



norwest

E N E R G Y

2020 ANNUAL REPORT

CORPORATE DIRECTORY

NORWEST ENERGY NL

ABN 65 078 301 505
ACN 078 301 505

Directors

Mr Ernest Anthony Myers
(Non-Executive Chairman)

Mr Bruce Frederick William Clement
(Non-Executive Director)

Managing Director

Mr Iain Peter Smith

Company Secretary

Mrs Jo-Ann Long

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Australian Securities Exchange

NWE

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CHAIRMAN'S REPORT

Dear Shareholders,

I am pleased to present Norwest Energy's Annual Report for the year ended 30 June 2020. It has been a busy year for the Norwest team with the Company making good progress on a number of fronts, including:

- Joint Venture approval to drill the Lockyer Deep-1 gas exploration well
- Completion of the sale of its loss-making interest in the Jingemia oil field, raising \$700,000
- Strengthening of the Board by appointing former AWE Ltd Chief Executive Officer Bruce Clement as Non-Executive Director
- Capital raising of over \$4 million via a Share Placement and Share Purchase Plan
- Fully paying down company debt
- Joint Venture partner Mineral Resources Ltd acquiring a 19.9% shareholding (subsequently diluted)

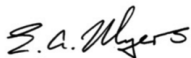
The year 2020 has of course been dominated by the COVID-19 pandemic. Norwest Energy has to a large degree been sheltered from the worst effects of the pandemic, having raised sufficient funds in late 2019 to fully settle the company's debt and fund the company's operations through 2020 and beyond. Fortunately the company sold its loss-making interest in Jingemia oil field production in September 2019 - a decision which was subsequently validated by the sharp decrease in oil price in early 2020 and more recent shutdown of operations.

The main impact of COVID-19 upon Norwest Energy's operations has been a delay in drilling of the Lockyer Deep-1 exploration well. This was due to the fact that mobilisation of the leading candidate drill rig to Western Australia was postponed and, as such, there is presently only one suitable rig operating in the North Perth Basin. Operator Energy Resources Ltd is working to secure a rig slot for drilling in the first half of 2021, having ordered long lead items and received government approval of its Environmental Management Plan.

The next twelve months promise to be an exciting period for Norwest Energy, as we prepare to drill the high-impact Lockyer Deep-1 gas prospect in the North Perth Basin. While the prospect has been in the company's portfolio for quite some time, the large discoveries of 2019 at West Erregulla and Beharra Springs Deep have served to substantially de-risk the target and deliver a significant upgrade to prospective resources. Exploration success at Lockyer Deep-1 may be transformational for your company.

With a potentially extended drilling program recently commenced in the North Perth Basin, involving multiple Operators, I believe that the past year's progress has put Norwest Energy in an excellent position to benefit from a resurgence of investor interest. I remain confident of the company's potential and wish to take this opportunity to thank you for your ongoing support, and to thank the small, dedicated Norwest Energy team for their ongoing effort and commitment.

Yours faithfully,



Ernie Myers
Non-Executive Chairman

PERMIT SUMMARY

Permit	Location	Type of Permit	Area (100%)	Norwest (%)
NORTHERN PERTH BASIN				
EP368	Perth Basin, WA	Onshore	599.1 km ²	20%
EP426	Perth Basin, WA	Onshore	1,197 km ²	22.22%
EP413	Perth Basin, WA	Onshore	544.9 km ²	27.945%
TP/15	Perth Basin, WA	Offshore	352 km ²	25%
TOTAL AREA NET TO NORWEST 626.06 KM²				

Table 1. Norwest Permit Schedule

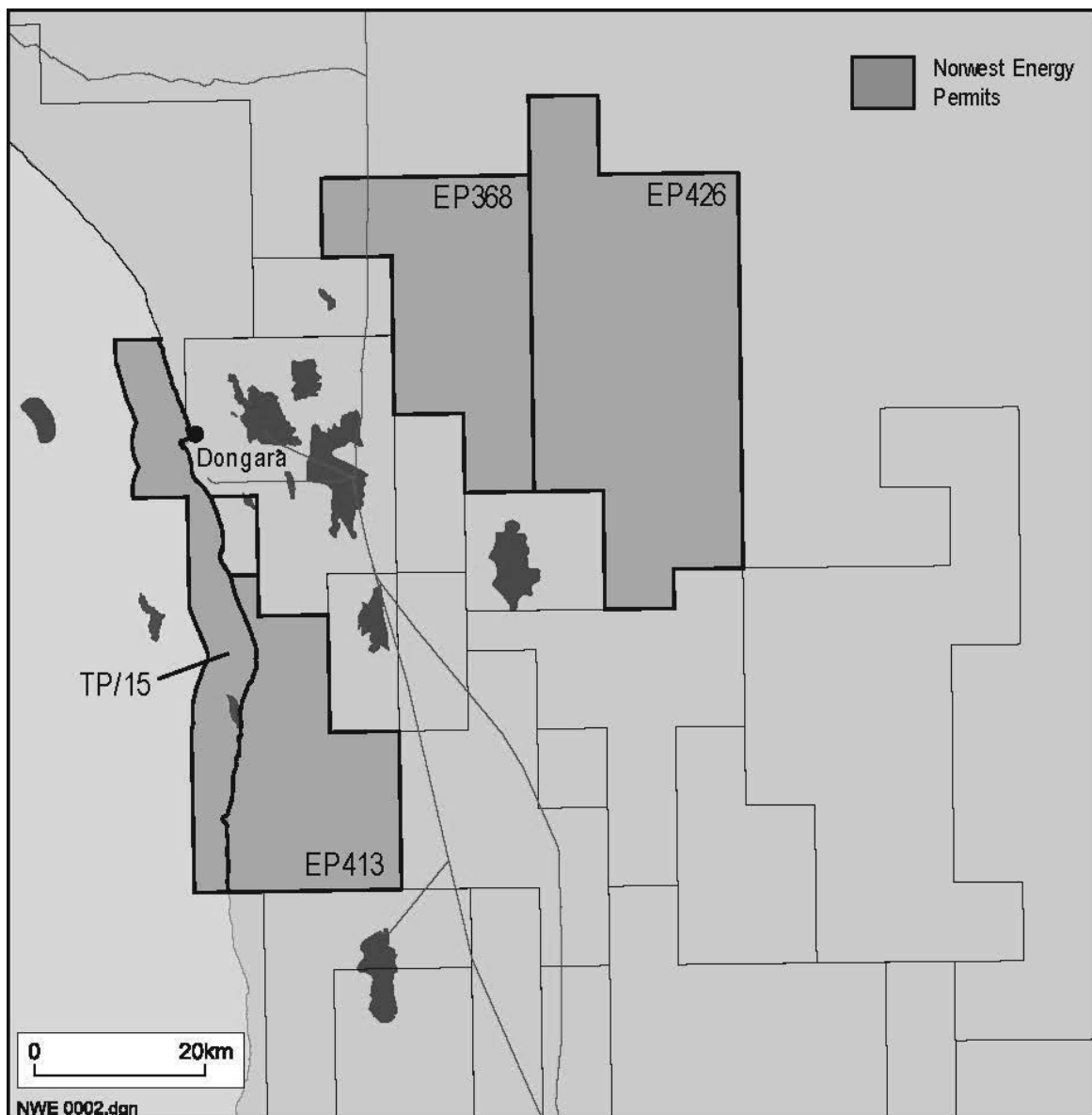


Figure 1. Norwest - Northern Perth Basin Acreage

Directors' Report

The Directors of Norwest Energy NL ("Norwest" or "the Company") herein present their financial report of the Company and its subsidiaries ("Consolidated entity" or "Group"), for the financial year ended 30 June 2020.

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.

Ernest Myers (Independent Non-Executive Chairman) CPA

Mr Myers became a Director of Norwest on 28 November 2018. Mr Myers, an Accountant by profession, has held senior management and executive roles within a number of ASX listed companies. During his career he has been instrumental in the capital raisings and financial management of these companies. With skills and knowledge gained from vast experiences in corporate, exploration and operational areas, Mr Myers has played a key role in maintaining the Company's financial stability. Mr Myers is an executive director and CEO of Pancontinental Oil & Gas NL.

Iain Smith (Managing Director) BSc, MSc, GD-BA

Mr Smith joined Norwest Energy on 2 April 2019. Mr Smith is a petroleum geoscientist with 31 years' broad experience of the upstream oil & gas industry, both internationally and in Australia. His early career saw him work offshore UK North Sea, before joining Premier Oil as a New Ventures Explorationist. Thereafter, Mr Smith spent seven years in the geoscience services sector, before joining Woodside Energy in a commercial role. At Woodside he worked within the Exploration & New Ventures group, and subsequently the Browse LNG project, with responsibilities including commercial analysis and asset divestment. In 2008 Mr Smith joined private exploration company Neon Energy, as Commercial Manager, and was responsible for the subsequent merger with ASX-listed Salinas Energy. He managed the commercial and investor relations aspects of the company's activities in Southeast Asia and California, including the high profile farmout of Neon's two offshore Vietnam projects. In 2016 Mr Smith joined Pilot Energy as Managing Director, overseeing an aggressive new ventures campaign that resulted in the low-cost acquisition of six exploration permits within Western Australia, including within the onshore and offshore Perth Basin.

Bruce Clement (Non-Executive Director) BEng, BSc, MBA (Appointed 18 December 2019)

Mr Clement has 40 years' oil and gas industry experience having held engineering, senior management, and board positions with a variety of companies including ExxonMobil, Ampolex, Rock Oil, AWE and Santos. He has extensive experience and knowledge of the Perth Basin, previously managing development of the Cliff Head oil field for Roc Oil and, more recently, overseeing the discovery of the Waitsia gas field as Managing Director of AWE. Mr Clement is a non-executive director of Horizon Oil Limited.

Henry David Kennedy (Non-Executive Director), MA, (Resigned 31st March 2020)

Mr Kennedy 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).

Jo-Ann Long (Company Secretary and Chief Financial Officer) B.Comm, FCA, GAICD

Ms Long was appointed CFO and Company Secretary on 2 April 2019. Ms Long has over 30 years of experience building, leading and advising corporations on financial management, restructuring, international expansion, acquisitions and risk management, initially with Deloitte's and subsequently with 22 years spent in the Oil and Gas industry with Woodside, Transerv Energy and a number of junior Oil & Gas companies. Ms Long has specialised expertise in joint venture operations, commercial agreements, tax strategies, risk management and governance. With strong broad commercial and business skills Ms Long brings a strong discipline of financial management and a track record of documented contributions of improved financial performance, heightened productivity and enhanced internal controls. Ms Long is CFO and Company Secretary for Prominence Energy NL, Managing Director of Eco Smart Designs, and holds non-executive directorships with Yijiyangu Corporation Limited and B2 Yaramarri Direct Benefits Trust.

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
Iain Smith (Managing Director)	4,285,715	92,142,857
Ernest Myers (Non-Executive Chairman)	4,285,715	17,142,857
Bruce Clement (Non-Executive Director)	-	15,000,000
Henry David Kennedy (Non-Executive Director)	281,894,130	4,300,000

3. EARNINGS PER SHARE

	2020	2019
Basic earnings per share (cents per share)	(0.19)	(0.03)
Diluted earnings per share (cents per share)	(0.19)	(0.03)

4. CORPORATE INFORMATION

Corporate Structure

The Company 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 and, via its subsidiary, Operator of the TP/15 Joint Venture.

5. OPERATING AND FINANCIAL REVIEW

Operational Review

As at the date of this report, the Group holds interests in the following North Perth Basin exploration permits (see Figure 1):

- 20% working interest in EP368
- 22.22% working interest in EP426
- 25% working interest in TP/15 (as Operator)
- 27.945% working interest in EP413 (as Operator)

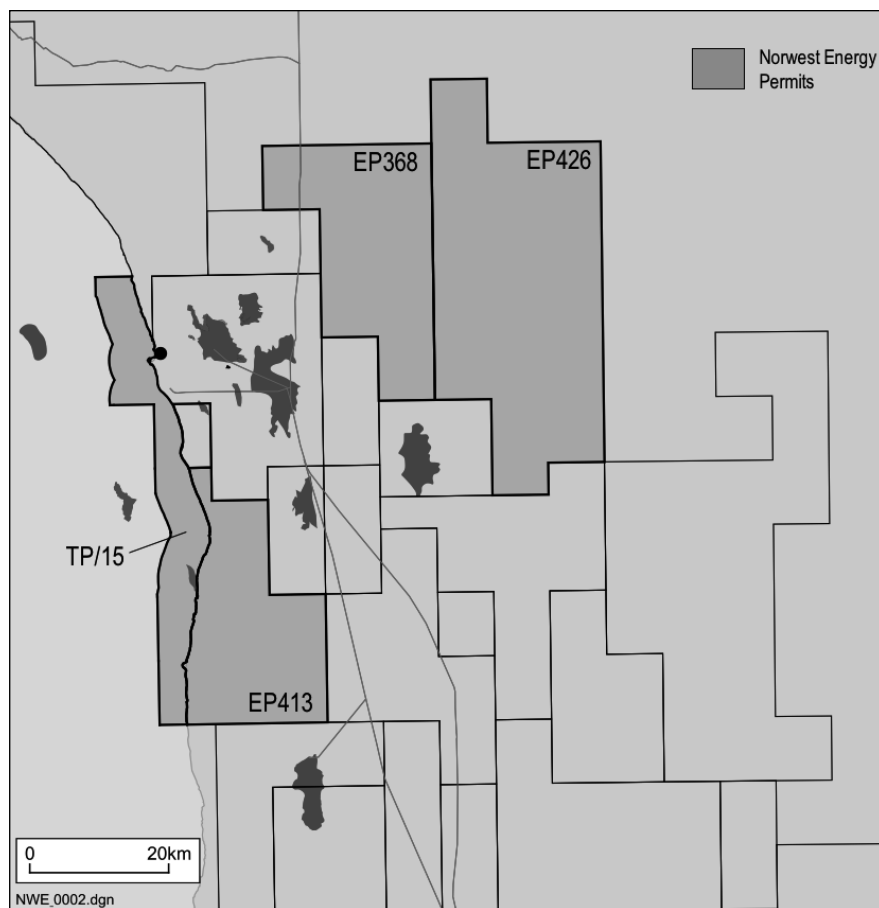


Figure 1: Norwest Energy Perth Basin Permit Interests

Exploration Permit EP368

During the reporting period the EP368 Joint Venture approved drilling of the Lockyer Deep-1 gas prospect, situated on trend with the significant gas discoveries made at Waitsia, West Erregulla and Beharra Springs Deep. These discoveries have greatly enhanced the prospectivity of exploration permits EP368 and EP426 - in particular the West Erregulla discovery confirms that good quality Permian sandstone reservoirs are present to the east of the 2014 Waitsia gas find, and the Beharra Springs Deep discovery mitigates the primary geological risk for Lockyer Deep/North Erregulla Deep (i.e. the presence of lateral fault seal).

Preparations are under way to drill Lockyer Deep-1 in early CY 2021 at the northern extent of the Lockyer Deep/North Erregulla Deep combination structure, which covers an area of up to 108 km². The primary exploration targets are the Kingia and High Cliff Sandstones, below a depth of approximately 3,900 metres, with gross prospective resources of up to 1.12 Tcf gas and a Geological Chance of Success estimated at 38% (refer ASX announcement dated 20 December 2019).

Significant additional prospectivity is present within EP368, including the Greater Springy Creek oil prospect (gross, high case prospective resources up to 61 MMbbls oil, refer ASX announcement of 8 July 2019) and a variety of structural leads which are presently being progressed by reprocessing of seismic data.

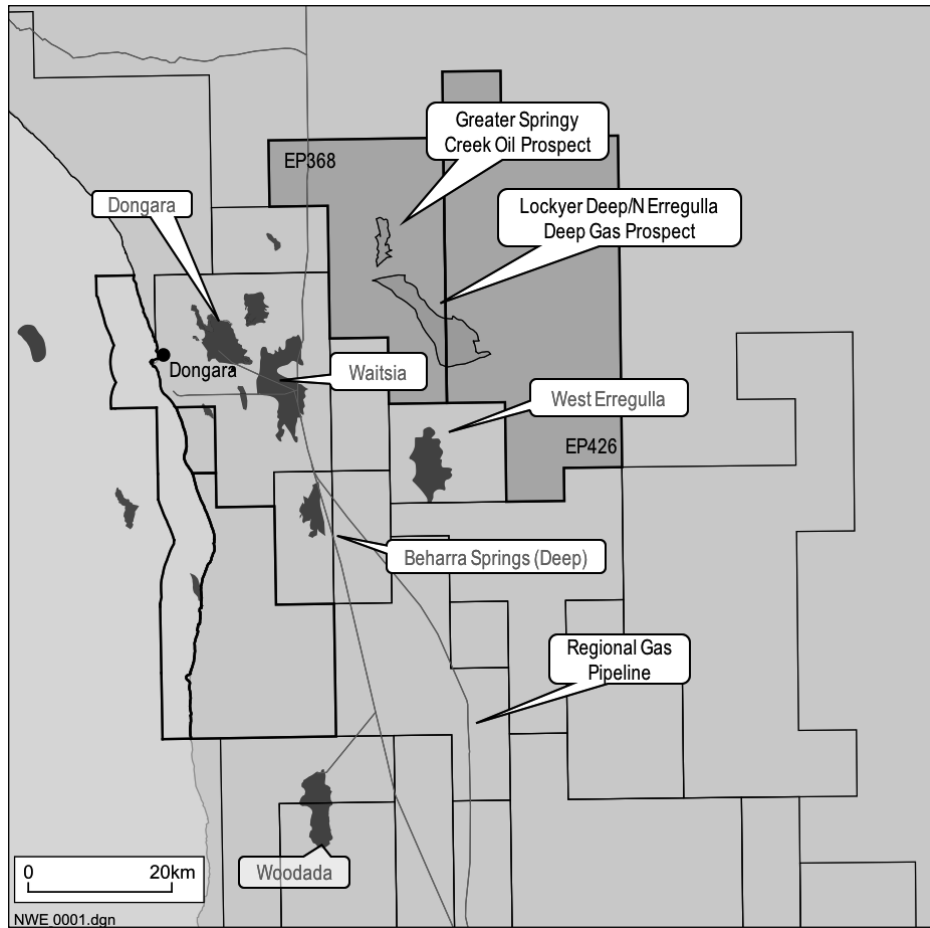


Figure 2: Exploration Permits EP368 and EP426

EP368 JV Participants	Interest	
Westranch Holdings Pty Ltd ¹	20%	
Energy Resources Ltd ²	80%	(Operator)

¹ Westranch Holdings Pty Ltd is a wholly owned subsidiary of Norwest Energy NL.

² Energy Resources Ltd is a wholly owned subsidiary of Mineral Resources Ltd.

Exploration Permit EP426

During the year, the EP426 Joint Venture progressed its evaluation of the prospectivity of exploration permit EP426. As with EP 368 the West Erregulla-2 gas discovery has greatly enhanced the prospectivity of the permit, which hosts the eastern extension of the North Erregulla Deep gas prospect in addition to a number of other exploration leads which are currently being progressed by reprocessing of legacy seismic data. The potential for significant volumes of gas to be hosted within the North Erregulla Deep structure will be tested by the Lockyer Deep-1 exploration well in EP368 in early CY 2021.

EP426 JV Participants	Interest	
Westranch Holdings Pty Ltd	22.22%	
Energy Resources Ltd	77.78%	(Operator)

Exploration Permit TP/15

The 40km² Xanadu 3D Transition Zone seismic survey was completed in July 2019, and was designed to fully delineate the 2017 Xanadu-1 oil discovery, focusing on the northern updip region, and the southern downdip region extending out to the western flank of the structure. The Xanadu discovery was drilled based on very limited 2D seismic coverage, insufficient to provide the high-resolution subsurface model required to guide future appraisal drilling.

The Xanadu structural model has been substantially revised based upon the 3D seismic data. In particular the fault geometry that defines the updip structure has changed such that the updip area to the north of the Xanadu-1 well intersection is reduced and commerciality of the updip resource is regarded as marginal, with appraisal drilling not warranted.

The TP/15 Joint Venture has re-evaluated the permit's prospectivity in light of the gas discoveries which have been made onshore in recent years within Permian sandstone reservoirs, and has identified the large Texel prospect, which offers potential for oil to be accumulated within the Irwin River Coal Measures and the Kingia/High Cliff Sandstones. Additional 2D seismic data is required to mature this prospect for drilling, and the Joint Venture has applied to the Department of Mines, Industry Regulation & Safety (DMIRS) to replace the year three appraisal well work commitment with geological studies and seismic feasibility studies.

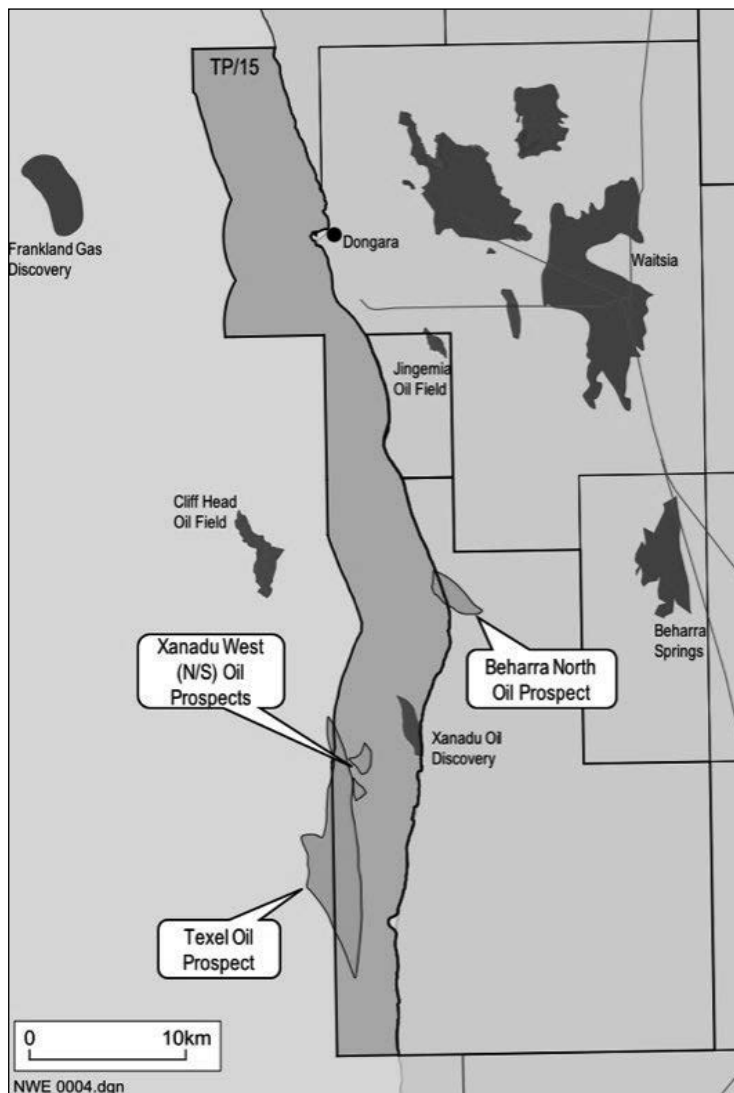


Figure 3: Exploration Permit TP/15

TP/15 JV Participants	Interest	
Westranch Holdings Pty Ltd	25%	(Operator)
3C Group	30%	
Triangle Xanadu Pty Ltd ³	45%	

³ Triangle Xanadu Pty Ltd is a wholly owned subsidiary of Triangle Energy Ltd

Exploration Permit EP 413

Norwest Energy is Operator of exploration permit EP413, within which the Arrowsmith-2 well proved up a significant unconventional contingent gas resource. To progress the Arrowsmith discovery a further well is required, with a lateral section subject to hydraulic fracturing. Operations have been on hold during the reporting period, due to the Western Australian state government scientific inquiry into hydraulic fracture stimulation. The inquiry panel handed its findings to the State Government on 12th September 2018, and the State Government lifted the moratorium on hydraulic fracturing. However, state legislation is still required before hydraulic fracturing can proceed within EP413, and Norwest will seek a further suspension/extension of the permit work program commitments while progressing discussions with a number of third parties that have expressed interest in the permit. The Beharra North conventional oil lead has potential for future exploration in the event that the Cervantes-1 exploration well, planned for CY 2021 and located in permit L14 to the north, discovers oil.

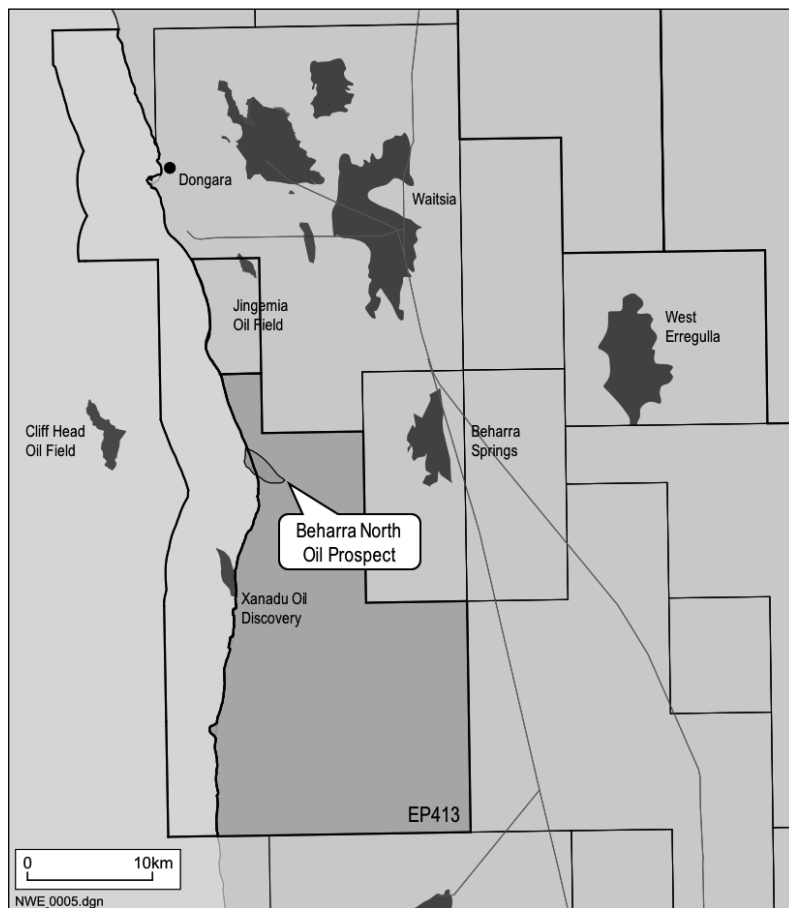


Figure 4: Exploration Permit EP413

EP413 JV Participants	Interest
Norwest	27.945% (Operator)
Mitsui & Co. Ltd	44.252%
Bharat PetroResources Ltd	27.803%

COVID-19

The impact of the COVID-19 pandemic upon the Company's operations has been limited, due to the fact that there has been only minor operational activity since the onset of the pandemic in Western Australia. During the period March to May 2020 the Company implemented precautionary measures to protect its personnel, including the ability to work remotely whenever possible. The main effect of the pandemic for the Company has been a delay in drilling the Lockyer Deep-1 gas prospect, due to that fact that the expected mobilisation of a suitable drilling rig to the Perth Basin was postponed by another Operator, as a direct result of the significant drop in global oil prices on the back of weakened demand. Drilling of Lockyer Deep-1 is now planned for early CY 2021.

Financial Review

Focus of the Business

Norwest Energy is focused on developing its exploration interests in in the north Perth Basin, Western Australia. The Company may seek to farm out project interests where appropriate in order to manage its capital, de-risk its exposure and facilitate successful exploration and development (as evidenced by the 2017 farmout of TP/15 in order to achieve a fully carried position through drilling of the Xanadu-1 exploration well).

Financial Results

The net loss of the Consolidated entity for the year ended 30 June 2020 of \$7,846,201 was higher than the loss of the prior year (\$877,325). The main contributing factors were;

- Impairment of the Company's exploration permits;
- Additional provision for restoration; and
- Incentive Share Options issued to Directors, management and employees.

Financial Position

At 30 June 2020, the Group had cash reserves of \$3.1m (2019: \$0.6m). At 30 June 2020, the Group had net assets of \$3.1m (2019: \$6.4m) a decrease of \$3.0m from the previous year. These changes are largely attributable to the following:

- Impairment of the Company's exploration permits;
- Sale of the Company's interest in L14 (Jingemia field), raising \$700,000;
- Capital raising of approximately \$4.4 million via placement and Share Purchase Plan;
- Repayment of the Sundowner International convertible loan facility (cash component \$750,000); and
- Receipt of approximately \$192,000 under the R&D Tax Incentive Scheme.

Performance Indicators and Risk Management

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

- assessing 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 are directly controlled using a disciplined approach to reducing the Group's non-essential costs and allocating funds to those activities which will add to shareholder value. The Company's share price may be influenced by factors outside the control of management and the Board, such as market conditions and commodity prices.

The Board takes a pro-active approach to risk management and is responsible for ensuring that both risks and opportunities are identified in a timely manner so that the Company's activities are focused on mitigating risks to the fullest extent possible while taking maximum advantage of opportunities.

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.

7. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Other than the events outlined in note 25 of the financial statements, at the date of this report, there are no matters or circumstances which have arisen since 30 June 2020 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

There were no likely developments in the operations of the Group that were not finalised at the date of this report.

9. ENVIRONMENTAL AND HEALTH & SAFETY

Norwest Energy is subject to significant environmental regulation in respect of exploration activities within the permits which it operates and is committed to undertaking all operational activities in an environmentally responsible manner. The Directors believe that the Company has adequate systems in place for managing its environmental commitments and is not aware of any breach under its obligations.

Similarly, Norwest Energy operates under strict health and safety guidelines and regulations, and regards the wellbeing of its personnel, contractors, partners and all stakeholders as a priority. The Directors believe that the Company has adequate systems in place for ensuring it maintains its excellent track record with regards to health and safety, and note that during the reporting period there were no lost-time injuries related to its operational activities.

10. CLIMATE RISK

Norwest Energy acknowledges the increasing interest of the Company's stakeholders regarding the possible risks and opportunities presented by climate change and the increasing momentum towards a low carbon economy. We believe that a wide variety of energy sources will be required over the coming decades to meet global energy demand while transitioning to 100% renewable sources of energy.

Key climate-related risks and opportunities that are relevant to our business include:

- Increased uncertainty and scrutiny associated with regulatory approvals.
- Decreasing demand for petroleum products in some markets and an associated potential impact on life of assets.
- Changing community and investor sentiment towards petroleum projects.

The Board is committed to:

- Identifying, managing and mitigating material climate risks to the business.
- Ensuring that our practices and procedures integrate consideration of climate-related risks into project decision-making.
- Constant monitoring of changes in climate policy.

Natural gas is regarded as a crucial component of the global transition to sustainable energy, and we believe this gives rise to opportunities for the Company's portfolio.

11. 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 insurance cover for Directors and Officers against any potential liability and the associated legal expenses of any proceeding.

12. DIVIDENDS

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

13. 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 fact that the Group is currently undertaking only exploration activities, the risks associated with undertaking these activities and (other than profit from asset sales) the Company does not expect to achieve 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, comparative remuneration externally 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.

Employment Contracts with Executives

Mr Iain Smith, Managing Director – from 2nd April 2019

Mr Smith has a Services Agreement (“the agreement”) which specifies the duties and obligations to be fulfilled in his role. As of 1 August 2020 Mr Smith, receives a fixed remuneration component of \$300,000 per annum for the position of Managing Director. The Company or the Managing Director may terminate the agreement by providing 3 months’ notice. The Company has implemented a Short-Term Incentive Plan and Mr Smith has been granted Incentive Share Options, as approved by shareholders.

Ms Jo-Ann Long Chief Financial Officer and Company Secretary – from 15 September 2017

Ms Long provides the services of part time Chief Financial Officer and Company Secretary under a services agreement that specifies the duties and obligations to be provided in her role. The contract may be terminated by either party by giving 14 days’ notice. Ms Long receives a retainer of \$3,000 per month and an hourly rate for certain specialised duties.

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, whilst 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 subject to shareholder approval.

Fees for the Chairman are presently \$48,000 per annum (2019: \$36,000) and fees for Non-Executive Directors are presently set at \$36,000 per annum (2019: \$30,000). 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.

Emoluments of Directors and Other KMP

	Short term Salary & Fees \$	Post-Employment Superannuation \$	Share-based Payments Options \$	Total \$	Performance related %
Directors					
Iain Smith (4)					
2020	276,000		60,000	336,000	-
2019	69,000		-	69,000	-
Ernest Myers (5)					
2020	43,000		10,000	53,000	-
2019	21,000			21,000	-
Henry D Kennedy (8)					
2020	22,500			22,500	-
2019	30,000			30,000	-
Michael J Fry (6)					
2020	-			-	-
2019	14,800			14,800	-
Shelley Robertson (1)					
2020	-			-	-
2019	279,678	24,166		303,844	-
Bruce Clement (7)					
2020	17,764	1,688	10,000	29,452	-
2019	-			-	-
Other KMP					
Jo-Ann Long (2)					
2020	163,224		10,000	173,224	-
2019	105,435			105,435	-
Emma Curnow (3)					
2020	-			-	-
2019	18,296	719		19,015	-
TOTAL 2020	522,488	1,688	90,000	614,176	
TOTAL 2019	538,209	24,885	-	563,094	

(1) Mrs Robertson resigned as CEO and Managing Director on 2 April 2019. (2) Ms Long was appointed CFO and Company Secretary on 2 April 2019 (3) Miss Curnow resigned on 3 October 2018. (4) Mr Smith was appointed Managing Director on 2nd April 2019. (5) Mr Myers was appointed a Director on 28th November 2018 and (6) Mr Fry resigned as Director on 28th November 2018. (7) Mr Clement was appointed as a Director on 18 December 2019. (8) Mr Kennedy resigned as a Director on 31st March 2020.

Options and rights granted to KMP

During the financial year ended 30 June 2020, (30 June 2019: Nil) the Company granted options over unissued ordinary shares in the Company to directors and executives as part of their remuneration.

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 vested Options included in remuneration report \$	Remuneration that consists of Options %
2020					
Iain Smith	150,000	-	-	60,000	17.85
Ernest Myers	25,000	-	-	10,000	18.86
Bruce Clement	25,000	-	-	10,000	33.95
Jo-Ann Long	50,000	-	-	10,000	5.77
2019					
Nil					

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 18 to the financial statements.

Option holdings of Key Management Personnel

	Held at 1 July	Granted as Remuneration	Exercised	Net Other Change ⁽¹⁾	Vested and exercisable at 30 June
2020					
Iain Smith	-	90,000,000	-	2,142,857	32,142,857
Ernest Myers	-	15,000,000	-	2,142,857	7,142,857
Bruce Clement	-	15,000,000	-	-	5,000,000
David Kennedy	-	-	-	4,300,000	4,300,000
Jo-Ann Long	-	15,000,000	-	1,428,572	6,428,572
2019					
Shelley Robertson ⁽²⁾	16,000,000	-	-	-	16,000,000

Note (1): Listed options issued as a result of management participation in the Share Purchase Plan dated 28th November 2019

Note (2): Ms Robertson's remaining unvested Options were cancelled upon her resignation on 2 April 2019.

Shareholdings of Key Management Personnel

	Held at 1 July	Purchases	Sales	Net Other Change	Held at 30 June
2020					
Iain Smith	-	4,285,715	-	-	4,285,715
Ernest Myers	-	4,285,715	-	-	4,285,715
David Kennedy	197,650,380	114,400,000	-	(30,156,250)	281,894,130
Jo-Ann Long	-	2,857,144	-	-	2,857,144
2019					
Michael J Fry	23,179,785	-	-	-	23,179,785
Henry D Kennedy	167,494,130	30,156,250	-	-	197,650,380
Shelley Robertson	892,357	-	255,000	-	637,357

Loans with KMP

During the previous year the Company entered into an agreement with Sundowner International Limited for a convertible loan facility of up to \$500,000, with an option, at Sundowner's election, to extend that amount up to \$1,500,000. The Company drew down the Convertible Note in the amount of \$1,000,000. The loan facility had a term of twelve months, accrued interest at 8% per annum, and could be converted at Sundowner's election at a fixed price of 0.25 cents per share, or at the Company's election at a fixed price of 0.2 cents per share. After a General Meeting held on 28th February 2020 the Convertible Loan Facility with Sundowner was fully settled by payment of \$750,000 and the issue of 100,000,000 ordinary shares in the Company. Sundowner is a related entity of Company director David Kennedy. No other loans were provided to or received from Key Management Personnel during the year ended 30 June 2020 (2019: nil).

Other Transactions with KMP

Nil.

End of Remuneration Report.

14. SHARE OPTIONS

At 30 June 2020 unissued ordinary shares under options were:

Expiry date (Options Listed)	Exercise price	Number of options
24 Jan 2022	\$0.006	626,187,131
Total outstanding as at 30 June 2020		626,187,131

Expiry date (Options Unlisted)	Exercise price	Number of options
30 June 2024	\$0.0089	42,000,000
30 June 2024	\$0.0107	10,000,000
30 June 2025	\$0.0089	42,000,000
30 June 2025	\$0.0107	10,000,000
30 June 2026	\$0.0089	42,000,000
30 June 2026	\$0.0107	10,000,000
Total outstanding as at 30 June 2020		156,000,000

15. DIRECTORS' MEETINGS

The number of Board meetings held during the year and the number of meetings attended by each Director was as follows:

		Number eligible to attend	Number attended
Mr Ernest Anthony Myers	(Non-Executive Chairman)	2	2
Mr Iain Smith	(Managing Director)	2	2
Mr Bruce Clement	(Non-Executive Director)	2	2
Mr Henry David Kennedy	(Non-Executive Director)	1	1

In addition to formal Board meetings, the Directors keep in regular communication on an ongoing basis with regards to the Company's activities and strategy. As such, various matters are resolved via Circular Resolutions of the Board of Directors. During the reporting period nine such circular resolutions were approved.

Committee membership

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

16. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 14 and forms part of the Directors' Report for the year ended 30 June 2020.

17. NON-AUDIT SERVICES

The Company's auditor, Rothsay Auditing did not provide any non-audit services during the year (2019: nil).

Dated this 30th day of September 2020 in accordance with a resolution of the Directors and signed for and on behalf of the Board by Mr Ernest Anthony Myers



Signed

Ernest Anthony Myers
Non-Executive Director and Chairman

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor of the audit of Norwest Energy NL for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in relation to Norwest Energy NL and the entity it controlled during the year.

Rothsay Auditing



Daniel Dalla
Partner
29 September 2020

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
<u>Principle 1 – Lay solid foundations for management and oversight</u>	
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
<u>Principle 2 – Structure the Board to add value</u>	
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 Managing Director.	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
<u>Principle 3 – Act ethically and responsibly</u>	
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 Managing Director 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 |
|-----|---------------------------------------------------------------------------------------------------------------------------|-----|

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 its 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;
- 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	
	2020	2019
Full Time Employees	50%	50%
Executive Employees & Board Members	25%	25%

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 Managing Director, 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.

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.

Recommendation 2.4 – Majority of the Board should be independent

As at 30 June 2020, Ernest Myers and Bruce Clement are considered to be independent.

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.

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 to day management of risk is the responsibility of the Managing Director, 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 2019, 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 Managing Director 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.

Economic risks

- *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 equity in permits and licences. 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 7).

Environmental and social sustainability risks

- *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.

Recommendation 8.1 – Remuneration Committee

The Board does not have a separate Remuneration Committee, rather the non-executive directors fulfil 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.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NORWEST ENERGY NL**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Norwest Energy NL (“the Company”) and its controlled entity (“the Group”) which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors’ declaration of the Company.

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

- (i) giving a true and fair view of the Group’s financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the “Code”) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor’s report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NORWEST ENERGY NL (continued)**

<i>Key Audit Matter - Cash and Cash Equivalents</i>	<i>How our Audit Addressed the Key Audit Matter</i>
<p>The Group's cash and cash equivalents make up 83% of total assets by value and are considered to be the key driver of the Group's operations.</p> <p>We do not consider cash and cash equivalents to be at a high risk of significant misstatement or to be subject to a significant level of judgement.</p> <p>However due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p>	<p>Our procedures over the existence of the Group's cash and cash equivalents included but were not limited to:</p> <ul style="list-style-type: none"> • Documenting and assessing the processes and controls in place to record cash transactions; • Testing a sample of cash payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger; and • Agreeing balances to independent confirmations. <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p>
<i>Key Audit Matter - Exploration and evaluation expenditure</i>	<i>How our Audit Addressed the Key Audit Matter</i>
<p>The Group has impaired a significant amount of exploration and evaluation expenditure during the year.</p> <p>We do not consider exploration and evaluation expenditure to be at a high risk of significant misstatement, or to be subject to a significant level of judgement.</p> <p>However due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p>	<p>Our procedures in assessing exploration and evaluation expenditure included but were not limited to the following:</p> <ul style="list-style-type: none"> • We assessed exploration and evaluation expenditure with reference to AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. • We tested a sample of exploration and evaluation expenditure to supporting documentation to ensure they were bona fide payments; and • We documented and assessed the processes and controls in place to record exploration and evaluation transactions. <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p>



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NORWEST ENERGY NL (continued)**

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/Home.aspx.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NORWEST ENERGY NL (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2020.

In our opinion the remuneration report of Norwest Energy NL for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Rothsay Auditing

Dated 30 September 2020

**Daniel Dalla
Partner**

Directors' Declaration

The Directors of the Company declare that, in the opinion of the Directors:

- (a) The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position and performance of the consolidated entity; and
 - (ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.
- (b) The financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1 and other mandatory professional reporting requirements.
- (c) The Directors have been given the declarations required by s.295A of the *Corporations Act 2001*.
- (d) There are reasonable grounds to believe that Norwest Energy NL will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

Dated in Perth on this 30th day of September 2020.



Signed

Ernest Anthony Myers
Non-Executive Director and Chairman

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020

	Note	Consolidated Entity	
		2020 \$	2019 \$
Continuing Operations			
Interest income	2	1,237	5,019
Oil Sales	2	2,537	307,156
Other Income	2	1,174,388	195,050
		1,178,162	507,225
Depreciation		(77,248)	(6,884)
Audit fees	22	(49,500)	(17,500)
Legal expense		(18,810)	(83,570)
Exploration expense and Exploration write off	10	(6,895,952)	-
Operating costs to P & L	10	(255,265)	(509,629)
Provision for Restoration	15	(275,000)	-
Employee, consulting, and administration expenses		(1,452,588)	(766,967)
(Loss) from continuing operations before income tax		(7,846,201)	(877,325)
Income tax benefit	4	-	-
(Loss) from continuing operations for the year		(7,846,201)	(877,325)
Other Comprehensive Income			
Exchange differences on translation of foreign operations			-
Net change in fair value of available for sale financial assets transferred to profit and loss			-
Total Comprehensive (Loss) attributable to Members of Norwest Energy NL		(7,846,201)	(877,325)
Profit/(Loss) per share attributable to the ordinary equity holders of the company:			
Basic and diluted earnings/(loss) per share (Cents)	5	(0.19)	(0.03)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 30 June 2020

	Note	Consolidated Entity	
		2020 \$	2019 \$
Current Assets			
Cash and cash equivalents	6	3,054,835	553,250
Trade and other receivables	8	30,697	79,490
Other financial assets		-	-
Total Current Assets		3,085,532	632,740
Non-Current Assets			
Property, plant, and equipment	9	6,422	8,065
Exploration and evaluation expenditure	10	408,677	6,752,573
Other Assets	11	158,103	-
Total Non-Current Assets		573,202	6,760,638
Total Assets		3,658,734	7,393,378
Current Liabilities			
Trade and other payables	12	77,523	240,215
Provision for Annual Leave		5,037	4,317
Other Liabilities	14	78,219	-
Total Current Liabilities		160,779	244,532
Non-Current Liabilities			
Borrowings	13	-	750,000
Provision for Long Service Leave		11,259	10,304
Provision for Restoration	15	275,000	-
Other Liabilities	14	84,523	-
Total Non-Current Liabilities		370,782	760,304
Total Liabilities		531,561	1,004,836
Net Assets		3,127,173	6,388,542
Equity			
Contributed equity	16(a)	63,920,369	59,645,137
Reserves	17	320,000	10,400
Accumulated losses	17	(61,113,196)	(53,266,995)
Total Equity		3,127,173	6,388,542

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year ended 30 June 2020

Consolidated Entity	Contributed Equity \$	Share-Based Payment Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2020	59,645,137	10,400	(53,266,995)	6,388,542
Comprehensive income for the year				
Profit/(Loss) for the year			(7,846,201)	(7,846,201)
Total Comprehensive Income for the Year	59,645,137	10,400	61,113,196	(1,457,659)
Transactions with owners in their capacity as owners:				
Share issue (net of costs)	4,275,232			4,275,232
Share options expired/exercised (2)		(10,400)		(10,400)
Share based payments expense		320,000		320,000
Balance at 30 June 2020	63,920,369	320,000	(61,113,196)	3,127,173
Balance at 1 July 2019	59,645,137	91,400	(52,389,670)	7,346,867
Comprehensive income for the year				
Profit/(Loss) for the year	-	-	(877,325)	(877,325)
Total Comprehensive Income for the Year	-	-	(877,325)	(877,325)
Transactions with owners in their capacity as owners:				
Share issue (net of costs)	-	-	-	-
Share options expired/exercised (1)	-	(81,000)	-	(81,000)
Share based payments expense	-	-	-	-
Balance at 30 June 2019	59,645,137	10,400	(53,266,995)	6,388,542

(1) During the year options valued at \$81,000 expired. (2) During the year options valued at \$10,400 expired.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2020

Note	Consolidated Entity	
	2020 \$	2019 \$
Cash Flows from Operating Activities		
	(1,394,774)	(599,787)
	2,537	307,156
	119,354	195,050
	192,504	-
	162,587	-
	1,238	5,019
6(b)	(916,554)	(92,562)
Cash Flows from Investing Activities		
	227	(5,067)
	700,000	-
	(807,320)	(979,832)
	(107,093)	(984,899)
Cash Flows from Financing Activities		
	4,383,310	-
	(358,078)	-
	250,000	-
	(750,000)	-
	3,525,232	-
	2,501,585	1,077,461
	553,250	1,630,711
		-
6(a)	3,054,835	553,250

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1 ABOUT THIS FINANCIAL REPORT

Reporting Entity

This financial report of Norwest Energy NL ('the Company') for the year ended 30 June 2020 comprises the Company and its subsidiary (collectively referred to as 'the consolidated entity' or 'Group'). Norwest Energy NL is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The notes to the financial statements are organised into the following sections:

- (a) Key Performance:** Provides a breakdown of the key individual line items in the statement of comprehensive income that is most relevant to understanding performance and shareholder returns for the year:

Notes

- 2 Revenue from continuing operations
- 3 Segment information
- 4 Income tax expense
- 5 Profit/(Loss) per share

- (b) Financial Risk Management:** Provides information about the Consolidated Entity's exposure and management of various financial risks and explains how these affect the Consolidated Entity's financial position and performance:

Notes

- 6 Cash and cash equivalents
- 7 Financial risk management

- (c) Other Assets and Liabilities:** Provides information on other balance sheet assets and liabilities that do not materially affect performance or give rise to material financial risk:

Notes

- 8 Trade and other receivables
- 9 Property, plant, and equipment
- 10 Exploration and evaluation expenditure
- 11 Other assets
- 12 Trade & other payables
- 13 Borrowings
- 14 Other liabilities
- 15 Provision for restoration

- (d) Capital Structure:** This section outlines how the Consolidated Entity manages its capital structure and related financing costs (where applicable), as well as capital adequacy and reserves. It also provides details on the dividends paid by the Company:

Notes

- 16 Contributed equity
- 17 Reserves and accumulated Losses
- 18 Share-based payments

- (e) Consolidated Entity Structure:** Provides details and disclosures relating to the parent entity of the Consolidated Entity, controlled entities, investments in associates and any acquisitions and/or disposals of businesses in the year. Disclosure on related parties is also provided in the section:

Notes

- 19 Parent entity information
- 20 Investment in controlled entities
- 21 Key management personnel disclosures & related party transactions

- (f) Other:** Provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements, however, are not considered significant in understanding the financial performance or position of the Consolidated Entity:

Notes

- 22 Remuneration of auditors
- 23 Commitments for expenditure
- 24 Contingencies

1a Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations, and the *Corporations Act 2001*. Norwest Energy NL is a for-profit entity for the purposes of preparing the financial statements.

Compliance with IFRSs

The financial statements of Norwest Energy NL also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

New Accounting standards and interpretations*Standards and Interpretations applicable to 30 June 2020*

In the year ended 30 June 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2020. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Group accounting policies.

1b Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company as at 30 June 2020 and the results of its subsidiaries for the year then ended. The Company and its subsidiaries are referred to in this financial report as Reward or the Consolidated Entity.

All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation.

1c GST

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated as inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

2 REVENUE FROM CONTINUING OPERATIONS

	2020 \$	2019 \$
Interest income	1,237	5,019
Oil sales	2,537	307,156
JV Operator fees and other recoveries	281,884	195,050
Proceeds of Sale of Production Asset	700,000	
Research and development tax rebate received	192,504	-
	<u>1,178,162</u>	<u>507,225</u>

3 SEGMENT INFORMATION

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 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 INCOME TAX EXPENSE

(a) The major components of income tax expense are

Income statement

Current income tax:

Current income tax benefit

Deferred income tax:

Relating to origination and reversal of temporary differences

Unused tax losses not recognised as a DTA

Income tax (expense)/income reported in the income statement

	2020 \$	2019 \$
	419,180	599,645
	1,636,286	(336,180)
	(2,055,466)	(263,465)
	-	-

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:

Accounting loss

Prima facie tax payable at 27.5% (2019:27.5%)

Add tax effect of items not brought to account:

Non-deductible and non-assessable permanent items

Tax losses not brought to account

	2020 \$	2019 \$
	(7,846,201)	(877,321)
	(2,157,705)	(241,605)
	79,553	(21,860)
	2,078,152	263,465
	-	-

(b) Deferred income tax

Deferred income tax at 30 June relates to the following:

Deferred tax liabilities

Tax effect of exploration expenses	112,386	1,787,203
Tax effect of other	43,478	-
Set-off against carry forward losses	(155,864)	(1,787,203)
Deferred tax liability balance	-	-

Deferred tax assets

Tax value of carry forward losses	12,080,191	11,786,316
Set off against deferred tax liability	(155,864)	(1,787,203)
Deferred tax assets – temporary differences	154,034	50,957
Non-recognition of deferred tax asset	(12,078,361)	(10,050,070)
Deferred tax asset balance	-	-

(c) Tax losses*Deferred tax assets*

Tax losses – revenue	10,132,394	9,838,519
Tax losses – capital	1,947,797	1,947,797
	12,080,191	11,786,316

At 30 June 2020, the Consolidated entity has \$43,927,968 (2019: \$42,859,330) of tax losses that are available indefinitely for offset against future taxable profits of the Company. 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.

5 PROFIT/(LOSS) PER SHARE

Basic loss per share

2020	2019
Cents Per Share	Cents Per Share
(0.019)	(0.03)

The profit/(loss) for the year and the weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

Loss for the year after income tax

2020	2019
\$	\$
(7,846,201)	(877,325)

Weighted average number of ordinary shares for the purposes of basic earnings per share

2020	2019
No.	No.
4,097,914,388	3,382,092,727

	2020 \$	2019 \$
6 CASH AND CASH EQUIVALENTS		
6a Reconciliation of Cash		
For the purposes of the Statements of Cash Flows, cash includes cash on hand and in banks. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and short-term deposits	3,054,835	553,250
6b Reconciliation of Net Cash used In Operating Activities to Operating Profit/(Loss) after Income Tax		
Profit/(Loss) for the year	(7,846,201)	(877,325)
Depreciation	77,248	6,884
Exploration costs expensed included in investing activities	6,895,952	-
Equity settled share-based payment	309,600	(81,000)
Rental adjustment for right of use asset	(71,253)	-
Profit/(Loss) on Sale of Investment	(700,000)	-
Production Expenditure	255,265	-
Change in assets and liabilities during the financial year:		
Trade and other receivables	48,792	(55,065)
Investments and assets	58	9,266
Provisions	276,677	(46,780)
Borrowings	-	750,000
Trade and other payables	(162,692)	201,458
Net cash inflow/(outflow) from operating activities	(916,554)	(92,562)

7 FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and cash flow interest rate risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2020 \$	2019 \$
Financial Assets		
Cash and cash equivalents	3,054,835	553,250
Loans and receivables	30,697	79,490
Total Financial Assets	3,085,532	632,740
Financial Liabilities		
Financial liabilities at amortised cost		
Trade and other payables	77,523	240,215
Total Financial Liabilities	77,523	240,215

Risk management is carried out by the Board of Directors, who identify, evaluate and manage financial risks as they consider appropriate.

- 7a **Market Risk**
 (i) **Cash Flow Interest Rate Risk**
 Refer to (d) below.

7b **Credit Risk**

The Group does not have any significant concentrations of credit risk. Credit risk is managed by the Board and arises from cash and cash equivalents as well as credit exposure including outstanding receivables and committed transactions.

All cash balances held at banks are held at internationally recognised institutions. The majority of receivables are immaterial to the Group. Given this, the credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about default rates. The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as summarised at the start of this note.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. Financial assets that are neither past due nor impaired are as follows:

	2020 \$	2019 \$
Cash and cash equivalents		
‘AA’ S&P rating	3,054,835	553,250

7c **Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and, the availability of funding through the ability to raise further equity or through related party entities. Due to the dynamic nature of the underlying businesses, the Board aims at maintaining flexibility in funding through management of its cash resources. The Group has no financial liabilities at the year-end other than normal trade and other payables incurred in the general course of business. All financial liabilities mature in less than 6 months.

7d **Cash Flow Risk**

As the Group has significant interest-bearing assets in the form of cash, the Group's income and operating cash flows are exposed to changes in market interest rates.

Based on the year-end balances, a 1% increase in interest rates would have decreased the consolidated loss by \$30,548 (2019: \$5,533) and increased the cash balances by a corresponding amount. There were no other amounts included in Net Assets subject to material interest rate risks.

	2020 \$	2019 \$
8 TRADE AND OTHER RECEIVABLES		
GST receivable	7,287	4,730
Trade and other receivables	23,410	74,760
	30,697	79,490

No receivables are impaired or past due but not impaired. Refer to Note 7 for Financial Risk considerations. The carrying value of all receivables approximates their fair value.

9 PLANT AND EQUIPMENT

Office Furniture and Equipment at cost
Accumulated depreciation

	2020 \$	2019 \$
	262,374	262,894
	(255,952)	(254,829)
	6,422	8,065

Movements in carrying amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

2020

Balance at the beginning of the year
Additions
Disposals
Depreciation
Balance at end of the Year

	Office Furniture and Equipment \$	Total \$
	8,065	8,065
	-	-
	(284)	(284)
	(1,359)	(1,359)
	6,422	6,422

2019

Balance at the beginning of the year
Additions
Disposals
Depreciation
Balance at end of the Year

	9,883	9,883
	5,066	5,066
	-	-
	(6,884)	(6,884)
	8,065	8,065

10 EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation phase:

Carrying amount at the beginning of the year
Additions
Exploration expenditure impairment

Carrying amount at the end of the year

	2020 \$	2019 \$
	408,677	6,752,573
	6,540,305	5,560,473
	764,324	979,832
	(6,895,952)	-
	408,677	6,540,305
	212,268	212,268
	42,997	509,629
	(255,265)	(509,629)
	-	212,268

Production phase:

Carrying amount at the beginning of the year
Additions
Operating costs to P & L

Balance at 30 June 2020

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.

	2020 \$	2019 \$
11 OTHER ASSETS		
Right to Use Asset	233,992	
Accumulated Depreciation	(75,889)	-
	158,103	-

The right to use asset relates to the capitalisation of the Office lease under AASB 16

	2020 \$	2019 \$
12 TRADE AND OTHER PAYABLES		
Trade Payables	32,753	193,807
Accrued Expenses	38,000	34,900
Other payable	6,770	11,508
	77,523	240,215

	2020 \$	2019 \$
13 BORROWINGS		
Convertible Note	-	750,000
	-	750,000

During the year the Company entered into an agreement with Sundowner International Limited for a convertible loan facility of up to \$500,000, with an option, at Sundowner's election, to extend that amount up to \$1,500,000. The Company drew down the Convertible Note in the amount of \$1,000,000. The loan facility had a term of twelve months, accrued interest at 8% per annum, and could be converted at Sundowner's election at a fixed price of 0.25 cents per share, or at the Company's election at a fixed price of 0.2 cents per share. After a General Meeting held on 28th February 2020 the Convertible Loan Facility with Sundowner was fully settled by payment of \$750,000 and the issue of 100,000,000 ordinary shares in the Company. Sundowner is a related entity of Company director David Kennedy.

	2020 \$	2019 \$
14 OTHER LIABILITIES		
Lease Liability (Office Lease) - Current	78,218	-
Lease Liability (Office Lease) – Non-Current	84,523	-

The lease liability relates to the capitalisation of the Office lease under AASB 16 (See note 11)

2020 \$	2019 \$
------------	------------

15 PROVISION FOR RESTORATION

Balance at 1 July 2019	-	-
Provision made during the year	275,000	-
Balance at 30 June 2020	275,000	-

	2020 \$	2019 \$
16 CONTRIBUTED EQUITY		
16a Issued capital		
4,734,467,074 fully paid ordinary shares (30 June 2019: 3,382,092,727)	63,920,369	59,645,137

16b Movements in Ordinary Shares during the past two years

Date	Details	No. of Ordinary Shares	Issue price \$	\$
01-Jul-19	Opening balance	3,382,092,727		59,645,137
20-Nov-19	Share Placement	661,670,831	0.0035	2,315,848
18-Dec-19	Share Placement	227,171,370	0.0035	795,100
15-Jan-20	Share Placement	359,685,976	0.0035	1,258,901
03-Feb-20	Share Placement	3,846,170	0.0035	13,462
10-Mar-20	Convertible Note Repayment Share Issue	100,000,000	0.0025	250,000
	Share Issue Costs			(358,079)
		4,734,467,074		63,920,369

16c Terms of Conditions of Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

16d Unissued Capital - Options

There are no unissued Options as at 30 June 2020.

16e Capital Risk Management

The Group defines its Capital as total equity of the Group, being \$3,127,173 for the year ended 30 June 2020 (2019: \$6,388,542). The Group manages its capital to ensure that it can continue as a going concern while financing the development of its projects through primarily equity-based financing. The Board's policy is to maintain a strong capital base 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.

	2020 \$	2019 \$
17 RESERVES AND ACCUMULATED LOSSES		
17a Accumulated Losses		
Accumulated losses at the beginning of the year	(53,266,995)	(52,389,670)
Net loss for the year	(7,846,201)	(877,325)
Other comprehensive income	-	-
Transfer of reserves due to cancelled incentive options	-	-
Accumulated Losses at the end of the year	(60,113,196)	(53,266,995)
17b Reserves		
Share based payments reserve (i)	320,000	10,400
	320,000	10,400
(i) Share-Based Payments Reserve		
The share-based payments reserve is used to recognise the fair value of incentive options issued by the Group.		
Balance at beginning of the year	10,400	91,400
Expired during the year	(10,400)	(81,000)
Exercised during the period	320,000	-
Balance at the End of the Year	320,000	10,400

18 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:

(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 2020	WAEP 2020	Number 2019	WAEP 2019
Outstanding at the beginning of year	5,200,000	0.006	27,200,000	0.1111
Expired/lapsed during the year	(5,200,000)		(22,000,000)	-
Exercised during the year			-	-
Granted during the year	156,000,000	0.0092		
Outstanding and exercisable at end of year	156,000,000		5,200,000	

(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 a 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:

	Jan 2020	Nov 2015	July 2015	July 2015 (*)
Number of options	156,000,000	6,000,000	4,000,000	12,000,000
Fair value at grant date	\$0.002	\$0.003	\$0.006	Various - see below
Share price at grant date	\$0.003	\$0.004	\$0.007	\$0.005
Exercise price	Various – see below	\$0.006	\$0.006	Various - see below
Expected volatility ¹	150%	110%	110%	120%
Expected life ²	4 years	4.62 years	4.98 years	4.98
Dividend yield (%) ³	Nil	Nil	Nil	Nil
Risk-free interest rate	1.75%	2.32%	2.22%	2.06%

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 2020, the weighted average remaining contractual life of Incentive Options on issue that had been granted as share-based payments was 4 years (2019: 1 years).

(e) Range of Exercise Prices

At 30 June 2020, the range of exercise prices of Incentive Options granted as share-based payments is \$0.0089 - \$0.0107.

(f) Weighted average Fair Value

The weighted average fair value of Incentive Options granted as share-based payments by the Group is \$0.0092 (2019: \$0.006).

		Parent	
		2020 \$	2019 \$
19	PARENT ENTITY INFORMATION		
19a	Summary Financial Information		
	Financial Position		
	Assets		
	Current assets	2,800,479	496,172
	Non-current assets	1,726,158	6,206,084
	Total assets	4,526,637	6,702,256
	Liabilities		
	Current liabilities	158,053	125,490
	Non-current liabilities	325,782	750,000
	Total liabilities	483,835	875,490
	Equity		
	Issued capital	63,920,372	59,645,137
	Reserves	320,000	10,400
	Accumulated losses	(60,197,569)	(53,828,771)
	Total equity	4,042,803	5,826,766
	Financial Performance		
	Profit/(Loss) for the year	(6,368,796)	(1,113,631)
	Other comprehensive income		-
	Total comprehensive profit/ (loss) for the year	(6,368,796)	(1,113,631)

19b Guarantees

Norwest Energy NL has not entered into any guarantees in relation to the debts of its subsidiary.

19c Other Commitments and Contingencies

Norwest Energy NL has no commitments to acquire property, plant, and equipment. Refer to Note 24 for the Company's contingent liabilities.

20 INVESTMENT IN CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	
			2020 %	2019 %
Westranch Holdings Pty Ltd	Australia	Ordinary	100	100

	2020 \$	2019 \$
21 KEY MANAGEMENT PERSONNEL DISCLOSURES & RELATED PARTY TRANSACTIONS		
21a Details of Remuneration of Key Management Personnel		
Short-term salary and fees	522,488	538,209
Post-employment benefits	1,688	24,885
Share-based payments	90,000	-
	614,176	563,094

Detailed remuneration disclosures are provided in the remuneration report.

22 REMUNERATION OF AUDITORS		
Australia – Rothsay Auditing	49,500	17,500
	49,500	17,500

No non-audit services have been provided to the Group by the auditor. The Audit fees for 2020 are \$32,000. \$49,500 includes the previous year's fees that were not accrued at 30 June 2019.

23 COMMITMENTS FOR EXPENDITURE

23a Exploration expenditure commitments

Within one year	2,694,440	1,519,440
One year or later and no later than five years	-	13,971,110
Later than five years	-	-
	2,694,440	15,490,550

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. Notwithstanding the minimum requirements management has estimated the commitments for expenditure based on reasonable expectation of activities on the exploration permits. 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 an 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.

23b Other commitments

Management have identified the operating lease for the registered office as a commitment (other than the exploration commitments disclosed above):

Within one year	-	126,396
One year or later and no later than five years	-	379,188
Later than five years	-	-
	-	505,584

24 CONTINGENCIES

24a Contingent Assets

There are no contingent assets at reporting date.

24b Contingent Liabilities

There are no contingent liabilities at reporting date.

25 EVENTS OCCURRING AFTER REPORTING DATE

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 2020.

26 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

26a Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 27.

26b Income Tax

The consolidated entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit adjusted for any non-assessable or disallowed items.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

26c Leases

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the

Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

26d Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 31 December 2019.

The Company has adopted AASB 16 Leases using the modified retrospective approach from 1 July 2019 but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019. The new accounting policies are disclosed in note 26c.

On adoption of AASB 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019.

The weighted average incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 5%.

26e Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for major business activities as follows:

(i) **Interest Income**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(ii) **Other Services**

Other debtors are recognised at the amount receivable and are due for settlement within 30 days from the end of the month in which services were provided.

26f Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against operating results in the year in which the decision to abandon the area is made. When production commences the accumulated costs for the relevant area of interest are classified as development costs and amortised over the life of the project area according to the rate of depletion of the economically recoverable reserves.

Where independent valuations of areas of interest have been obtained, these are brought to account. Subsequent expenditure on re-valued areas of interest is accounted for in accordance with the above principles. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

At 30 June 2020 the Directors considered that the carrying value of the oil and gas tenement interests of the consolidated entity was as shown in the Statement of Financial Position and no further impairments arises other than that already recognised.

26g Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all plant and equipment is depreciated on a diminishing value over their useful lives to the consolidated entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	27% Declining Balance

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

26h Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. An allowance for bad debts is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the Statement of Comprehensive Income. They are recognised initially at fair value and subsequently at amortised cost.

Deposits with maturity periods in excess of three months but less than twelve months are included in receivables and not discounted if the effect of discounting is immaterial.

26i Trade and Other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid, together with assets ordered before the end of the financial year. The amounts are unsecured and are usually paid within 30 days of recognition.

26j Employee Entitlements

(i) Wages, salaries and annual and sick leave

A liability for wages, salaries and annual leave expected to be settled within 12 months of the reporting date is recognised in other payables and is measured as the amount unpaid at balance date at current pay rates in respect of employees' services up to that date. No liability exists for sick leave.

(ii) Long service leave

A liability for long service leave is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees' up to balance date.

26k Equity-Based Payments

Equity-based compensation benefits are provided to Directors and executives.

The fair value of options granted to Directors and executives is recognised as an employee benefit expense with a corresponding increase in contributed equity. The fair value is measured at grant date and recognised over the period during which the Directors and/or executives becomes unconditionally entitled to the options. Where options are issued to consultants the fair value of the options given is valued by the market value of the service being provided.

The fair value at grant date is independently determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

26l Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

26m Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the steering committee that makes strategic decisions.

The standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

26n Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

26o Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

26p Provisions

Provisions are recognised when the consolidated entity has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

26q Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the Statement of Comprehensive Income and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

26s Comparative Figure

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

26t Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group satisfies all attached conditions.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the Consolidated Statement of Profit or Loss and other Comprehensive Income over the expected useful life of the relevant asset by equal annual instalments.

Where a grant is received in relation to the tax benefit of research and development costs, the grant shall be credited to other income in the Consolidated Statement of Profit or Loss and other Comprehensive Income in the year of receipt.

27 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

i) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of exploration and evaluation expenditure

The Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped. As at 30 June 2020, the carrying value of capitalised exploration expenditure is \$408,677.

ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Valuation of share-based payments

The Group measures the cost of equity settled share based payments at fair value at the grant date using the Black-Scholes model taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

Where options are issued to consultants, the Group values the service provided based on market rates. In the absence of market rates, the share-based payments are valued as above.

1 ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is accurate as at 20 October 2020.

1.1 SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act are set out in the table below.

No.	Shareholder	Number of Shares Held	% of All Shares
1.	MINERAL RESOURCES LTD	804,000,000	16.98

1.2 SHARES ON ISSUE

The total number of shares on issue is 4,734,467,074 and these shares are held by a total of 4,338 registered shareholders.

1.3 DISTRIBUTION OF SHAREHOLDERS

The distribution of all shareholders is set out in the table below.

Range	Total Holders	Shares	% of All Shares
1 – 1,000	167	34,383	0.00
1,001 – 5,000	229	763,867	0.02
5,001 – 10,000	332	2,797,304	0.06
10,001 – 100,000	1,455	66,726,487	1.45
101,000 and over	2,155	4,662,145,033	98.47
Total	4,338	4,734,467,074	100.00

1.4 UNMARKETABLE PARCELS

The minimum parcel size at 20 October 2020 per unit is 125,000 shares.

There are 2,274 shareholders that hold unmarketable parcels.

1.5 TOP 20 SHAREHOLDERS

The top twenty registered shareholders of the Company are set out in the table below.

No.	Shareholder	Shares	% of All Shares
1.	BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	804,000,000	16.98
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	381,462,627	8.06
3.	SUNDOWNER INTERNATIONAL LIMITED	267,818,455	5.66
4.	MR PAUL AINSWORTH	80,149,514	1.69
5.	MR VERNON REGINALD PARROTT	61,339,289	1.30
6.	MR ROBERT ANTHONY HUTCHFIELD	52,230,357	1.10
7.	QUITO SF PTY LTD <QUITO SUPERFUND A/C>	50,000,001	1.06
8.	CITICORP NOMINEES PTY LIMITED	38,879,593	0.82
9.	MR DAVEN KURL	32,559,882	0.69
10.	MR DANIEL ALAN JAMES	30,999,999	0.65
11.	MR ANDREW TROTT HOPKINS + MRS ADRIENNE JANET HOPKINS	30,300,001	0.64
12.	MR MICHAEL STOKES	30,165,329	0.64
13.	MR MARK JOHN ALLISON + MRS LORRAINE FRANCES ALLISON <THE M & L ALLISON S/F A/C>	30,000,000	0.63
14.	MR ALISTAIR CAMPBELL + MRS KAREN CAMPBELL <CAMPBELL FAMILY A/C>	30,000,000	0.63
15.	MR JOHN DOUGLAS ANNAND	28,000,001	0.59
16.	MR GREGORY THOMAS TURVEY + MRS HELEN GRACE TURVEY <G+H TURVEY SUPER FUND A/C>	23,000,000	0.49
17.	CRESCENT NOMINEES LIMITED	22,870,862	0.48
18.	MR GAVIN MICHAEL JAMES	22,857,142	0.48
19.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	22,757,099	0.48
20.	AZOLIA PTY LTD <AG SMITH FAMILY TRADING A/C>	21,000,000	0.44
	TOTAL	2,060,390,151	43.52
	TOTAL REMAINING HOLDERS BALANCE	2,674,076,923	56.48

1.6 OPTIONS ON ISSUE

The total number of Options on issue is 726,187,131 and these Options are held by a total of 170 registered Option holders.

1.7 DISTRIBUTION OF OPTIONS ON ISSUE

The distribution of all Option holders is set out in the table below.

Range	Total Holders	Options	% of all Options on Issue
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
101,000 and over	170	726,187,131	100.00
Total	170	726,187,131	100.00

1.8 VOTING RIGHTS

All ordinary shares (whether fully paid or not) carry one vote per share without restriction. There are no voting rights attaching to any option. There is no other class of security in the Company.

1.9 RESTRICTED SECURITIES

The Company has no restricted securities on issue.

1.10 ON-MARKET BUY-BACK

There is no current on-market buy-back.

1.11 CORPORATE GOVERNANCE STATEMENT

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the period is contained on the Company's website.

1.12 Anti-Dilution Rights

On 5 June 2018, ASX Limited (ASX) granted the Company a waiver from ASX Listing Rule 6.18. This waiver was given to the extent necessary to permit 3C Group IC Limited (3C Group) to maintain, by way of a right to participate in any issue of securities or to subscribe for securities, its percentage interest in the issued share capital of the Company (Anti-Dilution Right) in respect of a diluting event which occurs.

The Anti-Dilution Right lapses on the earlier of:

- (a) The date on which 3C Group ceases to hold in aggregate at least 5% voting power in the Company (other than as a result of shares (or equity securities) to which the Anti-Dilution right applies and in respect of which 3C Group is still entitled to exercise, or has exercised, the Anti-Dilution Right);
- (b) The date on which 3C Group's voting power in the Company exceeds 25%; or
- (c) The strategic relationship between the Company and 3C Group ceasing or changing in such a way that it effectively ceases.

The Anti-Dilution Right may only be transferred to a related body corporate of 3C Group.

Any securities issued under the Anti-Dilution Right that are offered to 3C Group must be issued to 3C Group for cash consideration that is:

- (d) No more favourable than cash consideration paid by third parties (in the case of issues of securities to third parties for cash consideration) or
- (e) Equivalent in value to non-cash consideration offered by third parties (in the case of issues of securities to third parties for non-cash consideration).

The number of securities that may be issued to 3C Group under the Anti-Dilution Right in the case of any diluting event must not be greater than the number required in order for 3C Group to maintain its percentage holding in the issued share capital of the Company immediately before that diluting event.

Company Secretary

The name of the Company Secretary is Mrs Jo-Ann Long.

Registered Office

The address and telephone details of the registered and administrative office:

Level 2, 30 Richardson Street
West Perth, Western Australia, 6005

Telephone: + (61) 8 9227 3240

Facsimile: + (61) 8 9227 3211

Securities Register

The address and telephone number of the office at which a registry of securities is kept:

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth, Western Australia 6000

Telephone: +61 (8) 9323 2000

Free line: 1300 850 505

Facsimile: +61 (8) 9323 2033

Securities Exchange

The Company's listed equity securities are quoted on the Australian Securities Exchange.

Restricted Securities

The Company has no restricted securities at the current date.



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