and the opinion has been formed on the basis of a sound system of risk management and internal control.	Yes
4.3	Ensure that its external auditor attends its AGM and is able to answer questions from security holders relevant to the audit.	Yes
Principle 5 – Make timely and balanced disclosure		
5.1	The entity should have a written policy for complying with its continuous disclosure obligations under the Listing Rules.	Yes

Corporate Governance Statement

Principle 6 – Respect the rights of the shareholders

6.1	Provide information about the entity and its governance to investors via its website.	Yes
6.2	Design and implement an investor relations program to facilitate effective two-way communication.	Yes
6.3	Disclose the policies and processes to facilitate and encourage participation at meetings of shareholders.	Yes
6.4	Give shareholders the option to receive and send communications to the entity and it share registry electronically.	Yes

Principle 7 – Recognise and manage risk

7.1	If the entity does not have a Risk Committee disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Yes
7.2	The Board should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and disclose when the review is undertaken.	Yes
7.3	If the entity does not have an internal audit function, disclose that fact and the processes it employs for evaluating and improving the effectiveness of its risk management and internal control processes.	Yes
7.4	Disclose whether it has any material exposure to economic, environmental and social sustainability risks and if it does, how it manages or intends to manage those risks.	Yes

Principle 8 – Remunerate fairly and responsibly

8.1	If the entity does not have a Remuneration Committee disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior management and ensuring that such remuneration is appropriate.	Yes
8.2	Separately disclose its policies and practices regarding the remuneration of non-executive directors, executive directors and other senior executives.	Yes
8.3	If the entity has an equity based remuneration scheme, it should have a policy on whether participants are permitted to enter into derivative or other transactions to limit their risk.	Yes

Further information required and non-compliance explanations

Recommendation 1. 5 - Diversity Policy with measurable objectives

The Company's primary objectives with regard to diversity are as follows:

- the Company's composition of the Board, executive, management and employees to be as diverse as practicable; and
- to provide equal opportunities for all positions within the Company and continue the Company's commitment to employment based on merit.

The measurable objectives set by the Company with regard to diversity have been met, as described below:

- blend of skills – wide range of backgrounds; geology, engineering, finance and corporate experience;
- cultural backgrounds – Australian, American and New Zealander;
- gender – both male and female members; and
- age – the age range spans over 25 years.

The above points relate to the composition of the Board and full time employees.

The Company's annual reporting on the percentage of females in the organisation is as follows:

	% Female	
	2015	2014
Full Time Employees	**80%**	75%
Executive Employees & Board Members	**20%**	20%

Recommendation 1.6 and 1.7 – Performance evaluation

During the year an evaluation of the Board and its individual directors was not carried out. The Board and management's suitability, overall structure and composition to carry out the Company's objectives is however, discussed and reviewed on an as-required basis.

Performance evaluation of the CEO, senior executives and employees is undertaken annually through a performance appraisal process which involves reviewing and assessment of performance against agreed corporate, industry and individual key performance indicators.

Corporate Governance Statement

Recommendation 2.1 – Nomination Committee

The Board does not have a separate Nomination Committee, rather the full Board considers those matters that would usually be the responsibility of a Nomination Committee. Given the size and composition of the Board, it is not practicable for a separate committee to be formed.

To assist it in carrying out its function in relation to nomination matters, the Board has adopted a Nomination Committee Charter which includes the following responsibilities:

- board succession planning;
- performance evaluation of the Board and individual directors;
- director induction and professional development; and
- appointment and re-election of directors.

Recommendation 2.2 – Board skills matrix – composition of the Board

The names of the Directors of the Company in office at the date of this statement and information regarding Director's skills, experience and expertise are set out in the Directors' Report. The Company seeks to maintain a Board which brings together a diverse range of skills, experience, and perspectives to support the strategic direction of the Company and enable effective management oversight and governance.

The below is the preferred combination of capabilities, skills and experience for the Board:

- technical disciplines of upstream oil and gas exploration, development and production;
- finance, taxation, treasury and accounting;
- company strategy and business planning;
- risk and governance knowledge;
- business growth and corporate development;
- corporate social responsibility including sustainability and community stakeholder;
- local and international experience; and
- ASX listed public company administration.

Each of these skills are currently represented on the Board and the Board considers that collectively it has the appropriate range of skills and experience to direct the Company.

Recommendation 2.3– Name of independent Directors and length of service of each Director

In considering the independence of a director, the "Factors relevant to assessing the independence of a director" in Box 2.3 of the ASX Principles and Recommendations ("Independence Criteria") have been applied. Mr Fry has been considered an independent Director, whilst Mr Munachen as an executive and Mr Kennedy a substantial shareholder are not considered independent.

The length of service of Messrs Fry, Munachen and Kennedy are six, eleven and seventeen years respectively.

Recommendation 2.4 – Majority of the Board should be independent

With only one of the three Directors considered to be independent, the Board does not have a majority of independent directors.

Given the size and scope of the Company's operations the Board considers that it is appropriately structured to discharge its duties in a manner that is in the best interests of the Company. Further, mechanisms are in place so that if a director considers it necessary, they may obtain independent professional advice.

Recommendation 4.1 – Audit Committee

The Board does not have a separate Audit Committee, rather the full board fulfils the function of an audit committee and therefore no separate audit committee has been formed in accordance with the compositional recommendation. Given the size and composition of the Board, it is not practicable that a separate audit committee be formed.

To assist it in carrying out its function in relation to audit matters, the Company has adopted an Audit Committee Charter to assist it to fulfil its role as the Audit Committee, which includes the following responsibilities:

- monitor and review the integrity of the financial reporting of the Company;
- review the Company's internal financial control system; and
- monitor, review and oversee the external audit function including matters concerning appointment, remuneration, independence and non-audit services.

The Charter provides that independent directors may meet with the external auditor.

Corporate Governance Statement

Recommendation 7.1 – Risk Committee

The Company believes that it is crucial for all Board members to be a part of overseeing the risk management process, and as such the Board has not established a separate committee to oversee risk. This along with the size and composition of the Board has meant that the full Board fulfils the function of a risk committee. The Board is responsible for reviewing the Company's policies on risk oversight and management and satisfying itself that management has developed a sound system of risk management and internal control.

Recommendation 7.2 – Risk Management Framework review

The Company takes a proactive approach to risk management. The Board is responsible for ensuring that risks and opportunities are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. The Company has a risk management policy in place.

The Board is ultimately responsible for risk management, however implementation of the risk management system and day-day management of risk is the responsibility of the CEO, with the assistance of senior management. Management reports to the Board annually, or more frequently as required, on the Company's key risks and the extent to which it believes these risks are being managed. During 2015, the Board reviewed the overall risk profile for the Company and received input from management on the effectiveness of the Company's management of its material business risks.

The Board has a number of active mechanisms in place to ensure that management's objectives and activities are aligned with the business risks identified. These include the following:

- Implementation of approved operating plans and cash flow forecasts and Board monitoring of progress against these plans and forecasts;
- Management reporting on specific business risks, including matters such as environmental issues and occupational health and safety concerns.
- The Company has advised each director, manager and employee that they must comply with a set of ethical standards maintaining appropriate core company values and objectives. Such standards ensure shareholder value is maintained and developed. Standards cover legal compliance, conflict resolution, employment best practices, privileged information and fair dealing.

Recommendation 7.3 – Internal Audit function or process for reviewing internal controls

The Company does not have a dedicated internal audit function, however strong internal control policies and procedures are in place to effectively manage potential risks and detect any control breakdowns. These are reviewed (and if necessary improved) on an annual basis, as well as when any new risks are identified or changes occur in the business or industry.
The processes for the review are as follows:

- External auditors independently evaluating the Company's internal control environment and its compliance with the International Financial Reporting Standards on an annual basis;
- Ongoing oversight of strategic matters by executive management and of operational matters ensuring that risks identified are assessed and proactively managed;
- Written internal control assurance from the CEO and CFO prior to sign off of financial statements by the Board; and
- Monthly reporting and review of financial and budgetary information.

Recommendation 7.4 – Material exposure to economic, environmental and social sustainability risks

The Company has identified a series of business risks (economic, environmental and social sustainability risks) which the Group believes to be inherent in the industry.

<u>Economic risks</u>

- *Ability to gain additional funding or a farm-out partner*

The Company is not in production as yet and the development of its permits will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and any development or a loss of interest. However, the Board is experienced in capital markets and financing resource projects as well as having an extensive reach for potential farm-in partners.

There are various other economic risks including; commodity risk, exchange rate risk and market risk (which are examined in Note 23).

<u>Environmental and social sustainability risks</u>

- *Impact on the environment and community from Company activities*

The Board and management are committed to developing and building a sustainable business, ensuring the Company is an active and responsible member of the communities in which we operate. Corporate environmental policies and procedures are in place and communicated to and adhered to by all employees.

External impact-assessment surveys and audits are conducted using third-party consultants who are specialists in their field. This was the case during the 2015 financial year, specifically in relation to the EP413 Arrowsmith 3D seismic survey.

- *Native title risk in relation to claims over the permits held by the Company*

Norwest works closely with the respective parties associated with any claim to come to a mutually beneficial agreement.

Corporate Governance Statement

Recommendation 8.1 – Remuneration Committee

The Board does not have a separate Remuneration Committee, rather the full Board fulfils the function of a remuneration committee and therefore no remuneration committee has been formed in accordance with the compositional recommendation. Given the size and composition of the Board, it is not practicable that a separate remuneration committee be formed.

To assist it in carrying out its function in relation to remuneration matters, the Company has adopted a Remuneration Committee Charter to assist it to fulfil its role as the Remuneration Committee, which states the function of the committee is to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making appropriate recommendations on:
- Remuneration packages of directors and senior executives; and
- Employee incentive and equity-based plans.

Recommendation 8.2 – Remuneration policies and practices

The Company's remuneration policy has been developed by taking into account the size of the management team, the nature and stage of development of the current operations and market conditions and comparable salary levels for companies of a similar size and operating in a similar sector.

For details of the Company's policies and practices regarding the remuneration of directors and senior executives refer to the Remuneration Committee Charter on the Company's website as well as the Remuneration Report included within the Directors' Report which includes the remuneration paid to Key Management Personnel and other relevant information.

Recommendation 8.3 – Transactions to limit exposure to economic risk from participating in equity-based remuneration schemes

The Company prohibits executives entering into arrangements to limit their exposure to Incentive Options granted as part of their remuneration package.

Consolidated Statement of Profit or Loss and other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $	2014 $
Continuing operations			
Financing income	**4**	**28,038**	67,362
Operating costs	**11**	**(64,988)**	(80,132)
Depletion expense		**(13,937)**	-
Joint venture management recharges		**149,588**	155,820
Research and development rebate		**426,462**	818,565
Directors' remuneration		**(506,000)**	(538,000)
Personnel expenses	**5**	**(1,039,966)**	(759,875)
Personnel expenses recovery	**5**	**216,563**	194,926
Administrative expenses		**(598,825)**	(955,917)
Audit fees	**22**	**(46,444)**	(41,413)
Corporate advisory and promotion		**(247,677)**	(253,976)
Non administrative expenses		**(155,326)**	(319,770)
Depreciation expense	**10**	**(15,298)**	(19,273)
Exploration expenditure impairment	**11**	**(1,347,654)**	(468,615)
Share based payments expense	**19**	**-**	(85,000)
Net loss for the year		**(3,215,464)**	(2,285,298)
Other comprehensive income			
Exchange differences on translation of foreign operations		**60,016**	32,497
Net change in fair value of available-for-sale financial assets transferred to profit or loss		**(2,333)**	(1,666)
Total other comprehensive loss for the year, net of tax		**(3,157,781)**	(2,254,467)
Basic earnings per share (cents per share)	**21**	**(0.27)**	(0.21)
Diluted earnings per share (cents per share)	**21**	**(0.27)**	(0.21)

The above Consolidated Statement of Profit or Loss and Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2015

	Notes	2015 $	2014 $
Current Assets			
Cash and cash equivalents	7	**1,412,191**	3,379,658
Trade and other receivables	8	**129,876**	138,129
Total Current Assets		**1,542,067**	3,517,787
Non-Current Assets			
Other financial assets	8	**25,000**	3,762
Investments	9	**1,000**	3,333
Property, plant and equipment	10	**36,072**	30,301
Deferred exploration, evaluation and development costs	11, 12, 13	**4,749,065**	3,781,514
Total Non-Current Assets		**4,811,137**	3,818,910
TOTAL ASSETS		**6,353,204**	7,336,697
Current Liabilities			
Trade and other payables	14	**501,915**	377,102
Provisions	15	**43,452**	31,070
Total Current Liabilities		**545,367**	408,172
Non-Current Liabilities			
Provisions	16	**975,222**	408,893
Total Non-Current Liabilities		**975,222**	408,893
TOTAL LIABILITIES		**1,520,589**	817,065
NET ASSETS		**4,832,615**	6,519,632
Equity			
Share capital	17	**54,953,620**	53,482,856
Reserves	18	**1,672,348**	2,024,347
Accumulated losses	19	**(51,793,353)**	(48,987,571)
TOTAL EQUITY		**4,832,615**	6,519,632

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements

Consolidated Statement of Changes in Equity

AS AT 30 JUNE 2015

	Share Capital $	Option Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2014	**53,482,856**	**2,024,347**	**(48,987,571)**	**6,519,632**
Profit or loss	**-**	**-**	**(3,215,464)**	**(3,215,464)**
Other comprehensive loss for the year	**-**	**-**	**57,683**	**57,683**
Total comprehensive loss for the year	**-**	**-**	**(3,157,781)**	**(3,157,781)**
Shares issued (net of costs)	**1,470,764**	**-**	**-**	**1,470,764**
Share options expired / exercised	**-**	**(351,999)**	**351,999**	**-**
Balance at 30 June 2015	**54,953,620**	**1,672,348**	**(51,793,353)**	**4,832,615**
Balance at 1 July 2013	49,717,027	2,032,797	(46,826,556)	4,923,268
Profit or loss	-	-	(2,285,298)	(2,285,298)
Other comprehensive loss for the year	-	-	30,831	30,831
Total comprehensive loss for the year			(2,254,467)	
Share based payments expense	-	85,000	-	85,000
Shares issued (net of costs)	3,765,829	-	-	3,765,829
Share options expired / exercised	-	(93,450)	93,452	2
Balance at 30 June 2014	53,482,856	2,024,347	(48,987,571)	6,519,632

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2015	Notes	2015 $	2014 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		**(1,090,375)**	(1,647,830)
Interest received		**28,038**	66,652
Net Cash Flows from /(used in) Operating Activities	24	**(1,062,337)**	(1,581,178)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		**(26,249)**	(14,546)
Expenditure on oil & gas interests		**(2,370,810)**	(1,433,626)
Payments for refundable deposits		**(25,000)**	-
Net Cash Flows from /(used in) Investing Activities		**(2,422,059)**	(1,448,172)
Cash Flows from Financing Activities			
Proceeds from issues of ordinary shares		**1,580,000**	3,863,800
Payment of share issue costs		**(123,087)**	(97,971)
Net Cash Flows from /(used in) Financing Activities		**1,456,913**	3,765,829
Net Increase/(Decrease) in Cash and Cash Equivalents		**(2,027,483)**	736,479
Cash and cash equivalents at 1 July		**3,379,658**	2,610,682
Effects of exchange rate changes on cash held		**60,016**	32,497
CASH AND CASH EQUIVALENTS AT 30 JUNE	7	**1,412,191**	3,379,658

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

1. Corporate Information
Norwest Energy NL ("Norwest" or the "Company") is a Company incorporated and domiciled in Australia whose shares are publicly listed on the Australian Securities Exchange ("ASX"). The Company's registered address is Level 2, 6 Thelma Street, West Perth, WA 6005.

The Consolidated financial report for the financial year ended 30 June 2015 comprises the Company and its consolidated entities (together referred to as the ("Consolidated entity" or "Group").

2. Significant accounting policies
The significant accounting policies adopted in preparing the financial report of the Group are to assist in a general understanding of the financial report. The policies have been applied consistently to all years presented in the consolidated financial report. Certain comparative amounts may have been reclassified to conform to the current year's presentation.

(a) Basis of Preparation
The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs"), including Australian interpretations adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The financial report also complies with International Reporting Standards as issued by the International Accounting Standards Board.

The financial report has been prepared on the historical cost basis except for share based payments and available for sale investments which have been measured at fair value. Share based payments are valued using appropriate option pricing formulas. Investments are valued based on the quoted closing price of that security at balance date.

The financial report is presented in Australian dollars which is the Company's functional currency.

The consolidated financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

(b) Statement of Compliance
(i) New and amended standards adopted by the Company
The Company has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current annual reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the first time for the annual reporting period commencing 1 July 2014 that are relevant to the Company include:

- AASB 2013-3 *Amendment to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*; and
- AASB 2014-1 *Amendments to Australian Accounting Standards*.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior years. However, the above standards have affected the disclosures in the notes to the financial statements.

(c) Basis of Consolidation
(i) Subsidiaries
Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

(ii) Joint ventures
Joint ventures are those entities over whose activities the consolidated entity has joint control, established by contractual agreement and requiring majority consent for strategic financial and operating decisions.

Jointly controlled operations and assets
The interest of the Company and of the Consolidated entity in unincorporated joint ventures and jointly controlled assets are brought to account by recognising in its financial statements if material the assets it controls, the liabilities that it incurs, the expenses it incurs and its share of income that it earns from the sale of goods or services by the joint venture.

(iii) Transactions eliminated on consolidation
Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Gains and losses are recognised as the contributed assets are consumed or sold by the associates and jointly controlled entities or, if not consumed or sold by the associate or jointly controlled entity, when the consolidated entity's interest in such entities is disposed of.

(d) Use of estimates and judgements
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies have been included in the notes and accounting policies (2) section for the following:

- Impairment of exploration and evaluation assets 2(h)(ii)
- Site restoration provision 2(i)
- Accounting for exploration and evaluation assets 2(r)(i)
- Depletion of development assets 2(r)(ii)
- Share based transactions 2(j)(iii)

(e) Foreign currencies
(i) Foreign currency translation
Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate prevailing at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates prevailing at the dates the fair value was determined.

(ii) Functional currency
These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the majority of the Group.

(f) Financial instruments
(i) Non-derivative financial instruments
Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents and other trade payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Consolidated entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Consolidated entity's contractual rights to cash flows from the financial assets expire or if the Consolidated entity transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Consolidated entity commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Consolidated entity's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise of cash balances at bank and petty cash on hand.

Accounting for finance income and expense are discussed in the notes. Other non-derivative financial instruments are measured at amortised cost using effective interest method, less any impairment costs.

(ii) Derivative Financial instruments
The Consolidated entity has not used derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks.

(g) Property, plant and equipment
(i) Owned assets
Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see accounting policy (h)). Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Depreciation
Depreciation is provided on a diminishing value basis on all property, plant and equipment.

Major depreciation rates are:

	2015	2014
Plant and equipment	**30%**	30%

(h) Impairment
(i) Financial assets
A financial asset is considered to be impaired if objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. All impairment losses are recognised in the income statement. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(ii) Non-financial assets
The carrying amounts of the Consolidated entity's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate which reflects current market assessments of the time value of money and risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The ultimate recoupment of the value of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternately, sale, of the underlying mineral exploration properties. The Group undertakes at least on an annual basis, a comprehensive review for indicators of impairment of these assets. Should an indicator of impairment exist, there is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of estimation and judgement that are considered in this review include: (i) recent drilling results and reserves and resource estimates; (ii) environmental issues that may impact the underlying tenements; (iii) the estimated market value of assets at the review date; (iv) independent valuations of underlying assets that may be available; (v) fundamental economic factors such as commodity prices, exchange rates and current and anticipated operating costs in the industry; and (vi) the Group's market capitalisation compared to its net assets.

(i) Share capital
Transaction costs
Transaction costs of an equity transaction are accounted for as a deduction from equity.

(j) Employee benefits
(i) Long-term service benefits
The Consolidated entity's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the Consolidated entity's obligations.

(ii) Wages, salaries, annual leave, sick leave and non-monetary benefits
Liabilities for employee benefits including wages, salaries, annual leave and sick leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Consolidated entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. The Consolidated entity does not provide any non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services.

(iii) Share-based payment transactions
The share option programme allows Consolidated entity directors, employees and key consultants to acquire shares of the Company through exercising options granted. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees or consultants become unconditionally entitled to the options. The fair value of the options granted is measured based on an appropriate formula, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting. In addition, a probability factor of vesting is taken into account when calculating their theoretical fair value using the option pricing model.

(k) Provisions
A provision is recognised in the balance sheet when the Consolidated entity has a present legal or constructive obligation that can be estimated reliably as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(i) Site restoration
In accordance with the Consolidated entity's published environmental policy and applicable legal requirements, a provision for restoration costs in respect of well abandonment and restoring contaminated land are capitalised and amortised as an expense based on the expected date of restoration.

The provision is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. Future restoration costs are reviewed annually and any changes are reflected in the present value of the restoration provision at the end of the reporting period.

(l) Revenue

(i) Goods sold
Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

(ii) Royalty income
Royalty income is accounted for on an accrual basis based on the pattern in which the Consolidated entity's right to future economic benefit from its interests is accumulated and received.

(m) Income tax
Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting, nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

(n) Finance income and expense
Finance income comprises of interest income on funds invested, (including available-for-sale financial assets) and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions and impairment losses recognised on financial assets. All borrowing costs are recognised using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

(o) Segment reporting
A segment is a distinguishable component of the Consolidated entity that is engaged in providing products or services within a particular economic environment (geographical segment), or in providing related products or services (business segments). Each segment is subject to risks and rewards that are different from those of other segments.

(p) Goods and services tax
Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(q) Earnings per share
The Consolidated entity presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of dilutive potential ordinary shares, which comprise convertible notes and share options granted.

(r) Critical accounting estimates and judgements

(i) Exploration and evaluation assets
Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Consolidated entity has obtained the legal rights to explore an area are recognised in the income statement.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or

(ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest continue.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy (h)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of oil and gas resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation phase assets to production phase assets within deferred exploration evaluation and development costs. Assessments of impairment are covered in the notes to the financial statements.

(ii) Depletion of development assets
The Consolidated entity depletes development assets based on continual assessments of future economic benefit and estimated reserves remaining taking into account quantity/units of commodity extracted in that reporting period. Rates of depletion of production phase assets are not fixed and vary as estimated reserves figures are recalculated and more accurate information becomes available. Rates of depletion reflect the rate at which future economic benefit has been extinguished from the asset over that reporting period.

(s) Determination of fair values
A number of the Consolidated entity's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes to the financial statements specific to that asset or liability.

(t) Trade and other receivables
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at reporting date.

(u) Share based payment transactions
The fair value of employee stock and other options is measured using an appropriate option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk free interest rate (based on Government bonds).

Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

3. Segment reporting

The Group has adopted AASB 8 *Operating Segments* which requires operating segments to be identified on the basis of internal reports of the Group that are reviewed by the chief operating decision-maker in order to allocate resources to the segment and to assess its performance.

The Board of Norwest reviews internal reports prepared as Consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. During the period the Group operated predominately in one business segment, being the oil and gas sector. Accordingly under the management approach outlined only one operating sector has been identified and no further disclosures are required in the notes to the Consolidated financial statements.

4. Financing income

	2015	2014
	$	**$**
Interest	**28,038**	67,362
	28,038	67,362

5. Expenses

	2015	2014
	$	**$**
Salary and wages	**(912,681)**	(653,408)
Superannuation	**(65,625)**	(45,185)
Payroll tax	**(34,887)**	(36,469)
Increase /(decrease) in liability for annual leave	**(12,382)**	(12,884)
Increase /(decrease) in liability for long service leave	**(14,391)**	(11,929)
	(1,039,966)	**(759,875)**

The Company received recoveries of $216,563 (2014: $194,926) against the above salaries expense by way of joint venture recharges.

The increase in salary and wages expense during the year has been more than offset by the reduction in fees paid to Resources Services International (Aust) Pty Ltd, (2015: $20,148, 2014: $333,302) as a result of finance and company secretarial services being performed in-house from 1 July 2014.

6. Income tax expense

	2015	2014
	$	**$**
(a) The major components of income tax expense are:		
Income statement		
Current income tax:		
Current income tax benefit	1,219,156	1,152,880
Deferred income tax:		
Relating to origination and reversal of temporary differences	(149,882)	(256,470)
Unused tax losses not recognised as a DTA	(1,069,274)	(896,410)
Income tax (expense) /income reported in the income statement	-	-

6. Income tax expense (continued)

The aggregate amount of income tax attributable to the financial period differs from the amount calculated on the operating loss. The differences are recorded as follows:

	2015	2014
	$	**$**
Accounting loss	**(3,157,781)**	(2,254,468)
Prima facie tax payable at 30%	**(947,334)**	(676,340)
Add tax effect of items not brought to account:		
Non-deductible and non-assessable permanent items	**(121,939)**	(220,069)
Tax losses not bought to account	**1,069,273**	896,409
Income tax expense	**-**	-

(b) Deferred income tax

Deferred income tax at 30 June relates to the following:		
Deferred tax liabilities		
Tax effect of exploration expenses	**1,370,515**	1,227,353
Set-off against carry forward tax losses	**(1,370,515)**	(1,227,353)
Deferred tax liability balance	**-**	-
Deferred tax assets		
Tax value of carry forward losses	**11,144,553**	10,567,388
Set-off against deferred tax liability	**(1,370,515)**	(1,227,353)
Non-recognition of deferred tax assets	**(9,774,038)**	(9,340,035)
Deferred tax asset balance	**-**	-

(c) Tax losses

Deferred tax assets		
Tax losses – revenue	**7,853,122**	8,443,110
Tax losses - capital	**2,123,916**	2,124,278
	9,977,038	10,567,388

At 30 June 2015, the Consolidated entity has $37,148,511 (2014: $35,224,627) of tax losses that are available indefinitely for offset against future taxable profits of the Company. With the exception of the amounts recognised above, a net deferred tax asset balance has not been recognised on the Statement of Financial Position in respect of the amount of these losses.

The recognition and utilisation of losses is subject to the loss recoupment rules being satisfied. The potential deferred tax asset will only be obtained if:

- assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised or the benefit can be utilised by the Company and/or the Consolidated entity providing that;
- the conditions for deductibility imposed by the law are complied with; and
- no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

(d) Tax consolidation legislation

The Company had not elected to consolidate for tax purposes at balance date.

7. Cash and cash equivalents

	2015	2014
	$	**$**
Bank balances	**653,901**	1,659,217
Cash on deposit	**758,290**	1,720,441
	1,412,191	3,379,658

8. Trade and other receivables

	2015	2014
	$	$
Current		
Trade and other receivables	**99,226**	72,161
Goods and services tax	**14,750**	34,051
Prepayments	**15,900**	31,917
	129,876	138,129
Non-current		
Security bond on leased premises	**25,000**	3,762
	25,000	3,762

9. Investments

	2015	2014
	$	$
Non-current		
Available for sale investments held at fair value	**1,000**	3,333
	1,000	3,333

At 30 June 2015, the Group held 333,333 fully paid ordinary shares in Oil Basins Ltd (ASX: OBL) (2014: 333,333).

10. Property, plant and equipment

	$
Cost	
Balance at 1 July 2014	**216,261**
Additions	**21,068**
Balance at 30 June 2015	**237,329**
Balance at 1 July 2013	267,962
Sale /Disposal /Write Down of PPE - Cost	(73,987)
Additions	22,286
Balance at 30 June 2014	216,261
Accumulated depreciation	
Balance at 1 July 2014	**185,959**
Depreciation expense per P&L	**15,298**
Balance at 30 June 2015	**201,257**
Balance at 1 July 2013	240,674
Sale /Disposal /Write Down of PPE – Acc Depn	(73,207)
Depreciation expense per P&L	19,273
Less Book value on Disposal	(781)
Balance at 30 June 2014	185,959
Carrying amounts	
At 30 June 2015	**36,072**
At 30 June 2014	30,301

11. Deferred exploration, evaluation and development costs

	2015	2014
	$	$
Exploration and evaluation assets carried forward in respect of mining areas of interest		
Exploration and evaluation phase:		
Exploration and evaluation expenditure at 1 July	**3,781,514**	2,926,613
Capitalised expenditure during the year	**2,281,431**	1,484,516
Exploration expenditure written off	**(1,313,880)**	(599,615)
Recoveries	**-**	(30,000)
Balance at 30 June	**4,749,065**	3,781,514
Production phase:		
Development costs at 1 July	**-**	-
Expenditure during the year	**98,762**	(50,868)
Operating costs to P&L	**(64,988)**	(80,132)
Production expenditure written off	**(33,774)**	131,000
Balance at 30 June	**-**	-
Total	**4,749,065**	3,781,514

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest. This is assessed at balance date on an annual basis.

12. Joint venture

Permit	**Country**	**Interest held at balance date**
EP 368	Australia	20.00%
EP 426	Australia	22.22%
EP 413	Australia	27.945%
L14	Australia	6.278%
TP/15	Australia	100.00%
EP492	Australia	100.00%
P2265	UK	65.00%

13. Exploration expenditure commitments

	2015	2014
	$	$
Within one year	**6,820,770**	6,211,323
One year or later and no later than five years	**12,783,321**	14,559,390
Later than five years	**89,424**	-
	19,693,515	20,770,713

In order to maintain current rights of tenure to exploration permits, the Consolidated entity is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various Governments. These obligations are subject to renegotiation. These obligations are not provided for in the financial report.

14. Trade and other payables

	2015	2014
	$	$
Trade creditors	**131,057**	108,406
Accrued expenses	**339,741**	209,453
Goods and services tax	**8,259**	13,006
Other payables	**22,858**	46,237
	501,915	377,102

15. Provisions - current

	2015	2014
	$	$
Current		
Provision for annual leave	**43,452**	**31,070**
	43,452	**31,070**

16. Provisions – non-current

	2015	2014
	$	$
Balance at 1 July	**408,893**	396,964
Movements during the year:		
Permit L14 site restoration (1)	**13,938**	-
Employee benefits – Long service leave	**14,391**	11,929
Finder Exploration (2)	**538,000**	-
Balance at 30 June	**975,222**	408,893

(1): The provision for site restoration relates to production permit L14 Jingemia. It is reassessed on an annual basis and reflects the Company's share of the present value of restoration costs.

(2): The provision in relation to Finder Exploration Pty Ltd ("Finder") relates to part of the consideration for the purchase from Finder of Finder No.5 Pty Ltd, the applicant for an Exploration Permit over the SPA-16 AO area. Upon completion of the transaction the Company is to pay Finder for past costs incurred on SPA-16 AO and for assistance in obtaining the grant of the Exploration Permit.

17. Contributed equity

	2015	2014
	$	$
(a) Issued and Unissued capital		
1,440,454,999 fully paid ordinary shares **(**30 June 2014: 1,103,140,782)	**54,953,620**	53,482,856

17. Contributed equity (continued)

(b) Movements in Ordinary Shares during the past two years

Date	Details	No. of Ordinary Shares	Issue price $	$
01-Jul-14	**Opening Balance**	**1,103,140,782**	**-**	**53,482,856**
03-Nov-14	Acquisition of controlled entity	2,000,000	0.001	20,000
25-Mar-15	Share purchase plan	156,617,685	0.004712	737,982
25-Mar-15	Share purchase plan - shortfall	55,606,549	0.004712	262,018
25-Mar-15	Share placement	16,977,929	0.004712	80,000
03-June-15	Share placement	53,056,027	0.004712	250,000
11-Jun-15	Share placement	53,056,027	0.004712	250,000
30-Jun-15	Share issue costs	-	-	(129,236)
30-Jun-15	**Closing balance**	**1,440,454,999**	**-**	**54,953,620**
01-Jul-13	Opening Balance	**974,347,449**		**49,717,027**
02-Sep-13	Share purchase plan	95,460,000	0.03	2,863,800
02-Sep-13	Share purchase plan - shortfall	33,333,333	0.03	1,000,000
30-Jun-14	Share issue costs	-	-	(97,971)
30-Jun-14	**Closing balance**	**1,103,140,782**	**-**	**53,482,856**

18. Reserves

	2015	**2014**
	$	**$**
Share based payment reserve	**1,672,348**	2,024,347
	1,672,348	2,024,347

(a) Nature and purpose

The share based payment reserve is used to record the fair value of Incentive Options issued by the Group.

(b) Movements in share-based payments reserve during the past two years

	Number of options 2015	**Number of options 2014**	**$ 2015**	**2014**
Opening balance	**52,650,000**	51,150,000	**2,024,347**	2,032,797
Expired during the period	**(11,000,000)**	(3,500,000)	**(351,999)**	(93,450)
Exercised during the period	-	-	-	
Granted during the period	-	5,000,000	-	85,000
Closing balance	**41,650,000**	52,650,000	**1,672,348**	**2,024,347**

The Incentive Options are granted based upon the following terms and conditions:

Grant date	Entitlement	Number of options	Exercising Conditions	Exercise Price $	Life of Options
31 Aug 10	Key management & employees	1,650,000	Vest immediately 50% exercisable after 6 months and 50% exercisable after 12 months	0.036	5 years
27 May 11	Key management & employees	1,000,000	Vest immediately 50% exercisable after 6 months and 50% exercisable after 12 months	0.065	5 years
29 Nov 12	Directors	16,000,000	Vest immediately 50% exercisable after 6 months and 50% exercisable after 12 months	0.1155	4 years
from 7 Feb 13	Key management, employees & consultants	23,000,000	Vest immediately 50% exercisable after 6 months and 50% exercisable after 12 months	0.1155	4 years and less
		41,650,000			

19. Accumulated Losses

	2015 $	2014 $
Balance at 1 July	**(48,987,571)**	(46,826,556)
Net loss for the year attributable to members of Norwest Energy NL	**(3,215,464)**	(2,285,298)
Other comprehensive income	**57,683**	30,831
Transfer of reserves due to cancelled incentive options	**351,999**	93,452
Balance at 30 June	**(51,793,353)**	(48,987,571)

20. Share-based payments

(a) Recognised Share-based Payments Expense

The Group provides Incentive Options to officers, employees and consultants as part of remuneration and incentive arrangements from time to time. The number of options granted and the terms of the options are determined by the Board. Shareholder approval is sought where required. During the past two years, the following equity settled share-based payments have been recognised:

	2015 $	2014 $
Expense arising from equity-settled share-based payment transactions	-	85,000
	-	85,000

(b) Summary of Incentive options granted as Share-based payments

The following table illustrates the number and weighted average exercise prices ("WAEP") of Incentive Options granted as share-based payments at the beginning and end of the financial year.

	Number 2015	WAEP 2015	Number 2014	WAEP 2014
Outstanding at the beginning of year	**52,650,000**	**0.0997**	51,150,000	0.0950
Expired during the year	**(11,000,000)**	**0.0554**	(3,500,000)	0.0530
Exercised during the year	-	-	-	-
Granted during the year	-	-	5,000,000	0.1155
Outstanding and exercisable at end of year	**41,650,000**	**0.1111**	52,650,000	0.0997

(c) Valuation models and key assumptions used

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Binomial option valuation model taking into account the terms and conditions upon which the options were granted.

The table below lists the inputs to the valuation model used for the share options granted by the Group that are currently on issue and outstanding at the end of year:

	2014	2013	2011 plan	2010 plan
Number of options	5,000,000	34,000,000	1,000,000	1,650,000
Fair value at grant date	$0.017	$0.044	$0.0435	$0.029
Share price at grant date	$0.038	$0.077	$0.039	$0.032
Exercise price	$0.1155	$0.1155	$0.065	$0.036
Expected volatility[1]	90.00%	90.00%	106%	121%
Expected life[2]	4.0 years	4.0 years	5.0 years	5.0 years
Dividend yield (%) [3]	Nil	Nil	Nil	Nil
Risk-free interest rate	2.8%	2.8%	4.7%	4.97%

[1]: The expected volatility is indicative of future trends, which may not necessarily be the actual outcome.

[2]: The dividend yield reflects the assumption that the current dividend pay-out will remain unchanged.

[3]: The expected life of the options is based on the expiry date of the options as there is limited track record of early exercise of options.

(d) Weighted Average Remaining Contractual Life

As 30 June 2015, the weighted average remaining contractual life of Incentive Options on issue that had been granted as share-based payments was 1.35 years (2014: 1.8 years).

(e) Range of Exercise Prices

At 30 June 2015, the range of exercise prices of Incentive Options granted as share-based payments is $0.036 to $0.1155 (2014: $0.036 to $0.1155).

(f) Weighted average Fair Value

The weighted average fair value of Incentive Options granted as share-based payments by the Group is $0.1111 (2014: $0.017).

21. Earnings per share

The following reflects the income and share data used in the calculations of the basic and diluted earnings per share:

	2015	2014
	$	$
Loss attributable to ordinary shareholders	**(3,157,781)**	(2,254,467)
	Number of Ordinary Shares	**Number of Ordinary Shares**
Weighted average number of shares at 30 June	**1,170,496,044**	1,079,827,248

Diluted earnings per share

There is no material dilutive effect therefore diluted earnings per share is equal to basic earnings per share.

22. Audit fees

	2015	2014
	$	$
Australia – Rothsay Chartered Accountants	**(36,500)**	(37,500)
Audit and review of Group financial report		
United Kingdom – Geoffrey Cole & Co	**(9,944)**	(3,913)
Preparation of UK subsidiary financial reports		
	(46,444)	(41,413)

23. Financial risk management

(a) Overview:

The Group's principal financial instruments comprise receivables, payables, security deposits, cash and short term deposits and shares held at fair value. The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk, equity price risk and foreign currency risk. This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Other than disclosed there has been no significant changes since the previous financial year to the exposure or management of these risks.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change (eg. acquisition of a new project) and policies are revised as required. The overall objective is to support the delivery of the Group's financial targets whilst protecting future financial security.

Due to the nature and size of the business and uncertainty as to the timing and amount of cash inflows and cash outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Group's operations change, the Directors will review this policy periodically going forward.

The Directors have overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

(b) Credit risk:

Credit risk is the risk of financial loss to the Consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Consolidated entity's cash equivalents, security deposits and trade and other receivables.

The carrying amount of the Group's financial assets represents the maximum credit risk exposure, as represented below:

	2015	2014
	$	$
Trade and other receivables	**129,876**	138,129
Cash and cash equivalents	**1,412,191**	3,379,658
Total exposure	**1,542,067**	3,517,787

Trade and other receivables comprise trade receivables, GST and VAT refunds due and recharges due from joint venture partners. Where possible the Consolidated entity trades only with recognised, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. At 30 June 2015, none (2014: Nil) of the Group's receivables are past due.

With respect to credit risk arising from cash and cash equivalents, the Group's exposure to credit risk arise from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Where possible, the Group invests its cash and cash equivalents with banks that are rated the equivalent of investment grade and above. The Group's exposure and credit ratings of its counterparties are continuously monitored.

(c) Liquidity risk:

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. At 30 June 2015 and 2014, the Group has sufficient liquid assets to meet its financial obligations.

The following are the contractual maturities of financial liabilities, including estimated interest payments. There are no netting agreements:

Forecast contractual obligations:	**Carrying amount**	**Contractual cash flows**	**6 months or less**
	$	**$**	**$**
Consolidated 30 June 2015:			
Trade and other payables	**(501,915)**	**(501,915)**	**(501,915)**
Consolidated 30 June 2014:			
Trade and other payables	(377,102)	(377,102)	(377,102)

(d) Foreign Currency risk:

The Group is exposed to the risk of movements in exchange rates as a result of overseas activities. The Group's exposure to foreign currency risk during the current and prior year primarily arose from controlled entities whose transactions were denominated in Great British Pounds ("GBP"). Foreign currency risk arises on translations of the net assets to Australian dollars. The foreign currency, gains or losses arising from this risk are recorded through the Statement of Profit or Loss.

The Consolidated entity has not entered into any derivative financial instruments to hedge such transactions or anticipated future receipts or payments that are denominated in a foreign currency.

The Consolidated entity's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

	30 June 2015			30 June 2014		
	AUD	**GBP**	**Total Equivalent AUD**	**AUD**	GBP	Total Equivalent AUD
Cash and equivalents	**910,098**	**502,094**	**1,412,191**	2,899,739	479,919	3,379,658
Trade and other receivables	**128,822**	**1,054**	**129,876**	133,296	8,595	138,129
Trade and other payables	**(320,000)**	**(181,915)**	**(501,915)**	(294,820)	(82,282)	(377,102)
Total exposure	**718,920**	**321,233**	**1,040,152**	2,738,215	406,232	3,140,685

Foreign exchange rate sensitivity analysis

At reporting date, had the Australian dollar appreciated or depreciated against the GBP by 10%, Profit or Loss and Other Comprehensive Income would have increased/ (decreased) by $35,693 (2014: $45,137). This analysis assumes that all other variables, remain constant. The analysis is performed on the same basis for 2014.

(e) Commodity Price risk:

The Group is exposed to commodity price risk. These commodity prices can be volatile and are influenced by factors beyond the Group's control. As the Group does not currently have any sales of commodities and none are forecast for the next 12 months, no hedging or derivative transactions have been used to manage commodity risk.

(f) Interest rate risk:

The Group's exposure to the risk of changes in market interest rates relates primarily to the cash and cash equivalents held within financial institutions. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables and payables are non-interest bearing.

The interest rate profile of the Group's interest bearing financial instruments was as follows:

	30 June 2015	**30 June 2014**
	$	**$**
Cash and cash equivalents	**1,412,191**	3,379,658

The Group's cash at bank and on hand had a weighted average floating interest rate of 2.00% (2014: 2.45%). The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

Interest rate sensitivity analysis

A sensitivity of 1% (100 basis points) has been selected as this is considered reasonable given the current level of short term and long term interest rates. A 1% (100 basis points) movement in interest rates at the reporting date would have increased/decreased Profit or Loss and Other Comprehensive Income by $14,122 (2014: $33,797). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(g) Capital management:

The Group defines its Capital as total equity of the Group, being $4,832,615 for the year ended 30 June 2015 (2014: $6,519,632). The Group manages its capital to ensure that it is able to continue as a going concern while financing the development of it projects through primarily equity based financing. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Group, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares.

There were no changes in the Consolidated entity's approach to capital management during the year. During the next 12 months, the Group will continue to explore farm-out opportunities and additional issues of equity.

24. Statement of Cash Flows

Reconciliation of Loss after Tax to the Net Cash Flows from Operations

	Note	2015 $	2014 $
Loss for the period		**(3,157,781)**	(2,254,467)
Adjustments for non-cash income and expense items:			
Depreciation	10	**15,298**	19,273
Sale /Disposal /Write Down of PPE	10	**-**	73,207
Depletion expense		**13,937**	-
Exploration expenditure written off	11	**1,347,654**	468,615
Impairment of investment		**19,998**	-
Equity-settled share-based payment	20	**-**	85,000
Operating profit before changes in working capital and provisions		**(1,760,894)**	(1,608,372)
(Increase)/decrease in trade and other receivables		**8,253**	97,305
(Increase)/decrease in investments & assets		**2,333**	(1,666)
Increase/(decrease) in provisions		**563,158**	24,813
Increase/(decrease) in trade and other payables		**124,813**	(93,258)
Net cash outflow from operating activities		**(1,062,337)**	(1,581,178)

25. Related parties

(a) Subsidiaries

Name	**Country of incorporation**	**% Ownership interest** **2015**	 **2014**
Westranch Holdings Pty Ltd	Australia	**100%**	100%
Norwest Perth Basin Pty Ltd	Australia	**100%**	-
Norwest Holdings (UK) Pty Ltd	UK	**100%**	100%
NWE Mirrabooka (UK) Pty Ltd	UK	**100%**	100%
NWE Appalachians LLC [de-registered after year end]	USA	**100%**	100%

(b) Ultimate Parent

Norwest Energy is the ultimate parent of the Group.

(c) (i) Details of Key Management Personnel

The Key Management Personnel ("KMP") of the Consolidated entity at any time during or since the financial year were:

Non-Executive Directors

Michael John Fry	Non-Executive Chairman
Henry David Kennedy	Non-Executive Director
Executive Directors	
Peter Lawson Munachen	Executive Director, CEO
Executives	
John Douglas Annand	Company Secretary, CFO

Unless otherwise stated, the KMP held their position from 1 July to the date of this report.

(c) (ii) Key Management Personnel compensation

	2015	2014
	$	$
Short term salary & fees	**805,550**	775,725
Post-employment benefits	**18,784**	17,775
Share-based payments	**-**	85,000
	824,334	**878,500**

(d) Loans with Key Management Personnel
No loans were provided to or received from KMP during the year ended 30 June 2015 (2014: nil).

(e) Related Party Transactions with Key Management Personnel

Resource Services International (Aust) Pty. Ltd, a company of which Mr Munachen is a director and shareholder was paid $20,148 for the provision of accounting, administration, secretarial and office services during the year (2014: 333,302). Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms. The amount payable at 30 June 2015 was $Nil (2014: $$6,686). The services of Resource Services International (Aust) Pty. Ltd were terminated at 30 June 2014 with the roles of Company Secretary and Chief Financial Officer remaining in house with Mr John Annand.

The Company also paid Mr David Hedderwick, a director (deceased during 2014 financial year) of the UK subsidiaries for technical services during the year totalling $Nil (2014: $25,043).

26. Acquisition of Controlled Entity

On 3 November 2014, the Company acquired Finder No.5 Pty Ltd (since renamed Norwest Perth Basin Pty Ltd) which holds the Special Prospecting Authority SPA – 16 AO ("SPA"). The SPA grants the right to apply to the Western Australian Department of Mines and Petroleum ("DMP") to convert the SPA into a six year Exploration Permit. Completion of the acquisition is subject to and conditional upon the DMP granting the Exploration Permit.

The transaction has been accounted for as an asset acquisition, considering AASB 3 Business Combinations and the nature of the asset being acquired.

	Note	3 November 2014
Net assets acquired:		**$**
Cash and cash equivalents		2
Exploration and evaluation asset		538,000
Provision – Finder Exploration Pty Ltd (*)	**16**	(538,000)
		2
Cost of the acquisition:		
2,000,000 fully paid ordinary shares (#)		(20,000)
Right to acquire Exploration Permit		**19,998**

(*):The provision in relation to Finder Exploration Pty Ltd ("Finder") relates to part of the consideration for the purchase from Finder of Finder No.5 Pty Ltd, the applicant for an Exploration Permit over the SPA-16 AO area. Upon completion of the transaction the Company is to pay Finder for past costs incurred on SPA-16 AO and for assistance in obtaining the grant of the Exploration Permit.

(#): The fair value of fully paid ordinary shares issued at the acquisition date has been determined based on the closing share price of the Company as quoted on the ASX on 3 November 2014 being $0.01 per ordinary share.

27. Contingent Assets and Liabilities

(a) Contingent Assets
As at the date of this report, no contingent assets have been identified in relation to the 30 June 2015 financial year, (2014: nil).

(b) Contingent Liabilities
Part of the consideration for the acquisition of SPA-16 AO from Finder Exploration Pty Ltd is an over-riding royalty of 25% of the Government Royalty that is payable on petroleum production and is only payable if future production from the SPA is achieved . No value has been recorded in the financial statements for this potential royalty payment to Finder Exploration Pty Ltd.

28. Parent information

	2015	2014
	$	**$**
(a) Financial Position		
Assets		
Current assets	**952,165**	2,458,108
Non-current assets	**4,823,884**	4,728,345
TOTAL ASSETS	**5,776,049**	7,186,453
Liabilities		
Current liabilities	**318,530**	257,824
Non-current liabilities	**437,222**	408,894
TOTAL LIABILITIES	**755,752**	666,718
Equity		
Contributed equity	**54,953,620**	53,482,856
Reserves	**1,672,348**	2,024,347
Accumulated losses	**(51,605,671)**	(48,987,468)
TOTAL EQUITY	**5,020,297**	6,519,735
(b) Financial Performance		
Profit/(loss) for the year	**(2,970,201)**	(2,161,017)
Other comprehensive income/(loss)	**-**	-
Total comprehensive income/(loss)	**(2,970,201)**	(2,161,017)

29. Commitments

Management have identified the following material commitments (excluding the exploration commitments disclosed in note 13) for the Consolidated entity as at 30 June 2015 and 30 June 2014:

2015	**Payable within 1 year**	**Payable within 1 year less than 5 years**	**Total**
	$	**$**	**$**
Operating Lease	**113,172**	**195,818**	**308,990**

During the 2014 financial year, the Group's commercial lease reached the end of its term and the balance was immaterial. During the current financial year, the Group entered into a new lease for a term of 3 years.

30. Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Directors' Declaration

1 In the opinion of the Directors of Norwest Energy NL ('the Company'):

(a) the financial statements and notes, and the Remuneration Report set out in section 12 in the Directors' Report, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2015 and of their performance, for the financial year ended on that date; and

(ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a); and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2 There are reasonable grounds to believe that the Company and the Group entities identified in Note 25(a) will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those Group entities pursuant to ASIC Class Order 98/1418.

3 The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chairman for the financial year ended 30 June 2015.

Signed in accordance with a Resolution of Directors:

Dated in Perth on this 29 day of September 2015.

Michael John Fry

Non-Executive Director and Chairman

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF NORWEST ENERGY NL

Report on the financial report

We have audited the accompanying financial report of Norwest Energy NL ("the Company") which comprises the balance sheet as at 30 June 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the year.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.

Audit opinion

In our opinion the financial report of Norwest Energy NL is in accordance with the *Corporations Act 2001*, including:

a) (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of their performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

b) the consolidated financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Audit opinion

In our opinion the remuneration report of Norwest Energy NL for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

Rothsay

Rolf Garda
Partner

Dated 29 September 2015

ASX Additional Information

Additional information required by the ASX and not shown elsewhere in this report is as follows. The information is current as at 30 September 2015.

(a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of share and option are:

	Ordinary shares	
	Number of holders	**Number of shares**
1 - 1,000	166	33,645
1,001 - 5,000	243	818,950
5,001 - 10,000	388	3,300,791
10,001 - 100,000	1,826	83,510,087
100,001 and over	1,516	1,352,791,526
	4,139	**1,440,454,999**
The number of shareholders holding less than a marketable parcel of shares are:	2,729	99,581,806

(b) Twenty largest shareholders

The names of the twenty largest holders of listed securities are listed below:

		Listed ordinary shares	
		Number of shares	**Percentage of ordinary shares**
1	REY CATTAMARRA PTY LTD	53,056,027	3.68
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	31,953,597	2.22
3	MR ROBERT ANTHONY HUTCHFIELD	28,000,000	1.94
4	MR ANDREW TROTT HOPKINS & MRS ADRIENNE JANET HOPKINS	25,000,001	1.74
5	MR JOHN DOUGLAS ANNAND	21,661,291	1.50
6	AFM PERSEUS FUND LIMITED	20,000,000	1.39
7	CRESCENT NOMINEES LIMITED	18,183,362	1.26
8	AQUATIC RESOURCES LIMITED	14,134,666	0.98
9	MR VERNON REGINALD PARROTT	13,633,276	0.95
10	MR MINGCAI WANG	13,484,142	0.94
11	SUNDOWNER INTERNATIONAL LIMITED	12,941,727	0.90
12	MR KEVIN MARK JOHNSON	12,500,000	0.87
13	CORRALLINE PTY LTD <C & M SUPER FUND A/C>	12,183,362	0.85
14	T T NICHOLLS PTY LTD <SUPERANNUATION ACCOUNT>	11,598,048	0.81
15	CITICORP NOMINEES PTY LIMITED	10,527,338	0.73
16	MR CONRAN JAMES SMITH	9,079,143	0.63
17	MR REGINALD STANLEY ORMOND HOLT	8,530,561	0.59
18	CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	8,077,881	0.56
19	BOOKMAN PTY LTD <BOOKMAN SUPERANNUATION A/C>	8,040,000	0.56
20	MS CLAIRE ELIZABETH SEALS	7,668,004	0.53
		340,252,426	**23.62**

(c) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(d) Substantial Shareholders

There were no substantial shareholders notifications to the Company in accordance with section 671B of the Corporations Act 2001 from 1 July 2014.

ASX Additional Information

(e) Options

The names of the security holders holding more than 20% or more of an unlisted class are listed below:

Holder	$0.006 share options Expiring 30-Jun-2020	$0.1155 share options Expiring 28-Nov-16	$0.065 share options Expiring 26-May-16	Total
Mr Peter Munachen	-	8,000,000	-	8,000,000
Mr John Annand	4,000,000	5,000,000	-	9,000,000
Mrs Shelley Robertson	4,000,000	1,250,000	500,000	5,750,000
Aztech Well Construction Pty Ltd	-	11,400,000	-	11,400,000
Others (less than 20%)	-	8,500,000	-	8,500,000
Total	**8,000,000**	**34,150,000**	**500,000**	**42,650,000**

(f) Restricted Securities

There are currently no restricted securities of the Company's securities.

(g) On-Market Buy Back

There are currently no on-market buy-back of the Company's securities.

norwest
ENERGY

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