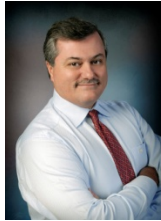


A message from Chief Executive Officer François Gauthier

Welcome to our first quarterly update. I am very pleased with how the NWest senior management team has settled into its new offices in downtown St. John's, commenced regular dialogue with investors and potential O&G partners, and firmly established its presence in the TSX Venture exchange. Start-up is well behind us and we're now excited and geared up for the next major phase in our corporate evolution – EXPLORATION. As we all know only too well, the financial markets have been bearish over the last several months but we are confident that with your support we will take NWest to the next level.

I will be using this forum to keep you up to date on NWest developments and relevant industry news so please read on for operational updates, corporate news and upcoming events. As always, please feel free to contact me directly with any questions or comments. (Contact details below)

OPERATIONS

3D Seismic Program: Our major exploration phase will kick into gear the first week in September when the 90m vessel *GSI Admiral* sails into Newfoundland waters to begin our 3D seismic data acquisition program for Western Newfoundland. The program, contracted to Geophysical Service Inc (GSI), represents the first 3D acquisition in the western Newfoundland offshore. We have expanded the scope of the seismic area from a proposed 900 square meters to approximately 1,000 square kilometers to ensure we capture comprehensive data over four of our best targets covering three exploration blocks. The detailed 3D data will provide us the ability for more detailed geological mapping and will help us better evaluate our targets for the proposed 2009 or 2010 drilling program. We expect to receive the final processed data by the end of the calendar year.



Environmental Approval Update: On the environmental front, we are in the final stages of our 3D seismic environmental assessment with the Canada-Newfoundland Labrador Offshore Petroleum Board. The consultation process is complete and the Board has reviewed our submitted document and provided comment. Those comments have been addressed and we are awaiting final sign-off from the CNLOPB.

Major Partner Initiative: Over the past eight weeks, NWest has signed confidentiality agreements with several major oil and gas companies and has shared detailed 2D seismic data and other information with senior exploration managers and geoscientist from these companies with a view to entering into a partnership agreement. These confidential discussions are ongoing. NWest is seeking a partner to earn approximately a 50% interest in the Western Newfoundland offshore project – and possibly become the operator – through a commitment to finance about 75% of exploration costs. We will issue more information on the major partner initiative as it becomes available. NWest is committed to reaching a partnership agreement that is in the best long-term interest of all shareholders.

North American Prospect Expo: In order to ensure that we are exposing NWest and its world class opportunity to the best potential partners, the senior management team is heading to Houston for the Summer NAPE (North American Prospect Expo) Oil and Gas Prospects Show August 25-27. NAPE is one of the world's premier oil and gas exploration shows, offering a premium marketplace for the buying, selling and trading of oil and gas prospects and producing properties. The show attracts more than 400 exhibitors and 5,000 attendees. The NWest booth will showcase our high-impact Western Newfoundland offshore oil play to senior exploration managers and geoscientists from major and medium-sized oil companies and of course we'll be on hand to explain the tremendous potential. The exhibition floor also offers us an opportunity to evaluate farm-in opportunities with revenue potential in the near term. I will also make a brief presentation at the E&P forum August 26. For details, please visit www.napeonline.com. Our presentation will be made available on the NWest website Aug. 26th.

UPCOMING EVENTS

Atlantic Canadian Investment Seminar, Sept. 10-13: NWest Energy will present at the 18th Annual Atlantic Canadian Investment Seminar in Moncton NB Sept. 11-13. The seminar, hosted by Beacon Securities Limited, offers small and medium size Atlantic Canadian companies the opportunity to present to an audience of high quality investors, fund managers and analysts from across Canada.

Western Newfoundland Oil and Gas Symposium, September 13-15: If you are in western Newfoundland in mid-September, please drop by and see us at the 3rd International Symposium on Oil and Gas Resources of Western Newfoundland. Our presentation will take place at 2 pm Sunday Sept. 15 at the Humber Valley Resort, between Deer Lake and Corner Brook. The slide show will be made available through the NWest website.

ADMINISTRATIVE/CORPORATE

Staffing: Our core team is in place, but to meet the needs of our exploration program, we are recruiting an experienced geoscientist and reservoir engineer to add to our management team. Top notch oil and gas professionals are in high demand. However, we're offering an exciting compensation package and are confident we will recruit high quality professionals with a keen interest in Newfoundland, the West Coast oil play and in making NWest one of the best junior oil and gas companies in the world.



NWest management team: Francois Gauthier, Lori Foote, Robert Webb and Chris Flanagan at the corporate head office in St. John's.

Board of Directors: The NWest Board is also actively in discussion with experienced oil and gas executives to round out your board with two new positions. The Board will issue announcements as new members are elected.

RECENT EVENTS

Toronto-Calgary Investor Road Show: It's been a busy few months for NWest, with many miles and presentations under our belts. During the second quarter, we headed west on an investor road show to Toronto and Calgary. During our week on the road we met with 21 different asset management and investment groups and the overall feedback was positive and optimistic. We met with three media groups – The Globe and Mail, Daily Oil Bulletin and The National Post, generating news coverage and establishing relationships. We also met with a number of oil and gas companies in Calgary over a two-day period, laying the groundwork for our current Major Partner initiative. The numbers don't tell the whole story, however, and it was the quality of the meetings that was most rewarding. I felt momentum building as we began to tell our story and open eyes to the multi-million barrel potential of the emerging western Newfoundland offshore oil play.

Halifax Investor Forum: On July 15, I gave an investor presentation to a group of 65 individuals from the Halifax investment community. The event was hosted by NWest Director Wade Dawe and again generated a great deal of interest and buzz. The flavour of the month in the oil patch may have been non-conventional shale gas plays, but the Western Newfoundland story will come into its own. If you would like to receive a copy of the presentation or DVD aired at the event, please contact Chris Flanagan, Senior Manager Investor Relations, at cflanagan@nwestenergy.com or 709-722-3953.

St. John's Investor Forum: Interest in NWest continued to grow at the successful investor event at the Delta Hotel in St. John's Tuesday held August 12. More than 40 attended. All of us on the NWest team are committed to getting the news out so stay tuned for more of these investor events and road shows in the near future. For additional details or to obtain one of the NWest brochures featured at the last event, please contact Chris Flanagan (see above).

Media Coverage: We're getting the news out there, but can't do it all on our own. To date, NWest has received news coverage in Upstream Magazine, the world's leading oil and gas trade publication, the Daily Oil Bulletin, Atlantic Business Magazine, Progress Magazine, Oil and Gas Magazine, The Telegram, The Western Star, and NTV. I am writing a regular column in Oil and Gas Magazine starting next issue, so please keep an eye out for it at www.oilworks.com.

ON THE HORIZON

Stay tuned for additional news on our 3D seismic program as the GSI Admiral sails into Newfoundland waters in September. I will use this forum to provide all of our shareholders and those interested in NWest further information as we get closer to a drill program in late 2009 or 2010. As always, if you have any questions, don't hesitate to call me at 709-722-3757.

Sincerely,



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