2016 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 Ronald Gordon Currie
(Non-Executive Director)

CHIEF EXECUTIVE OFFICER
Shelley Maree Robertson

COMPANY SECRETARY
Emma Jane Curnow

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AUSTRALIAN SECURITIES EXCHANGE
NWE

FRANKFURT STOCK EXCHANGE
NUX

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CHAIRMAN'S LETTER

Dear Shareholders,

I am pleased to present the Norwest Energy NL Annual Report for the year ended 30 June 2016.

Norwest continued to retain a large footprint in the northern Perth Basin, with the net acreage position only decreasing from 3,100km^2 to 2,841km^2 due to Empire Oil and Gas relinquishing the less prospective northern graticular blocks within EP426. The net acreage contains seven permits with conventional and unconventional oil and gas prospects.

In July 2016, the Company formed a strategic alliance with Transerv Energy Ltd (Transerv) to facilitate the farmout and drilling of the 160 million barrel Xanadu Prospect located in TP/15, in addition to other onshore permits Norwest has interests in within the Perth Basin.

In September 2016, it was announced that the Company had executed termsheets with Transerv and Triangle Energy (Global) Limited (Triangle). These termsheets form the basis for both parties to farm-in on the drilling of Xanadu-1 located within TP/15. Transerv will contribute 20% of the costs to earn a 15% interest, whilst Triangle will contribute 40% of the costs to earn a 30% interest.

Three wells are planned for drilling in the next 12-18 months, subject to securing funding and regulatory approvals. The status of each of these drill-ready permits are as follows:

- TP/15: In addition to the termsheets signed with Transerv and Triangle, there are numerous other prospective parties interested in participating in the Xanadu drilling program and Norwest anticipates the proposed TP/15 Joint Venture being finalised by December 2016. Norwest is planning to retain operatorship and a relevant percentage interest in the permit.

- EP368**:** The Lockyer Deep-1 well, where operator Empire Oil and Gas identified a major gas prospect on trend with AWE's massive Waitsia gas discovery, situated nearby. During the year, significant upside potential in the high case resource was reported. Lockyer Deep is a medium risk well.

- EP413: Following completion of the Arrowsmith 3D data processing, interpretation is continuing, with further work required regarding the planning of the next well due to additional conventional prospectivity discovered at the southern end of the permit, with similarities to the Woodada Gas Field located further to the south.

Another pleasing development was the announcement in September 2016 that a Sale and Purchase Agreement, Change of Title and Change of Operator documentation for Production Licence L14 had been submitted to the Department of Mines and Petroleum for formal approval. L14 contains the Jingemia Oil Field, which has been in care and maintenance under operator Origin Energy since December 2012. The Jingemia Oil Field is estimated to have initially contained 12 million barrels of oil in place, with 4.6 million barrels produced to date. Subject to DMP approval, Cyclone Energy and RCMA Australia will acquire equity in L14, with the intention to restart production from Jingemia. Norwest shall retain its 6.278% interest in L14.

During and subsequent to the financial year end, there were a number of changes implemented at the corporate level.

Mr Peter Munachen resigned as CEO and Executive Director, effective 31 March 2016 after taking extended leave due to health issues earlier in the year. Under Peter's leadership and guidance, the Company developed an impressive project portfolio, including the northern Perth Basin discovery of the Arrowsmith Field in 2012, and the exciting Xanadu Prospect in TP/15. On behalf of the Board, management, shareholders and staff, I would like to thank Peter for his enormous commitment and contribution to the Company throughout his tenure.

Mr Ronald (Ron) Currie was appointed to the Board as a Non-Executive Director of the Company effective 31 March 2016. Mr Currie has extensive operational experience in oil and gas operations through his long association with Bonnie Rock Transport (now owned by ASCO Group), a company he co-founded in 1998 and which provides transport and logistics solutions for the oil and gas industry. Mr Currie's hands-on operating experience, including providing drilling services to exploration activity within the Perth Basin where Norwest is primarily focussed, is bringing a new perspective to the Board.

Subsequent to the financial year, Shelley Robertson was appointed CEO. Shelley has served as the Company's Asset Manager since joining Norwest in January 2011, and has over 25 years' experience in the oil and gas industry, with postgraduate qualifications in Petroleum Engineering and Business. Ms Robertson has over time forged excellent relationships with other junior exploration companies, Norwest Joint Venture partners, regulators, service providers, community stakeholders and industry groups, and is a well-respected member of the onshore exploration industry in Western Australia. With Shelley leading the Norwest team, the Company can look forward to an exciting couple of years which will include participation in three drilling opportunities.

Ms Emma Curnow was appointed Company Secretary in July 2016. Ms Curnow joined the Company in March 2015 as Financial Controller.

Fundraising during the financial year raised $1.32m (before costs) from a rights issue and a placement. Subsequent to 30 June 2016, a placement from Transerv, sophisticated and professional investors and Directors was completed which raised $0.83m (before costs). These raisings assist the Company to achieve its objectives, however it is aware that in a tougher market for oil and gas it is important to implement corporate cost savings. Significant cost savings were implemented during July 2016 and included sharing office space, expenses and expertise with Transerv as well as a reduction in personnel expenses. These have resulted in increased efficiencies and thus a better value proposition for shareholders.

I would like to thank my fellow directors for their time and support during the year as well as the management team and staff of Norwest for their dedication and hard work in progressing the Company's initiatives. I would also like to thank the Company's Joint Venture partners.

I would like to thank our shareholders for their continuing support of Norwest. The Company's directors and management are fully committed to participating in the drilling programs for Xanadu-1 in TP/15, Lockyer Deep-1 in EP368 and Arrowsmith-3 in EP413, and we look forward to an exciting, successful exploration program over the next 12-18 months.

Michael Fry
Non-Executive Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

Dear Shareholders,

Welcome to Norwest Energy's Annual Report for FY2016.

Despite challenging market conditions, the Norwest Energy FY2016 Annual Report reflects upon a year of significant developments and renewed focus for the Company, as we continue to strive towards delivering on long term operational goals, and creating opportunities to build shareholder wealth.

When I recently presented at an industry conference, I reinforced to the audience that now is not the time to be sitting back and waiting for the market to change, but instead a time to be getting out, talking to people, and making things happen. Due to the strength of our project portfolio, Norwest continues to be able to raise funds as required, as demonstrated by our recent capital raising in July this year, which included the formation of a Strategic Alliance with Transerv Energy Ltd. This Strategic Alliance was formed to assist with the funding and farmout of the Xanadu drilling program and other key projects within our portfolio. It has also enabled Norwest to greatly reduce corporate overheads by sharing office space, services and personnel. This allows Company funds to be better directed towards delivery of our exploration program.

With three wells to participate in during the next 18 months, and two of them as operator, Norwest has a busy schedule ahead. Norwest intends to capitalise on the current low-cost market to get these wells drilled, and to be well on the way to commercialisation in time for the market turn-around. Western Australia is facing a gas shortage in the domestic market by 2020, and Norwest has two potential gas discovery opportunities in Lockyer-Deep and Arrowsmith. Additionally, with the Cliff Head onshore oil processing facility close to the Xanadu well location, the ability to process and transport oil down to the Kwinana BP Oil Refinery creates a cost-effective and efficient pathway to commercialisation, even in the current market.

Whilst we work hard as a junior exploration company to deliver our projects as efficiently and as cost effectively as possible, we also focus on the safety of our workforce, the integrity of the environment, and the relationships with the communities in which we operate.

As we look towards FY2017, our Company objectives remain unchanged. Preparation and planning has commenced for the drilling of the greatly anticipated Xanadu well, to be followed by the drilling of the Lockyer-Deep prospect and Arrowsmith-3.

This report is my first as CEO, and I would like to thank the Board for the opportunity. I have great belief in the value of our Perth Basin assets, and am determined to ensure that despite requirements for funding and farmouts, Norwest retains a worthwhile working interest in all permits. During the coming year, the Norwest team will be working hard to ensure shareholder funds are directed towards exploration activities that have the potential for successful commercial outcomes.

Thank you for your ongoing support of Norwest Energy.

Shelley Robertson
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	1197.0 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 2841.4 KM² (702,318 ACRES)				
TIMOR SEA				
AC/L6 (ROYALTY)	Vulcan Sub-Basin, NT	Offshore	252.1 km²	1.25% ORRI
UNITED KINGDOM				
P2265	Wessex Basin, UK	Offshore	215.3 km²	65%

Table 1. Norwest Permit Schedule

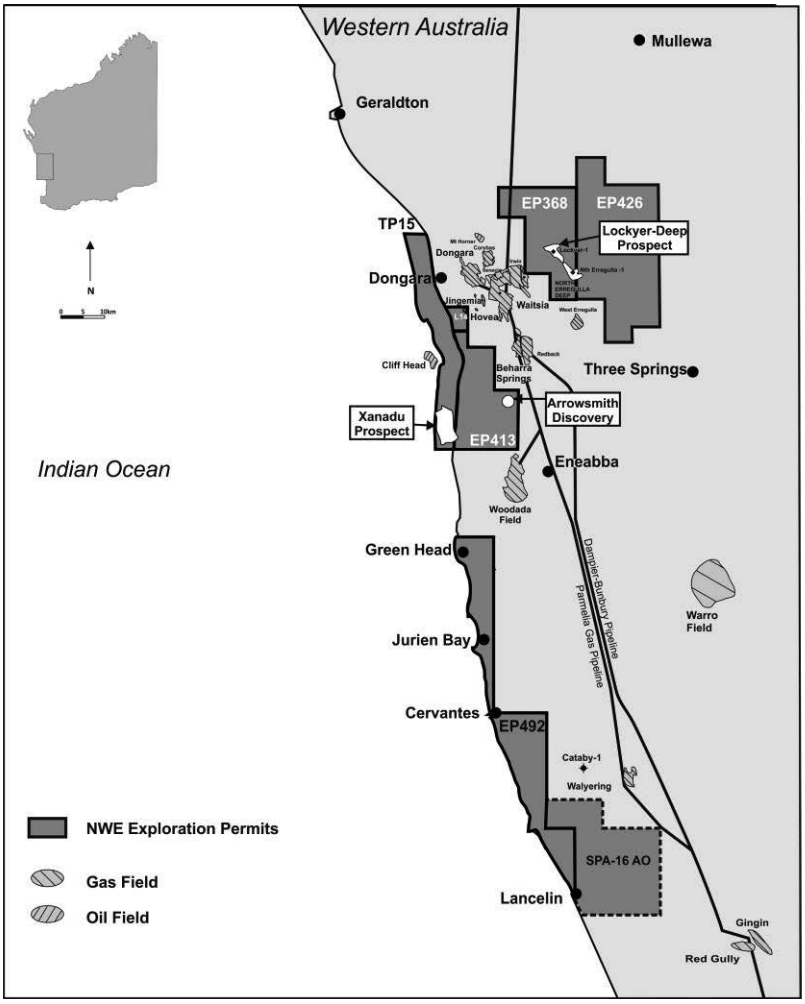

Figure 1. Norwest - Northern Perth Basin Acreage

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

- Think smart – be innovative.
- Continue to develop technical understanding of projects.
- Secure additional funding and partners for our upcoming 3 well program. Think outside the square with funding options.
- Continue to work closely with other operators in the basin.
- Exhibit best practice operations.
- Develop positive relationships with all stakeholders.
- Every dollar counts. Work hard to keep costs down by capitalising on current low cost environment.
- "Expose our shareholders to the drillbit"

Key Objective: Increase Long-term Shareholder Value

PROJECT REVIEW

AUSTRALIA – NORTHERN PERTH BASIN

Norwest's exploration focus continues to be on the northern Perth Basin, Western Australia.

The Company retains interests in seven key permits within the basin; four of them as operator. With a balanced mix of oil and gas, conventional and unconventional plays, Norwest retains the ability to attract equity and funding to mature these projects as required, even in this challenging market.

All projects are surrounded by discoveries and producing oil and gas fields, validating the geology in which the projects are located. Additionally, the northern Perth Basin has excellent access to infrastructure providing direct access to domestic markets and customers. This means that any exploration resulting in a commercial discovery can be fast-tracked to development in a cost-effective manner.

Norwest will continue to mature this portfolio of assets whilst working towards the ultimate goal of participating in three drilling programs during 2017/18.

EP413 (Norwest 27.945%, Operator)

EP413 is located approximately 300km north of Perth between the townships of Dongara and Eneabba. It covers an area of 508 km^2, extending from immediately north of L4/L5 which hosts the Woodada Gas Field, to the southern boundary of L14 in which the Jingemia Oil Field is located. The Beharra Springs and Redback gas fields are also located in adjacent permits to the east.

Norwest is operator of EP413, and is currently executing Year 3 of the 5 year work program, with this current permit year dedicated to further Technical and commercial evaluation of the block.

The 3D seismic survey was completed in mid-2015, with evaluation of these results still driving the current program. Processing of the results created a large volume of data, and the EP413 Joint Venture partners are working on this dataset to optimise its value in defining the way forward.

Whilst the acquisition was completed in Q2 2015, the processed dataset was not received until Q4 2015, with final results indicating a substantial improvement in structural definition, providing a greatly improved understanding of the geology within the permit boundaries, and with confirmation that the geology supports ongoing development plans for the permit.

An unexpected outcome from the 3D seismic survey was the discovery of additional prospectivity at the southern end of the permit. On the basis of similarities in structural form and seismic character with that seen further south over the Woodada Gas Field, there is also the potential for stratigraphically trapped conventional gas. This new prospectivity in no way detracts from the reported shale gas potential of the permit, particularly as the shale formations are continuous throughout the block, however it presents itself as an additional opportunity to evaluate, particularly with reference to planning the optimal location for a well. The Joint Venture is carefully evaluating this information, and is currently completing a detailed review and interpretation of the entire 3D seismic survey area to determine the best location for the upcoming well.

Due to this new geological knowledge, in mid-December 2015, Norwest and the EP413 JV partners made a request to the Department of Mines and Petroleum for a variation to the work program, to allow for additional time to evaluate this area. Due to the evidence of this new geological knowledge, approval was granted in early January 2016, such that Year 3 and Year 4 of the approved work program were swapped, with the drilling of a well not required until Year 4 (commencing February 2017).

CSIRO, in collaboration with Norwest, several other operators and the DMP have established a Research Program into methods of establishing baseline values of environmental indicators and of monitoring techniques for these during development of tight gas resources in the northern Perth Basin. Areas of investigation have included groundwater and groundwater monitoring, soil gas flux analysis, and a mobile methane survey across the basin. A passive seismic survey array located on EP413 has been monitoring naturally occurring seismic events over the past two years. The data generated will assist in creating baseline data in areas where shale gas exploration is occurring.

Seismic Survey Acquisition Area Rehabilitation

At the completion of the 3D acquisition survey in May 2015, rehabilitation works and monitoring commenced immediately, as detailed in the approved Environmental Management Plan.

Since June 2015, two botanical surveys have been conducted to measure the regrowth of native vegetation within the survey area, and feral animal monitoring and dieback surveys have also been completed. The first annual rehabilitation monitoring survey was undertaken in November 2015, with evidence of early regrowth on survey lines an encouraging sign.

Additionally as a condition of the approval, Norwest (on behalf of the EP413 Joint Venture) was required to contribute $145,000 to the Department of Parks and Wildlife to fund the purchase of 290 hectares of quality Carnaby's Black Cockatoo foraging or breeding habitat as an offset for the clearing required to complete the survey. This payment was completed in February 2016.

The monitoring and rehabilitation will continue until the Office of the Environmental Protection Agency is satisfied that the 3D seismic survey area is fully rehabilitated.

EP413 Joint Venture

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

TP/15 (Norwest 100%)

TP/15 is located in the offshore northern Perth Basin, approximately 250km north of Perth. The permit occupies the 3 nautical mile wide state territorial waters of Western Australia, adjacent to the township of Port Denison, and covering an area of 645km^2. Xanadu is a conventional oil prospect located near the southern end of the TP/15 permit.

During the year, Norwest carried out an extensive campaign both within Australia and overseas, to secure funding for the drilling of the Xanadu well. As a result of this program, in recent months Norwest has secured two partners to join in this exciting program. Transerv Energy will contribute 20% of the drilling costs to earn 15%, and Triangle Global Energy will contribute 40% of the drilling costs to earn 30%. Norwest is currently working towards securing funding for the remaining 40% of the well, with the expectation to finalise the Joint Venture by December 2016.

In preparation for the drilling program, Norwest retained botanists to complete the necessary environmental surveys of the proposed drilling location. The application to drill documentation and the Environmental Plan are currently being finalised, and will be submitted to the Department of Mines and Petroleum in due course. Current planning is to align the drilling of Xanadu with other drilling activity within the basin in mid-2017.

Red Hill South-1 Rehabilitation

Since the drilling of Red Hill South-1 in February 2011, Norwest has been managing the rehabilitation of the well location in accordance with the Environmental Management Plan developed to adhere to requirements in the Petroleum Act.

In a pleasing outcome, following over four years of rehabilitation work and monitoring surveys, Norwest received notification from the Department of Mines and Petroleum during the year that the rehabilitation of the drilling location was deemed complete, and no further monitoring or rehabilitation work was required.

EP368

EP368 covers an area of 600 km^2, and is situated at the northern end of the hydrocarbon fairway running through the northern Perth Basin. The permit lies to the east of the Dongara township, and adjacent to AWE's massive Waitsia discovery that flowed an impressive 50 MMscf/day in 2015.

EP368 was reissued for a further five years on 30 June 2015. The main work completed during the year was completion of seismic reprocessing, and the related re-interpretation of the Lockyer Deep and North Erregulla Deep prospects. The quality of the reprocessed seismic data shows a significant improvement, facilitating enhanced mapping of the key reservoir units.

Operator Empire Oil & Gas is proposing to drill the Lockyer Deep prospect in 2017 (subject to approvals and drilling rig availability), with the well targeting the same formations as Waitsia; namely the Kingia and High Cliff Sandstone intervals.

Already proven oil-bearing from historic wells North Erregulla-1 and Lockyer-1 at the Dongara Sandstone level, the deeper Kingia and High Cliff Sandstone intervals were not tested in either of these wells. The extent of the Waitsia play into EP368 remains to be confirmed, however results from AWE's Irwin-1 well suggest that the Kingia reservoir fairway increases in thickness to the east, and therefore into EP368.

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

Should the Lockyer Deep well be successful, there is immediate follow up potential at the North Erregulla prospect located to the southeast of Lockyer Deep, and straddling the border with EP426.

[1]Refer Empire Oil and Gas NL (ASX:EGO) Investor Presentation released to ASX on 02/02/2015.

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.

EP368 Joint Venture

Empire Oil and Gas	80% (Operator)
Norwest Energy	20%

EP426

EP426 lies adjacent and to the east of EP368, covering an area of 1197 km^2. It is located on the north-eastern flank of the Dandaragan Trough in the onshore northern Perth Basin.

EP426 was issued on 16 July 2004 under the Petroleum Act 1967 and expired on 31 March 2016. As per petroleum legislation, 16 graticular blocks at the northern end of EP426 were relinquished prior to renewing the permit for another 5 years (ending 20/06/2021).

The current permit year involved the acquisition, processing and interpretation of the 2800km Falcon AGG airborne gravity gradiometry, magnetic and ADTM survey, reprocessing of 118km of existing 2D seismic lines, and geological and geophysical studies. The structural interpretation has improved the understanding of key structures within the blocks, assisting in identifying key targets.

EP426 Joint Venture

Empire Oil and Gas	77.78% (Operator)
Norwest Energy	22.22%

EP492 (Norwest 100%)

EP492 covers an area of 860 km^2, and stretches for 120 km along the coast between Lancelin and Green Head, at the southern end of the northern Perth Basin. The Indian Ocean Drive, linking Perth and Dongara, runs through or close to the permit along its full length.

During 2011, Norwest conducted a Falcon airborne gravity gradiometry, magnetics and DTM survey over the area. This data was subsequently modelled and interpreted with the purpose of providing both structural and depth constraints to better define the architecture within this part of the northern Perth Basin. The results of this interpretation were used with existing seismic and well data to define the hydrocarbon potential and location of migration pathways, traps, and seals within the area. Since this survey was completed, Norwest has successfully converted the area from a special prospecting authority (SPA) into an exploration permit.

Over the past twelve months, additional seismic interpretation of the southern portion of EP492 has been carried out, providing a new structural framework in which to consider the prospectivity of the permit. The current planned activity is to review the results from these studies, in order to better assess the prospectivity of the permit.

SPA-16 AO (Norwest 100%)

SPA-16 AO (SPA) covers 805 km^2, and is located at the southern end of the northern Perth Basin, adjacent to Norwest's EP492. It also adjoins EP447 that contains the Walyering gas/condensate field, and EP432 that contains the Cataby-1 oil discovery.

In November 2014, Norwest executed an agreement with Finder Exploration Pty Ltd to acquire its wholly owned subsidiary, Finder No 5 Pty Ltd. This subsidiary holds rights to the SPA, and Norwest is currently involved in the process of applying to the Western Australian Department of Mines to convert the SPA into a six-year Exploration Permit.

The SPA, combined with Norwest's EP492 represents a significant footprint of 1665 km^2 at the under-explored southern end of the northern Perth Basin.

The award of EP492 was the result of successful negotiations with the Traditional Owners, the Yued People with whom Norwest has developed a solid working relationship. Norwest expects that the successful relationship with the Yued People will assist with discussions relating to the SPA tenure, ultimately leading to the award of an Exploration Permit over SPA-16 AO once negotiations are complete.

The first step of this process was to provide the Department of Mines and Petroleum (DMP) with a Stakeholder Consultation Plan, to demonstrate the process to be applied in working with all stakeholders including the Traditional Owners. This was submitted during the year, and is being reviewed by the DMP. The next steps, once approval to proceed is granted by the DMP, will be to commence Native Title negotiations.

L14 - JINGEMIA OIL FIELD (Norwest 6.278%)

L14 contains the Jingemia Oil Field, which under current operator Origin Energy has been in care and maintenance since December 2012. The Jingemia Oil Field is estimated to have initially contained 12 million barrels of oil in place, with 4.6 million barrels produced to date. The area of L14 is 39.8 km^2.

In September 2016, Norwest Energy announced that a Sale and Purchase Agreement (SPA), Change of Title and Change of Operator documentation had been submitted to the Department of Mines and Petroleum for formal approval.

The SPA is between Cyclone Energy Pty Ltd and existing L14 Joint Venture partners Origin Energy Developments Pty Ltd, AWE Limited (via subsidiary), ROC Oil (WA) Pty Ltd and John Geary. Norwest has elected to retain its 6.278% interest in L14.

Subject to DMP approval, Cyclone Energy and RCMA Australia will acquire equity in L14, with the intention to restart production from the Jingemia Oil Field.

Norwest's contribution to necessary workovers and start-up costs leading to first production are forecast to be approximately $200,000, and it is anticipated that production will recommence in the first half of 2017 subject to the necessary approvals.

If the SPA is approved by the DMP, the new L14 Joint Venture participants shall have the following interests for the existing Jingemia Oil Field operations:

Cyclone Energy 33.722% (Operator)
RCMA Australia 60%
Norwest Energy 6.278%

Current 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%

UNITED KINGDOM

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

Permit P2265 lies to the east of the producing Wytch Farm oil field in Bournemouth Bay in southern England.

The Joint Venture holds a significant dataset over the area including 2D and 3D seismic, and reprocessing of the historical 3D seismic dataset has now been completed, with a final interpretation report finalised in February 2016.

The Promote period of Bournemouth Bay licenses will expire on 30/11/16. By this date, a commitment must be given to drill a well in the subsequent two years or relinquish the Licence.

Norwest and partner HALO are currently engaged in the process of deciding upon the next phase of activity on the permit.

P2265 Joint Venture

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

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.

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 2016.

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, 59, 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. During the three year period to the end of the financial year, Mr Fry has held directorships in Brookside Energy Ltd (since April 2004) and Challenger Energy Limited (since January 2007).

Mr Henry David Kennedy (Non-Executive Director), MA (Geology), SEG

Mr Kennedy, 80, 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 in Western Australia, the North Herald and Chervil oil fields in Western Australia and the Kupe South and Rua oil/gas condensate fields in New Zealand. During the three year period to the end of the financial year, Mr Kennedy has held directorships in Pancontinental Oil & Gas NL (August 1999 to present) and East Africa Resources Limited (March 2013 to April 2015).

Mr Ronald Gordon Currie (Non-Executive Director - from 31 March 2016)

Mr Currie, 40, became a Director of Norwest on 31 March 2016. Mr Currie has extensive operational experience in oil and gas operations through his long association with Bonnie Rock Transport, a company he co-founded in 1998 (now owned by ASCO Group) which provides transport and logistics solutions for the oil and gas industry. Bonnie Rock Transport specialises in the mobilisation of large drilling rigs and associated equipment across Australia, as well as providing general haulage services**.** During the three year period to the end of the financial year, Mr Currie has not held any other directorships in listed companies.

Mr Peter Lawson Munachen (Executive Director, CEO - to 31 March 2016), FCA, FAICD

Mr Munachen, 70, became a Director of Norwest on 26 November 2003 and CEO on 3 December 2008. He resigned as CEO and Executive Director on 31 March 2016. Mr Munachen is a Chartered Accountant and former partner in an international accounting practice and has considerable experience in the resources industry. During the three year period to the end of the financial year, Mr Munachen held a directorship in East Africa Resources Limited (March 2010 to April 2015).

Mr John Douglas Annand, (Company Secretary - to 18 July 2016), 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 Company Secretary.

Miss Emma Curnow (Company Secretary - from 18 July 2016) B.Com, CA, AGIA

Miss Curnow was appointed to the position of Company Secretary on 18 July 2016. She commenced her career as a Senior Accountant with Ernst & Young in 2003, and has since worked for a number of listed companies in the oil and gas sector both in Australia and the United Kingdom. She is a qualified Chartered Accountant and a Company 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)	12,457,592	4,000,000
Mr Ronald Currie	(Non-Executive Director)	(*) 190,000,000	-
Mr Henry David Kennedy	(Non-Executive Director)	162,806,630	4,000,000

(*): 140,000,000 shares held in the name of Kemprust Pty Ltd, a company of which Ronald Currie's father is a director.

3. EARNINGS PER SHARE

	2016	2015
Basic earnings per share (cents per share)	**(0.14)**	(0.27)
Diluted earnings per share (cents per share)	**(0.14)**	(0.27)

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.

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 2016 (2015: five 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% in 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 and subsequently the processing of the 3D dataset including pre-stack migration and fracture analysis on behalf of the EP413 Joint Venture. Final results indicate a substantial improvement in structural definition, providing a greatly improved understanding of the geology within the permit boundaries, and with confirmation that the geology supports ongoing development plans for the permit. Further interpretation work is still required to finalise the location and target formations for the next well on this permit, given the additional conventional prospectivity discovered at the southern end of the permit, with similarities to the nearby Woodada Gas Field being identified. The EP413 work program contains a well in Year 4 of the program, which commences in February 2017.

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 has continued to progress discussions through its strategic alliance with Transerv Energy Ltd as well as other prospective parties interested in participating in the Xanadu drilling program. This farm-out process is expected to be completed by December 2016.

Norwest has commenced planning for the drilling of conventional oil well Xanadu-1, with the drilling application documentation currently being finalised in preparation for formal submission to the Western Australian Department of Mines and Petroleum ("DMP"). Xanadu-1 is planned to be drilled as a deviated well from an onshore location. Norwest is working with other operators to align programs for drilling and associated services. At this time it is expected that Xanadu-1 will be drilled mid-2017.

EP 368 / EP 426
During the year, the reprocessing of the vintage 2D seismic data set and interpretation of the recent Black Swan Airborne geophysical survey were completed. The Operator, Empire Oil and Gas NL reported significant upside potential for the Lockyer Deep and North Erregulla Deep prospect trend, with its latest interpretation joining these two prospects into one large prospect for the high case prospective resource estimate. Empire Oil and Gas NL reports that the Lockyer Deep well is expected to be drilled during 2017, subject to approvals and finalising funding alternatives.

EP492
The 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. Planning for the survey is underway, however a request for extension from DMP is currently being prepared. 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 conventional oil.

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.

L14 Jingemia Oilfield
The L14 production licence contains the Jingemia Oil Field. The Jingemia Oil facility is currently under care and maintenance. Jingemia is estimated to have initially contained 12 million barrels of oil in place, with approximately 4.6 million barrels produced to date. On 9th September 2016, the Company announced that Change of Title and Change of Operator documentation is under review by the DMP. If this documentation is approved, Perth-based private entity Cyclone Energy will assume operatorship with the intention to recommence production during 2017. A new Joint Venture will then be formed with operator Cyclone Energy (33.722%), RCMA Australia (60%) and Norwest Energy (6.278%). Norwest has elected to retain its 6.278% interest in L14.

United Kingdom
- 65% in P2265 (Promote Licence) – Offshore Wessex Basin

Norwest and Hague and London Oil Plc ("HALO") have two years from November 2014 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. During the year, reprocessing of the historical 3D seismic data was completed and a final interpretation report on the reprocessing of the historical 3D seismic data set held over this area was also finalised during the year. Norwest and partner HALO are in the process of agreeing on the next phase of activity on the permit which may include preparing a farm-out package over P2265.

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 2016 of $1,859,351was lower than the loss of the prior year of $3,157,781. The main contributing factors were;
- exploration expenditure written off was substantially lower in the year ended 30 June 2016; $331,330 compared to $1,347,654 during the year ended 30 June 2015; and
- the combined Directors' remuneration and personnel expenses were lower in the year ended 2016 $1,143,312 compared to $1,545,966.

Financial Position
At 30 June 2016, the Group had cash reserves of $0.3m (2015: $1.41m) and no debt. Fundraising during the financial year raised $1.32m (before costs) from a rights issue and a placement. The proceeds were used to fund the Group's exploration activities and also to supplement working capital.

At 30 June 2016, the Group had net assets of $4.1m (2015: $4.8m) a decrease of $0.7m. This is largely attributable to:
- a decrease in cash and cash equivalents from $1.4 million to $0.3m primarily due to funds used during the year in relation to operating activities of $2.2m relating to exploration, evaluation, production, and administrative costs.

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
Other than the events outlined in note 30 of the financial statements, at the date of this report, there are no matters or circumstances, which have arisen since 30 June 2016 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years

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 interested parties by seeking a "carry" through the exploration drilling phase for the Xanadu-1 campaign within TP/15.

- Approvals process in regards to change of title and operator by DMP and recommencement of production during 2017 for the Jingemia Oilfield.

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 programs 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 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, was Chief Executive Officer until 31 March 2016, he had an employment agreement with the Group which specified the duties and obligations to be fulfilled by Mr Munachen in his role as Chief Executive Officer. The contract could be terminated by either party by giving six months' notice, however 3 months' notice was agreed to. Within the contract, Mr Munachen receives a fixed remuneration component of $396,000 per annum. However from September 2015 Mr Munachen received a reduced remuneration of $12,000 per month.

Mr Annand, was Commercial Manager, CFO and Company Secretary during the financial year and had an employment contract which specified the duties and obligations to be fulfilled in his role. The contract could 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 $340,000 including superannuation per annum. However, from January 2016, Mr Annand received a reduced remuneration of $240,000 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 $36,000 per annum (2015: $60,000) and fees for Non-Executive Directors are presently set at $30,000 per annum (2015: $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					
2016	**50,000**			**50,000**	**-**
2015	60,000	-	-	60,000	-
Peter L Munachen (1)					
2016	**186,000**	-	-	**186,000**	**-**
2015	396,000	-	-	396,000	-
Henry D Kennedy					
2016	**41,667**			**41,667**	-
2015	50,000	-	-	50,000	-
Ronald G Currie (2)					
2016	**7,500**			**7,500**	-
2015	-	-	-	-	-
Other KMP					
John D Annand					
2016	**270,693**	**19,308**	**21,000**	**311,001**	7
2015	299,550	18,784	-	318,334	-
TOTAL 2016	**555,860**	**19,308**	**21,000**	**596,168**	**-**
TOTAL 2015	805,550	18,784	-	824,334	

(1): Mr Peter Munachen resigned on 31 March 2016. (2): Mr Currie was appointed on 31 March 2016

Options and rights granted to KMP

During the financial year ended 30 June 2016, 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 2016
John D Annand	4,000,000	10 Jul 2015	$0.006	$0.006	30 June 2020	2,000,000
John D Annand	6,000,000	16 Nov 2015	$0.003	$0.006	30 June 2020	3,000,000

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 %
2016					
John Annand	21,000	-	-	21,000	7
Peter L Munachen	(*) 20,000	-	20,000	-	-
2015					
Michael J Fry	-	-	96,000	-	-
Peter L Munachen	-	-	159,999	-	-
Henry D Kennedy	-	-	96,000	-	-

(*): Mr Munachen resigned prior to the vesting of any options which were granted on 11 November 2015 (upon shareholder approval).

A. The value of options granted 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 ASX 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 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.

Directors' Report

Option holdings of Key Management Personnel

	Held at 1 July	Granted as Remuneration	Exercised	Net Other Change	Vested and exercisable at 30 June
2016					
Michael J Fry	4,000,000	-	-	-	4,000,000
Peter L Munachen	8,000,000	10,000,000		(^) (10,000,000)	8,000,000
Henry D Kennedy	4,000,000	-	-	-	4,000,000
Ronald G Curie	-	-	-	-	-
John D Annand	5,000,000	10,000,000	-	-	10,000,000 (*)
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

(*): 5,000,000 options did not vest during the year ended 30 June 2016. (^): Mr Munachen resigned prior to the vesting of these options.

Shareholdings of Key Management Personnel

(*): 90,000,000 shares held in the name of Kemprust Pty Ltd which is a company which Ronald Currie's father is a Director.

	Held at 1 July	Purchases	Sales	Net Other Change	Held at 30 June
2016					
Michael J Fry	9,966,067	2,491,525	-	-	12,457,592
Peter L Munachen	20,105,084	5,026,280	-	-	25,131,364
Henry D Kennedy	41,449,262	21,357,368	-	-	62,806,630
Ronald G Currie	-	-	-	90,000,000 (*)	90,000,000
John D Annand	21,661,291	6,338,710	-	-	28,000,001
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	38,265,900	3,183,362	-	-	41,449,262
John D Annand	1,500,000	20,161,291	-	-	21,661,291

Loans with KMP

No loans were provided to or received from Key Management Personnel during the year ended 30 June 2016 (2015: nil).

Other Transactions with KMP

Resource Services International (Aust) Pty. Ltd (RSIA), a company of which Mr Munachen is a director and beneficial shareholder, was paid $nil (2015: $20,148) for the provision of accounting, administration and office services which was fully paid as of the reporting dates. The services provided by RSIA were terminated with effect from 1 July 2015 and instead were performed internally.

End of Remuneration Report.

Directors' Report

13. SHARE OPTIONS

At 30 June 2016 unissued ordinary shares under options were:

Expiry date	**Exercise price**	**Number of options**
28 November 2016	$0.1155	34,150,000
30 June 2020	$0.006	(*) 20,000,000
Total outstanding as at 30 June 2016		**54,150,000**

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)	4	4
Mr Peter Lawson Munachen	(Executive Director, CEO)	2	2
Mr Henry David Kennedy	(Non-Executive Director)	4	4
Mr Ronald Gordon Currie	(Non-Executive Director)	2	2

The Board also dealt with various matters by circular resolution, as such eight circular resolutions were signed.

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 2016.

16. NON-AUDIT SERVICES
The Company's auditor, Rothsay Chartered Accountants, did not provide any non-audit services during the year (2015: nil).

Signed in accordance with a resolution of the Directors.

Mr Michael John Fry

Non-Executive Director and Chairman

Perth 21 September 2016

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

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

Directors

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 2016 financial statements; and

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

Rolf Garda (Lead auditor)

Rothsay

Dated 21 September 2016

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.	Yes
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.	
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	
	2016	2015
Full Time Employees	**80%**	80%
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 and Mr Currie have been considered independent Director, whilst Mr Munachen during his time as a Director was employed in an executive capacity and Mr Kennedy is a substantial shareholder and thus were/is not considered independent.

The length of service of Messrs Fry, Kennedy and Currie are seven, nineteen and one year(s) respectively.

Recommendation 2.4 – Majority of the Board should be independent

As at 30 June 2016, two of the three Directors are considered to be independent, however during the year only one of the three Directors were considered to be an independent director due to the change to the Board.

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 (these risks 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.

- *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 2016

	Notes	2016 $	2015 $
Continuing operations			
Financing income	4	**6,478**	28,038
Operating costs	11	**(43,102)**	(64,988)
Depletion expense		**-**	(13,937)
Joint venture management recharges		**7,787**	149,588
Research and development rebate		**110,463**	426,462
Directors' remuneration		**(285,167)**	(506,000)
Personnel expenses	5	**(858,145)**	(1,039,966)
Personnel expenses recovery	5	**85,645**	216,563
Administrative expenses		**(327,875)**	(598,825)
Audit fees	22	**(38,578)**	(46,444)
Corporate advisory and promotion		**(91,172)**	(247,677)
Non administrative expenses		**(51,458)**	(155,326)
Depreciation expense	10	**(17,305)**	(15,298)
Exploration expenditure impairment	11	**(331,330)**	(1,347,654)
Share based payments expense	20	**(42,000)**	-
Net loss for the year		**(1,875,759)**	(3,215,464)
Other comprehensive income			
Exchange differences on translation of foreign operations		**15,408**	60,016
Net change in fair value of available-for-sale financial assets transferred to profit or loss		**1,000**	(2,333)
Total other comprehensive loss for the year, net of tax		**(1,859,351)**	(3,157,781)
Basic earnings per share (cents per share)	21	**(0.14)**	(0.27)
Diluted earnings per share (cents per share)	21	**(0.14)**	(0.27)

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 2016

	Notes	2016 $	2015 $
Current Assets			
Cash and cash equivalents	7	**335,143**	1,412,191
Trade and other receivables	8	**73,784**	129,876
Total Current Assets		**408,927**	1,542,067
Non-Current Assets			
Other financial assets	8	**25,000**	25,000
Investments	9	**2,000**	1,000
Property, plant and equipment	10	**33,196**	36,072
Deferred exploration, evaluation and development costs	11, 12, 13	**4,897,697**	4,749,065
Total Non-Current Assets		**4,957,893**	4,811,137
TOTAL ASSETS		**5,366,820**	6,353,204
Current Liabilities			
Trade and other payables	14	**226,378**	501,915
Provisions	15	**24,784**	43,452
Total Current Liabilities		**251,162**	545,367
Non-Current Liabilities			
Provisions	16	**977,550**	975,222
Total Non-Current Liabilities		**977,550**	975,222
TOTAL LIABILITIES		**1,228,712**	1,520,589
NET ASSETS		**4,138,108**	4,832,615
Equity			
Share capital	17	**56,076,464**	54,953,620
Reserves	18	**1,409,600**	1,672,348
Accumulated losses	19	**(53,347,956)**	(51,793,353)
TOTAL EQUITY		**4,138,108**	4,832,615

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 2016

	Share Capital $	Option Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2015	**54,953,620**	**1,672,348**	**(51,793,353)**	**4,832,615**
Profit or loss	**-**	**-**	**(1,875,759)**	**(1,875,759)**
Other comprehensive loss for the year	**-**	**-**	**16,408**	**16,408**
Total comprehensive loss for the year	**-**	**-**	**(1,859,351)**	**(1,859,351)**
Shares issued (net of costs)	**1,122,844**	**-**	**-**	**1,122,844**
Share options expired / exercised	**-**	**(304,748)**	**304,748**	**-**
Share based payments expense	**-**	**42,000**	**-**	**42,000**
Balance at 30 June 2016	**56,076,464**	**1,409,600**	**(53,347,956)**	**4,138,108**
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

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 2016	Notes	2016 $	2015 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		**(1,711,979)**	(1,090,375)
Interest received		**6,478**	28,038
Net Cash Flows from /(used in) Operating Activities	24	**(1,705,501)**	(1,062,337)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		**(14,429)**	(26,249)
Expenditure on oil & gas interests		**(505,370)**	(2,370,810)
Payments for refundable deposits		**-**	(25,000)
Net Cash Flows from /(used in) Investing Activities		**(519,799)**	(2,422,059)
Cash Flows from Financing Activities			
Proceeds from issues of ordinary shares		**1,320,229**	1,580,000
Payment of share issue costs		**(187,385)**	(123,087)
Net Cash Flows from /(used in) Financing Activities		**1,132,844**	1,456,913
Net Increase/(Decrease) in Cash and Cash Equivalents		**(1,092,456)**	(2,027,483)
Cash and cash equivalents at 1 July		**1,412,191**	3,379,658
Effects of exchange rate changes on cash held		**15,408**	60,016
CASH AND CASH EQUIVALENTS AT 30 JUNE	7	**335,143**	1,412,191

The 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 2016

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 2016 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) (i) 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.

(a) (ii) Going concern

The ability of the Consolidated Entity to continue as a going concern is dependent on it being able to raise additional funds as required in order for it to meet ongoing commitments in the Perth Basin and for working capital. These commitments are detailed in note 13.

The Directors believe that they will be able to raise additional capital through either one or a combination of capital raisings, a farm-in, or a sale of assets. The Group has a history of being able to raise equity as required and as such the Directors believe that the Consolidated Entity will continue as a going concern.

As a result the financial statements have been prepared on a going concern basis of accounting, which contemplates the continuity of normal business activity and the Group being able to realise its assets and the settlement of its liabilities in the ordinary course of business. Should the Group be unable to obtain sufficient funding, there is significant uncertainty whether the Group will continue as a going concern.

No adjustments have been made as to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

As at 30 June 2016, the Group had cash available of $0.3m, the Group incurred a loss of $1.86m and had a net cash outflow from operating activities of $1.7m. Subsequent to 30 June 2016, an additional $0.83m (before costs) was received by the Group, being proceeds from a placement which included issuing shares to Transerv Energy Ltd, Directors and a related party of a Director and professional and sophisticated investors.

(b) Statement of Compliance

(i) New and amended standards adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The following Accounting Standards and Interpretations are most relevant to the Group:

- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments

The Group has applied AASB 2013-9 from 1 July 2015. The Standard contains three main parts and makes amendments to a number of Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 Financial Instruments.

- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

The Group has applied AASB 2015-3 from 1 July 2015. The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.

(ii) Early adoption of standards

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(iii) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods. There are no new standards and interpretations that are considered likely to impact on the financial reporting of the Group.

(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:

	2016	2015
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.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(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

	2016	**2015**
	$	**$**
Interest	**6,478**	28,038
	6,478	28,038

5. Expenses

	2016	**2015**
	$	**$**
Salary and wages	**(789,785)**	(912,681)
Superannuation	**(66,509)**	(65,625)
Payroll tax	**(18,193)**	(34,887)
Increase /(decrease) in liability for annual leave	**18,670**	(12,382)
Increase /(decrease) in liability for long service leave	**(2,328)**	(14,391)
	(858,145)	(1,039,966)

The Company received recoveries of $85,645 (2015: $216,563) against the above salaries expense by way of joint venture recharges.

6. Income tax expense

	2016	2015
	$	$
(a) The major components of income tax expense are:		
Income statement		
Current income tax:		
Current income tax benefit	**603,454**	1,219,156
Deferred income tax:		
Relating to origination and reversal of temporary differences	**(54,294)**	(149,882)
Unused tax losses not recognised as a DTA	**(549,160)**	(1,069,274)
Income tax (expense) /income reported in the income statement	**-**	-

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:

	2016	2015
	$	$
Accounting loss	**(1,859,351)**	(3,157,781)
Prima facie tax payable at 28.5% (2015: 30%)	**(529,915)**	(947,334)
Add tax effect of items not brought to account:		
Non-deductible and non-assessable permanent items	**(19,245)**	(121,939)
Tax losses not bought to account	**549,160**	1,069,273
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	**1,356,283**	1,370,515
Set-off against carry forward tax losses	**(1,356,283)**	(1,370,515)
Deferred tax liability balance	**-**	-
Deferred tax assets		
Tax value of carry forward losses	**11,115,896**	11,144,553
Set-off against deferred tax liability	**(1,356,283)**	(1,370,515)
Non-recognition of deferred tax assets	**(9,759,613)**	(9,774,038)
Deferred tax asset balance	**-**	-

(c) Tax losses		
Deferred tax assets		
Tax losses – revenue	**8,522,856**	7,853,122
Tax losses - capital	**2,018,607**	2,123,916
	10,541,463	9,977,038

At 30 June 2016, the Consolidated entity has $39,003,144 (2015: $37,148,511) 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

	2016	2015
	$	**$**
Bank balances	**167,937**	653,901
Cash on deposit	**167,206**	758,290
	335,143	1,412,191

8. Trade and other receivables

	2016	2015
	$	**$**
Current		
Trade and other receivables	**68,182**	99,226
Goods and services tax	**5,602**	14,750
Prepayments	**-**	15,900
	73,784	129,876
Non-current		
Security bond on leased premises	**25,000**	25,000
	25,000	25,000

9. Investments

	2016	2015
	$	**$**
Non-current		
Available for sale investments held at fair value	**2,000**	1,000
	2,000	1,000

At 30 June 2016, the Group held 333,333 fully paid ordinary shares in Oil Basins Ltd (ASX: OBL) (2015: 333,333).

10. Property, plant and equipment

	$
Cost	
Balance at 1 July 2015	**237,329**
Additions	**14,429**
Balance at 30 June 2016	**251,758**
Balance at 1 July 2014	216,261
Additions	21,068
Balance at 30 June 2015	237,329
Accumulated depreciation	
Balance at 1 July 2015	**201,257**
Depreciation expense per P&L	**17,305**
Balance at 30 June 2016	**218,562**
Balance at 1 July 2014	185,959
Depreciation expense per P&L	15,298
Balance at 30 June 2015	201,257
Carrying amounts	
At 30 June 2016	**33,196**
At 30 June 2015	36,072

11. Deferred exploration, evaluation and development costs

	2016 $	2015 $
Exploration and evaluation assets carried forward in respect of mining areas of interest		
Exploration and evaluation phase:		
Exploration and evaluation expenditure at 1 July	**4,749,065**	3,781,514
Capitalised expenditure during the year	**449,992**	2,281,431
Exploration expenditure written off	**(301,360)**	(1,313,880)
Balance at 30 June	**4,897,697**	4,749,065
Production phase:		
Development costs at 1 July	**-**	-
Expenditure during the year	**73,072**	98,762
Operating costs to P&L	**(43,102)**	(64,988)
Production expenditure written off	**(29,970)**	(33,774)
Balance at 30 June	**-**	-
Total	**4,897,697**	4,749,065

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

	2016	2015
	$	$
Within one year	**8,140,330**	6,820,770
One year or later and no later than five years	**14,824,560**	12,783,321
Later than five years	**364,440**	89,424
	23,329,330	19,693,515

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.

The permit commitments above will be met through either capital raisings, free carry from farm-in partners, or asset sales. In order to ensure that the Group's permits remain in good order, discussions and negotiations with the relevant regulatory bodies take place on a as required basis to amend the timing of permit commitments where possible so as to align the permit commitments with the financial capacity of the Group. Should the Group not be permitted to amend the timing of the permit commitments, or have sufficient funds to satisfy those commitments, the Group risks having to relinquish title to those permits and return the permit(s) to the relevant regulatory body.

14. Trade and other payables

	2016	2015
	$	$
Trade creditors	**101,279**	131,057
Accrued expenses	**106,879**	339,741
Goods and services tax	**883**	8,259
Other payables	**17,337**	22,858
	226,378	501,915

15. Provisions - current

	2016	2015
	$	$
Current		
Provision for annual leave	**24,784**	43,452
	24,784	43,452

16. Provisions – non-current

	2016	2015
	$	$
Balance at 1 July	975,222	408,893
Movements during the year:		
Permit L14 site restoration (1)	-	13,938
Employee benefits – Long service leave	**2,328**	14,391
Finder Exploration (2)	-	538,000
Balance at 30 June	**977,550**	975,222

(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

	2016	2015
	$	$
(a) Issued and Unissued capital		
2,050,569,394 fully paid ordinary shares **(**30 June 2015: 1,440,454,999)	**56,076,464**	**54,953,620**

17. Contributed equity (continued)

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

Date	Details	No. of Ordinary Shares	Issue price $	$
01-Jul-15	**Opening Balance**	**1,440,454,999**		**54,953,620**
02-12-15	Share placement	200,000,000	0.0025	500,000
23-12-15	Non-renounceable rights issue	136,652,968	0.002	273,306
06-01-16	Non-renounceable rights issue - shortfall	273,461,427	0.002	546,923
30-Jun-16	Share issue costs	-	-	**(197,385)**
30-Jun-16	**Closing balance**	**2,050,569,394**		**56,076,464**
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**

18. Reserves

	2016	2015
	$	$
Share based payment reserve	**1,409,600**	1,672,348
	1,409,600	1,672,348

(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 2016	Number of options 2015	**$ 2016**	**$ 2015**
Opening balance	**41,650,000**	52,650,000	**1,672,348**	2,024,347
Expired during the period	**(17,500,000)**	(11,000,000)	**(304,748)**	(351,999)
Exercised during the period	**-**	-	**-**	-
Granted during the period	**30,000,000**	-	**42,000**	-
Closing balance	**54,150,000**	41,650,000	**1,409,600**	1,672,348

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
10 July 15	Key management, employees	8,000,000	50% exercisable after 6 months and 50% exercisable after 12 months	0.006	4 years and less
16 Nov 15	Key management, employees	12,000,000	50% exercisable after 6 months and 50% exercisable after 12 months	0.006	4 years and less
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	18,150,000	Vest immediately 50% exercisable after 6 months and 50% exercisable after 12 months	0.1155	4 years and less
		54,150,000			

(*): Includes 8,000,000 options held by Peter Munachen who is able to hold these options for 6 months after his resignation date.

19. Accumulated Losses

	2016	2015
	$	$
Balance at 1 July	**(51,793,353)**	(48,987,571)
Net loss for the year attributable to members of Norwest Energy NL	**(1,875,759)**	(3,215,464)
Other comprehensive income	**16,408**	57,683
Transfer of reserves due to cancelled incentive options	**304,748**	351,999
Balance at 30 June	**(53,347,956)**	(51,793,353)

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:

	2016	2015
	$	$
Expense arising from equity-settled share-based payment transactions	42,000	-
	42,000	-

(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 2016	WAEP 2016	Number 2015	WAEP 2015
Outstanding at the beginning of year	**41,650,000**	**0.1111**	52,650,000	0.0997
Expired/lapsed during the year	**(17,500,000)**	**0.1155**	(11,000,000)	0.0554
Exercised during the year	-	-	-	-
Granted during the year	**30,000,000**	**0.006**	-	-
Outstanding and exercisable at end of year	**54,150,000**		41,650,000	0.1111

(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:

	Nov 2015	July 2015	2014	2013
Number of options	12,000,000	8,000,000	5,000,000	29,150,000
Fair value at grant date	$0.003	$0.006	$0.017	$0.044
Share price at grant date	$0.004	$0.007	$0.038	$0.077
Exercise price	$0.006	$0.006	$0.1155	$0.1155
Expected volatility[1]	110.00%	110.00%	90.00%	90.00%
Expected life[2]	4.62 years	4.98 years	4.0 years	4.0 years
Dividend yield (%) [3]	Nil	Nil	Nil	Nil
Risk-free interest rate	2.32%	2.22%	2.8%	2.8%

[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 2016, the weighted average remaining contractual life of Incentive Options on issue that had been granted as share-based payments was 1.74 years (2015: 1.35 years).

(e) Range of Exercise Prices

At 30 June 2016, the range of exercise prices of Incentive Options granted as share-based payments is $0.006 to $0.1155 (2015: $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 $0.08 (2015: $0.1111).

21. Earnings per share

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

	2016	2015
	$	$
Loss attributable to ordinary shareholders	**(1,859,351)**	(3,157,781)
	Number of Ordinary Shares	Number of Ordinary Shares
Weighted average number of shares at 30 June	**1,287,270,900**	1,170,496,044

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

	2016	2015
	$	$
Australia – Rothsay Chartered Accountants	**(29,500)**	(36,500)
Audit and review of Group financial report		
United Kingdom – Geoffrey Cole & Co	**(9,078)**	(9,944)
Preparation of UK subsidiary financial reports		
	(38,578)	(46,444)

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:

	2016	2015
	$	$
Trade and other receivables	**73,784**	129,876
Cash and cash equivalents	**335,143**	1,412,191
Total exposure	**408,927**	1,542,067

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 2016, none (2015: 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 2016 and 2015, 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 2016:			
Trade and other payables	(226,378)	(226,378)	(226,378)
Consolidated 30 June 2015:			
Trade and other payables	(501,915)	(501,915)	(501,915)

(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 2016			30 June 2015		
	AUD	**GBP**	**Total Equivalent AUD**	AUD	GBP	Total Equivalent AUD
Cash and equivalents	**319,436**	**15,707**	**335,143**	910,098	502,094	1,412,191
Trade and other receivables	**72,881**	**903**	**73,784**	128,822	1,054	129,876
Trade and other payables	**(180,999)**	**(45,379)**	**(226,378)**	(320,000)	(181,915)	(501,915)
Total exposure	**211,318**	**(28,769)**	**182,549**	718,920	321,233	1,040,152

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 $1,525 (2015: $35,693). This analysis assumes that all other variables, remain constant. The analysis is performed on the same basis for 2015.

(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 2016	**30 June 2015**
	$	**$**
Cash and cash equivalents	**335,143**	1,412,191

The Group's cash at bank and on hand had a weighted average floating interest rate of 2.00% (2015: 2.00%). 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 $3,351 (2015: $14,122). 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 $4,138,108 for the year ended 30 June 2015 (2015: $4,832,615). 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	2016 $	2015 $
Loss for the period		**(1,859,351)**	(3,157,781)
Adjustments for non-cash income and expense items:			
Depreciation	10	**17,305**	15,298
Depletion expense		**-**	13,937
Exploration expenditure written off	11	**331,330**	1,347,654
Impairment of investment		**-**	19,998
Equity-settled share-based payment	20	**42,000**	-
Operating profit before changes in working capital and provisions		**(1,468,716)**	(1,760,894)
(Increase)/decrease in trade and other receivables		**56,092**	8,253
(Increase)/decrease in investments & assets		**(1,000)**	2,333
Increase/(decrease) in provisions		**(16,340)**	563,158
Increase/(decrease) in trade and other payables		**(275,537)**	124,813
Net cash outflow from operating activities		**(1,705,501)**	(1,062,337)

25. Related parties

(a) Subsidiaries

Name	Country of incorporation	% Ownership interest 2016	2015
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	USA	**-**	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
Ronald Gordon Currie (from 31 March 2016)	Non-Executive Director

Executives

Peter Munachen (until 31 March 2016)	CEO
John Douglas Annand (until 18 July 2016)	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

	2016 $	2015 $
Short term salary & fees	**555,860**	805,550
Post-employment benefits	**19,308**	18,784
Share-based payments	**21,000**	-
	596,168	824,334

(d) Loans with Key Management Personnel

No loans were provided to or received from KMP during the year ended 30 June 2016 (2015: nil).

(e) Related Party Transactions with Key Management Personnel

Resource Services International (Aust) Pty. Ltd (RSIA), a company of which Mr Munachen is a director and beneficial shareholder, was paid $nil (2015: $20,148) for the provision of accounting, administration and office services which was fully paid as of the reporting dates. The services provided by RSIA were terminated with effect from 1 July 2015 and instead were performed internally.

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 2016 financial year (2015: 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

	2016	2015
	$	$
(a) Financial Position		
Assets		
Current assets	**304,360**	952,165
Non-current assets	**4,989,987**	4,823,884
TOTAL ASSETS	**5,294,347**	5,776,049
Liabilities		
Current liabilities	**169,719**	318,530
Non-current liabilities	**439,549**	437,222
TOTAL LIABILITIES	**609,268**	755,752
Equity		
Contributed equity	**56,076,464**	54,953,620
Reserves	**1,409,600**	1,672,348
Accumulated losses	**(52,800,985)**	(51,605,671)
TOTAL EQUITY	**4,685,079**	5,020,297
(b) Financial Performance		
Profit/(loss) for the year	**(1,500,064)**	(2,970,201)
Other comprehensive income/(loss)	**-**	-
Total comprehensive income/(loss)	**(1,500,064)**	(2,970,201)

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 2016:

2016	**Payable within 1 year**	**Payable within 1 year less than 5 years**	**Total**
	$	**$**	**$**
Operating Lease	**112,056**	**74,704**	**186,760**

30. Subsequent events

In July 2016, the Company formed a strategic alliance with Transerv Energy Ltd to facilitate the farmout and drilling of the 160 million barrel Xanadu Prospect located in TP/15, in addition to other onshore permits Norwest has interests in within the Perth Basin. As part of the alliance, Transerv acquired via a share placement 100 million shares for $200,000. In addition 115 million shares were issued to sophisticated and professional investors, raising $430,000 before costs.

A shareholder general meeting subsequently approved the issue of 100 million shares to Director Henry David Kennedy (or his nominee), 50 million shares to Director Ronald Currie (or his nominee) and 50 million shares to a related party of Mr. Currie, raising a further $400,000 before costs. Thus raising a total of $830,000 before costs for the above placements.

Subsequent to year end, the following management changes were made; Shelley Robertson was appointed Chief Executive Officer who was previously the Company's Asset Manager since joining Norwest in January 2011. Emma Curnow was appointed Company Secretary on 18 July replacing Mr John Annand. Ms Curnow was previously the Company's Financial Controller since joining the Company in March 2015, a role that she has retained.

In September 2016, the Company announced that a Sale and Purchase Agreement (SPA), Change of Title and Change of Operator documentation for Production Licence L14 (L14) were submitted to the Department of Mines and Petroleum (DMP) for formal approval. Subject to DMP approval, Cyclone Energy and RCMA Australia will acquire equity in L14, with the intention to restart production from the Jingemia Oil Field. Norwest's contribution to necessary workovers and start-up costs leading to first production are forecast to be approximately $200,000, and it is anticipated that production will recommence in the first half of 2017 subject to the necessary approvals.

No matters or circumstances have arisen other than the above, since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of the Consolidated Entity, or the state of affairs of the Consolidated Entity as reported to the year ended 30 June 2016.

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 2016 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 2016.

Signed in accordance with a Resolution of Directors:

Dated in Perth on this 21st day of September 2016.

Michael John Fry

Non-Executive Director and Chairman

ROTHSAY

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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 2016 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 2016 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 2016. 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 2016 complies with section 300A of the *Corporations Act 2001*.

Rothsay

Rolf Garda
Partner

Dated 21 September 2016

Chartered Accountants

Liability Limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

ASX Additional Information

Additional information required by the ASX Ltd and not shown elsewhere in this report is as follows. The information is current as at 28 September 2016.

(a) Distribution of equity securities

An analysis of numbers of holders of listed securities by size of holdings as at 28 September 2016 is listed below:

		Ordinary shares	
		Number of holders	**Number of shares**
1	- 1,000	166	33,969
1,001	- 5,000	235	787,127
5,001	- 10,000	366	3,090,372
10,001	- 100,000	1,702	76,322,276
100,001	and over	1,527	2,385,335,650
		3,996	**2,465,569,394**
The number of shareholders holding less than a marketable parcel of shares are:		2,750	117,812,036

(b) Twenty largest shareholders

The names of the twenty largest holders of listed securities as at 28 September are listed below:

		Listed ordinary shares	
		Number of shares	**Percentage of ordinary shares**
1	KEMPRUST PTY LTD	140,000,000	5.68
2	SUNDOWNER INTERNATIONAL LIMITED	127,174,705	5.16
3	CARJAY INVESTMENTS PTY LTD	102,500,000	4.16
4	TRANSERV ENERGY LIMITED	100,000,000	4.06
5	REYNE NOMINEES PTY LTD	67,500,000	2.74
6	ARGONAUT EQUITY PARTNERS PTY LTD	59,000,000	2.39
7	REY CATTAMARRA PTY LTD	53,056,027	2.15
8	AVIEMORE CAPITAL PTY LTD	50,000,000	2.03
9	MR RONALD GORDON CURRIE <RON CURRIE FAMILY A/C>	50,000,000	2.03
10	PERSHING AUSTRALIA NOMINEES PTY LTD <ARGONAUT A/C>	43,779,289	1.78
11	BSG SERVICES PTY LTD <THE BAILEY INVESTMENT A/C>	43,665,848	1.77
12	AFM PERSEUS FUND LIMITED	43,000,000	1.74
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	37,734,846	1.53
14	MR KEVIN MARK JOHNSON	30,000,000	1.22
15	MR ROBERT ANTHONY HUTCHFIELD	28,300,000	1.15
16	MR JOHN DOUGLAS ANNAND	28,000,001	1.14
17	MR ANDREW TROTT HOPKINS + MRS ADRIENNE JANET HOPKINS	25,000,001	1.01
18	MR ANTHONY JOHN WYETH	22,848,342	0.93
19	MR VERNON REGINALD PARROTT	20,000,001	0.81
20	MR MICHAEL STOKES	19,897,472	0.81
		1,091,456,532	44.27

(c) Voting rights

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

ASX Additional Information

(d) Substantial Shareholders

Substantial shareholder notices have been received from the following at 28 September 2016.

Holder	Number of Ordinary Shares
Mr Henry David Kennedy	162,806,630
Kemprust Pty Ltd	140,000,000

(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
Mr Peter Munachen	-	8,000,000
Mr John Annand	10,000,000	-
Mrs Shelley Robertson	10,000,000	-
Aztech Well Construction Pty Ltd	-	11,400,000
Others (less than 20%)	-	14,750,000
Total	**20,000,000**	**34,150,000**

(f) Restricted Securities

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

(g) On-Market Buy Back

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

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