

ASX ANNOUNCEMENT

ASX:NWE

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STRATEGIC ALLIANCE WITH CORNERSTONE INVESTOR

Norwest Energy to join with Rey Resources to explore for strategic opportunities over Perth Basin assets

Norwest Energy NL (ASX:NWE) is pleased to report that it has formed a strategic alliance with Rey Resources Limited ("Rey") (ASX:REY) to investigate opportunities to further develop the interests held by Norwest in the northern Perth Basin.

The formation of the alliance follows discussions between Norwest and Rey about potential farm-out opportunities around Norwest's Perth Basin interests, including the previously announced TP/15 farm-out process.

In support of the strategic alliance, Norwest and Rey have entered into a Subscription Agreement whereby Rey has subscribed for \$250,000 of Norwest shares at a price of \$0.004712 per share, which will result in 53,056,027 shares being issued to Rey.

Chief Executive Officer Peter Munachen said "Norwest welcomes Rey Resources as both a strategic partner and cornerstone investor as we work together to investigate opportunities that will add value for the shareholders of both companies."

"The alliance with Rey further highlights the potential value of Norwest's Perth Basin assets, and with the financial backing provided by Rey, we hope to work towards a mutually beneficial transaction that will see significant value derived from one or more of our Perth Basin assets."

"This is an exciting time for Norwest and Rey as both companies work together to benefit from the increasing investor interest in the Perth Basin during 2015 and beyond following the recent exploration success achieved in the basin."

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About Rey Resources

Rey Resources Limited is an ASX-listed company (ASX:REY) focused on exploring and developing energy resources in Western Australia's Canning and Perth Basins.

Rey is 18.6% owned by ASF Group Limited (ASX:AFA), an ASX listed investment group based in Australia. It is a Sino-Australian investment and trading house which focusses principally on the identification, incubation and realisation of opportunities in areas of synergy between China and Australia including oil and gas, resources, property, infrastructure, travel and the financial services sector. The ASF Group specialises in transforming early-stage Australian opportunities into deliverable projects through joint venturing or other forms of co-operation with the groups expanding network of major Chinese mining, trading and strategic investor partners.

About Norwest Energy

Norwest Energy NL (ASX: NWE) is an Australian-based oil and gas company focused on the strategic exploration and development of its asset portfolio in Western Australia and the UK.

Norwest's core strategy is to explore the potential of its permits in the northern Perth Basin, where Norwest holds net basin acreage of approximately 766,000 acres (3,100 square kilometres). This acreage includes both conventional and unconventional opportunities.

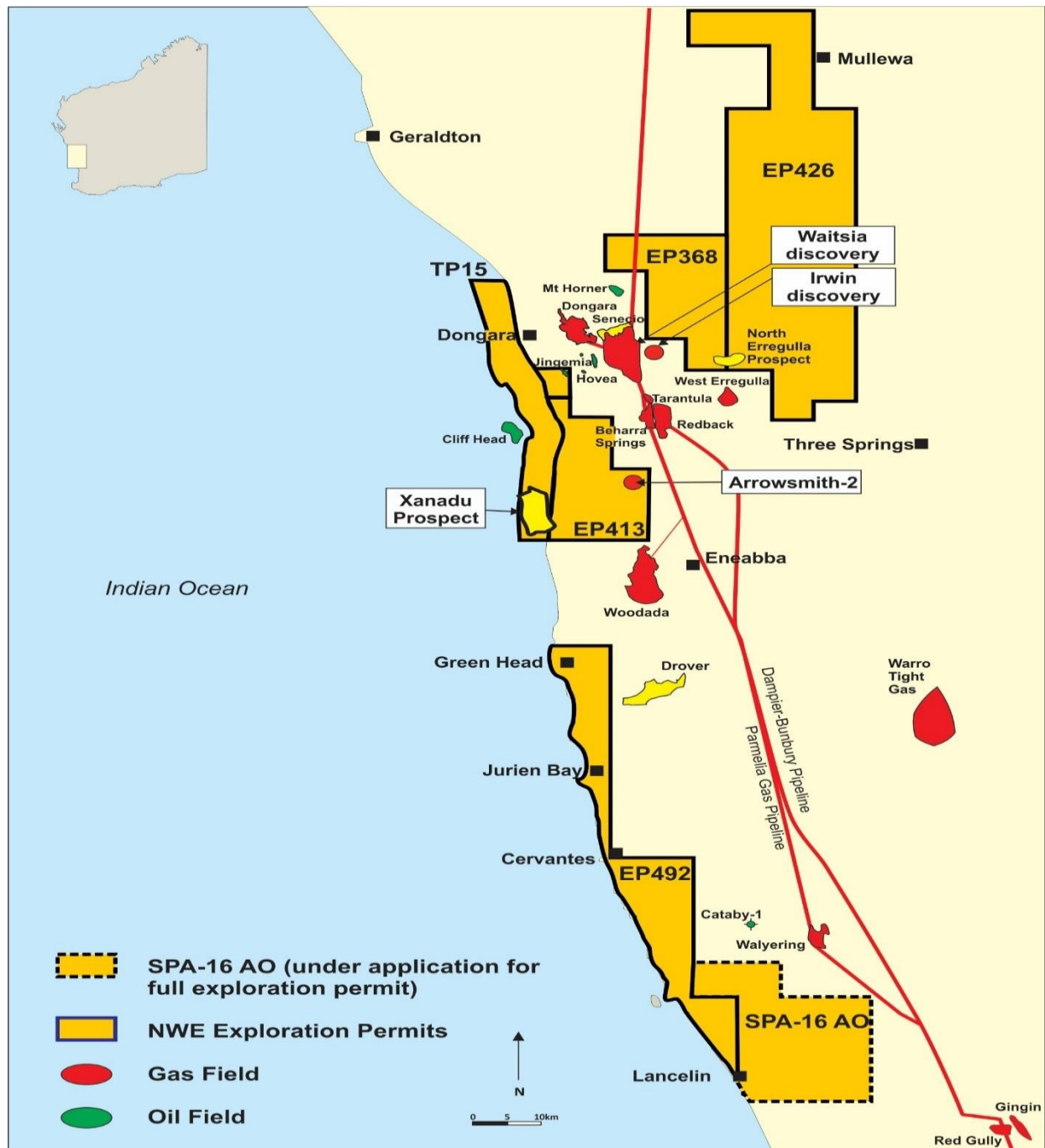
The key projects being progressed are the 160 mmbbl¹ conventional oil target Xanadu in the offshore Perth Basin, the North Erregulla project in EP368/EP426 which is in close proximity to the AWE Waitsia and Irwin gas discoveries, and continuing along a pathway to commercialisation of the 2.6 Tcf² of shale gas Arrowsmith Project in the onshore Perth Basin.

Norwest is positioned with a unique and diverse exploration portfolio that covers acreage in a known hydrocarbon province. The portfolio consists of:

- EP368/EP426 – 20%: (North Erregulla), with the boundary of EP368 in close proximity to the AWE, Waitsia and Irwin gas discoveries.
- EP413 – 27.945%: Arrowsmith shale gas discovery.
- L/14 (Jingemia) – 6.278%: Currently shut in and under joint venture review.
- TP/15 – 100%: the offshore oil play held 100% by Norwest. Lead prospect is Xanadu, having similarities to nearby offshore Cliff Head producing oilfield held by ROC and AWE.
- The recently awarded EP492, together with SPA AO 16, positioning Norwest with a footprint of 1,665km² at the southern end of the Basin in a known hydrocarbon province.

These assets are complemented by Norwest's 65% interest in P2265 (blocks 98/7b, 98/8a, and 98/12a) in the Wessex Basin, southern England.

1. As per ASX announcement dated 29 Oct 2014 (50% recovery factor assumed)
2. As per ASX announcement dated 2nd August 2013



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