

# **NWest Energy Inc. Corporate Presentation**

**September 2009**

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## Forward Looking Statements



This presentation includes certain statements that may be deemed forward-looking statements. All statements that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements. For more information on the Company, Investors should review the Company's filings that are available at [www.sedar.com](http://www.sedar.com).

## NWest Energy is a high impact Canadian oil and gas exploration company

- ▶ **Attractive Exploration Potential**
  - ▶ 1.6 million acres offshore western Newfoundland
  - ▶ 3<sup>rd</sup> largest exploration block in Eastern Canada
- ▶ **Groundfloor Opportunity**
  - ▶ Explore for 50-550 million barrel fields within an active petroleum system
  - ▶ Numerous follow-up prospects
- ▶ **Conventional offshore light-oil play**
  - ▶ Close to shore, shallow water & stable geo-political environment
- ▶ **Seismic Interpretation Completed**
  - ▶ Currently seeking JV Partners

### Market Data

Stock Ticker	TSX-V:NWN
Share Price*	\$0.15
Shares outstanding	93.6M
Shares under escrow	40M
Market Cap*	\$14 million
52 week high/low	\$0.68-\$0.10
Private Placement	\$10M -12/07
Insiders and founders	63%

\* Aug. 27, 2009

## Directors



### ▶ Dr. James Buckee

- ▶ President and Chief Executive Officer of Talisman Energy Inc. from May 1993 to October 2007. Exceptional 30-year career in international oil and gas industry. BSc Honours in Physics and PhD in Astrophysics at Oxford University.



### ▶ Jacqueline Sheppard, Q.C.

- ▶ Rhodes Scholar, recently retired Executive Vice-President, Corporate and Legal, and Corporate Secretary for Talisman Energy Inc.; also served as Secretary to the Board responsible for Corporate Projects and Acquisitions, Communications and IR.



### ▶ Wade Dawe

- ▶ President and Chief Executive Officer of Linear Gold Corp.; Chairman of Linear Metals Corporation.



### ▶ Patrick Laracy

- ▶ Chairman & President of Vulcan Minerals Inc. (TSX-V:VUL).



## Robert Webb, MBA, B. Eng. – Interim President & CEO

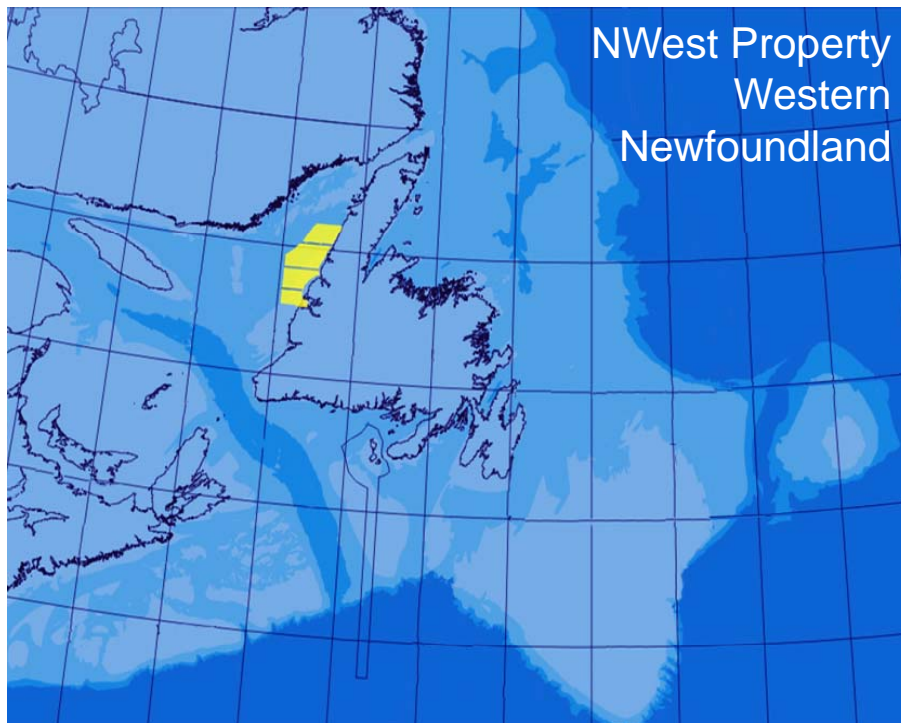
- ▶ Played senior role in 30 M&As and Equity Financings totaling \$10B with CIBC World Markets; provided project planning, management & engineering services to Schlumberger and GlobalSantaFe in Asia and Canada.

## Sharon Dunn, CA, CBV - Chief Financial Officer

- ▶ CA and Chartered Business Valuator with experience in Canada and UK; over 30 years in Public Accountancy.

## Lori Foote, MBA - Office Manager

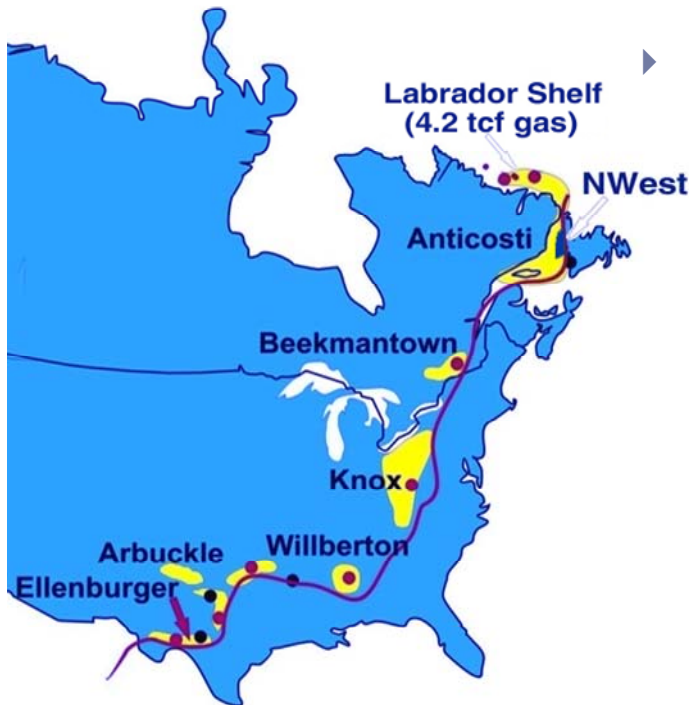
- ▶ International sales, pricing and market analysis with public telecommunications company Stratos Global Corp.



*NWest owns 100% of the project*

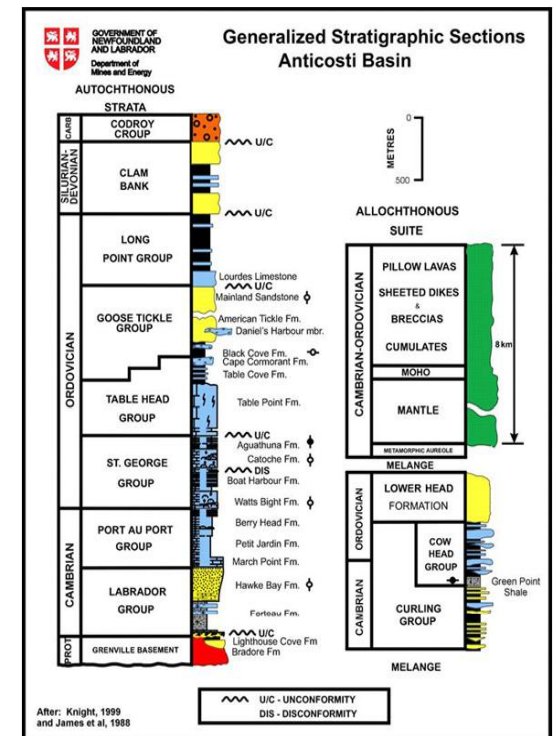
- ▶ Four offshore licenses:
  - ▶ Totaling 1.6M acres (6,400km<sup>2</sup>)
  - ▶ Equivalent to 280 GOM blocks
- ▶ Licenses in place until 2011/12
  - ▶ 4 more years with wells drilled
- ▶ Conventional offshore play:
  - ▶ Close to shore, shallow water and drilling depth & stable government
- ▶ New Seismic Data
  - ▶ 598 km<sup>2</sup> of Exploration 3D Seismic data collected in 2008
- ▶ Sproule Associates report:
  - ▶ Interpreted 5,000km of 2D seismic.
  - ▶ Favorable petroleum system: top 11 leads total **potential 3.8B bbl OOIP**

## Basins along the Cambro-Ordovician Paleomargin for North America



### Play:

- ▶ Acreage in same play trend as Ellenburger, Knox and Beekmantown producing areas of U.S. and Canada
- ▶ Michigan's giant Albion/Scipio Field has produced over 125 million barrels
- ▶ On trend with proven Labrador Gas discoveries, where recent exploration commitment exceeded \$186M



## Albion-Scipio play concept

## Western Newfoundland has the Key Ingredients for High Impact Exploration

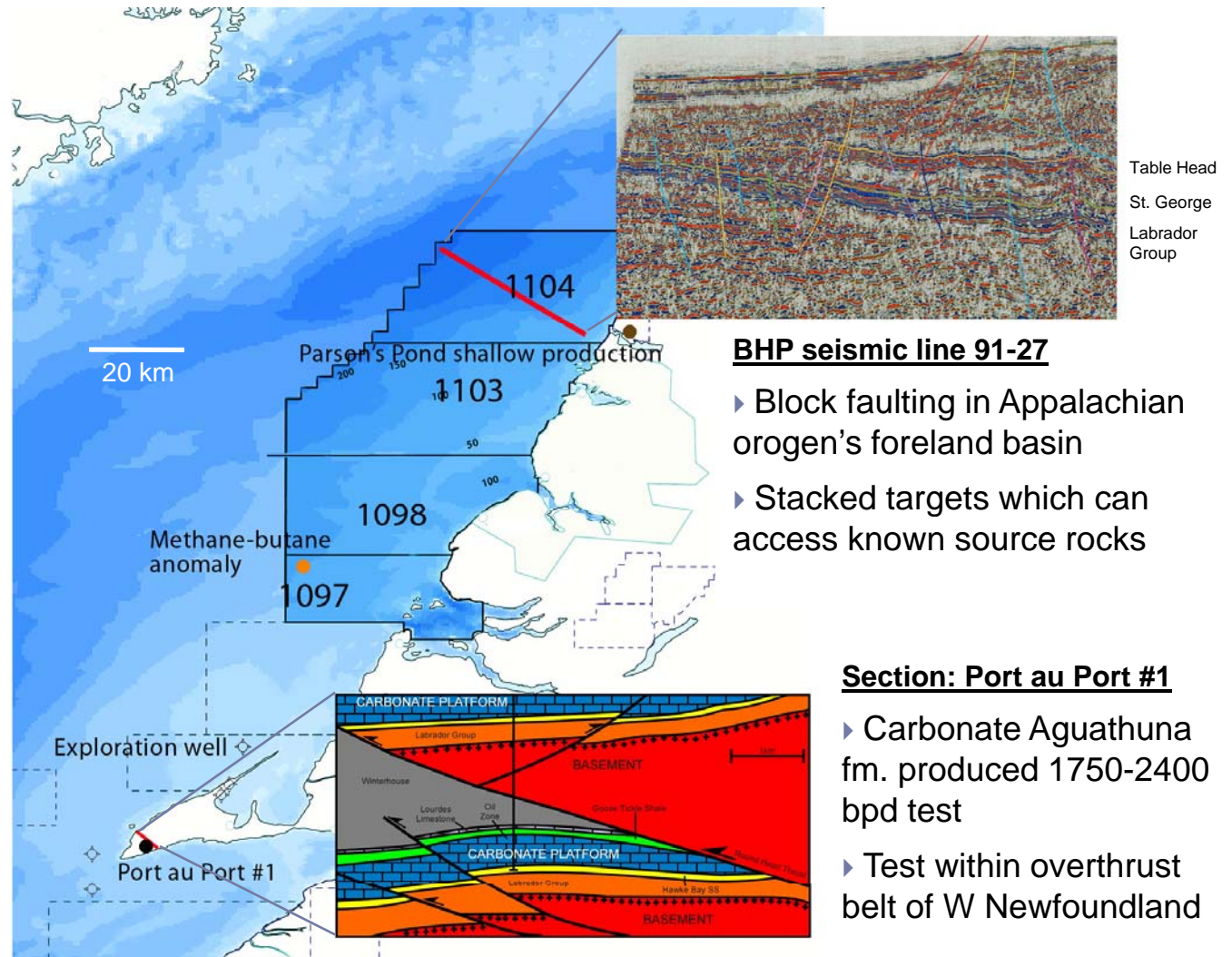
- ▶ **Source Rocks**
  - ▶ Green Point Formation is proven oil prone source rock
    - ▶ Parsons Pond sweet oil in shallow onshore wells; oil seeps dating to 1812
    - ▶ Large exhumed oilfield onshore Port au Choix – where NWest target rocks are exposed at surface
    - ▶ Port au Port oil discovery 1995
    - ▶ Butane/Methane anomalies reported by Gulf Oil 1973
  - ▶ Other conceptual source rocks not yet proven
- ▶ **Reservoir Rocks**
  - ▶ Dolomite
    - ▶ Table Head
    - ▶ St. George
  - ▶ Sandstone
    - ▶ Labrador
- ▶ **Seal**
  - ▶ Shales of the Table Head Group overlying carbonate platform
- ▶ **Trap**
  - ▶ Conventional structural trap – tilted fault block
  - ▶ Upside stratigraphic trap potential

# Prospect Geology



## Positive Petroleum System Indicators:

- ▶ 1995 Port au Port discovery flowed 24,000 Bbls fluids on extended test
- ▶ Oil seeps and shallow production at Parson's Pond dating to 1812
- ▶ Exhumed onshore oilfield at Port au Choix
- ▶ Butane/Methane anomalies reported by Gulf Oil 1973 in sea bottom sampling



# Stratigraphy and Reservoir Targets



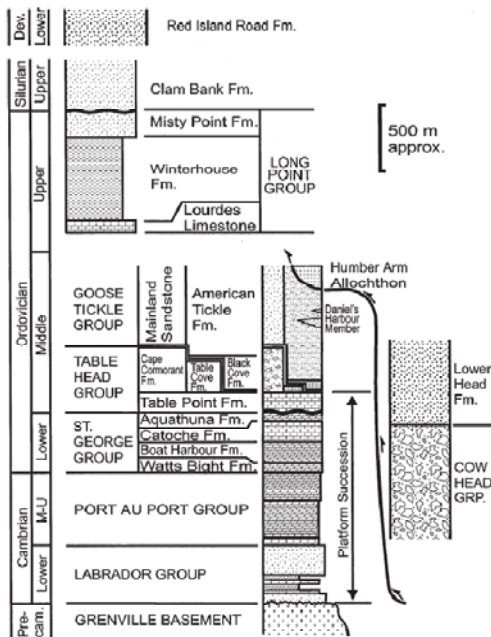
## Primary Objective:

- ▶ 1) Platform Top - Basal Table Point around St. George unconformity

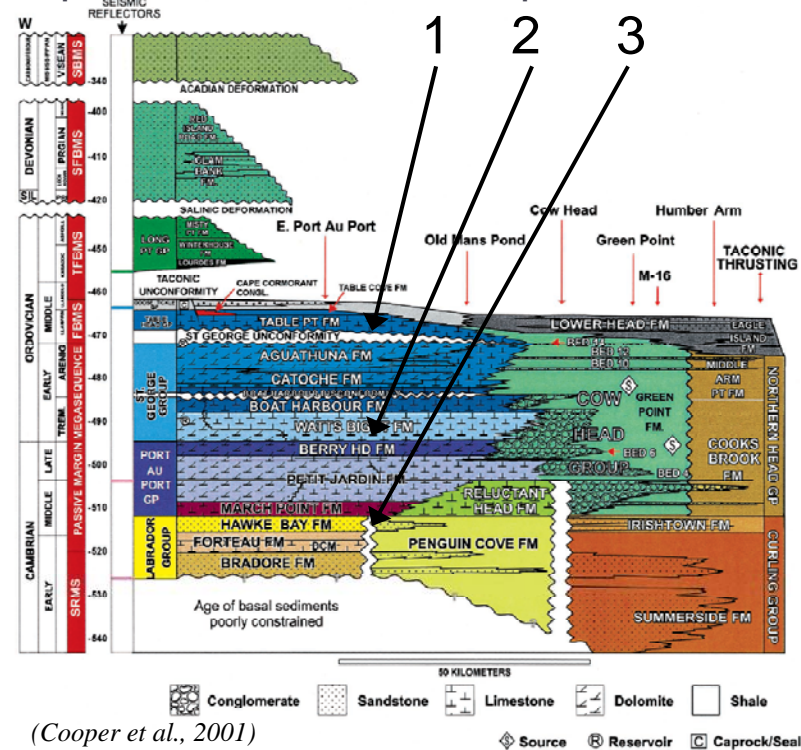
## Two Secondary Objectives:

- ▶ 2) Dolomitized intervals at base of the St. George Group (Berry Head)
- ▶ 3) Sands in the Hawke Bay Fm. at top of the Labrador Group

Fig. 2. Generalized stratigraphy of the external Humber zone, western Newfoundland, based on James et al. (1968) and Stenzel et al. (1990). Double line between the Table Head and Goose Tickle groups demarcates the transition from the "platform succession" to the orogen-derived clastic foreland succession.



(Stockmal et al., 2004)



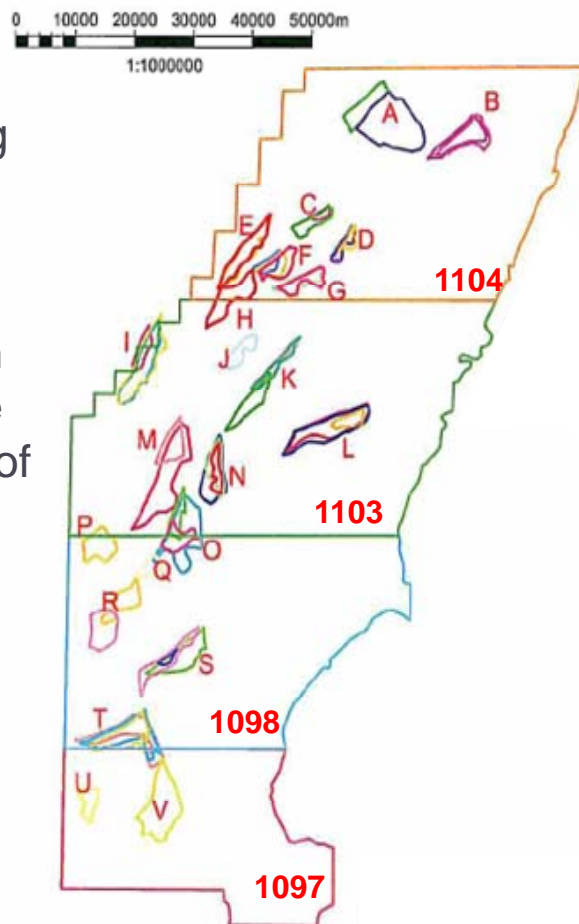
(Cooper et al., 2001)

# Sproule Prospect Summary



## Sproule Resource Assessment Report:

▶ The 11 geophysical anomalies herein considered as forming the initial exploratory drilling phase of the Company's ongoing program may have an undiscovered in-place resource in the order of 3.8 billion barrels



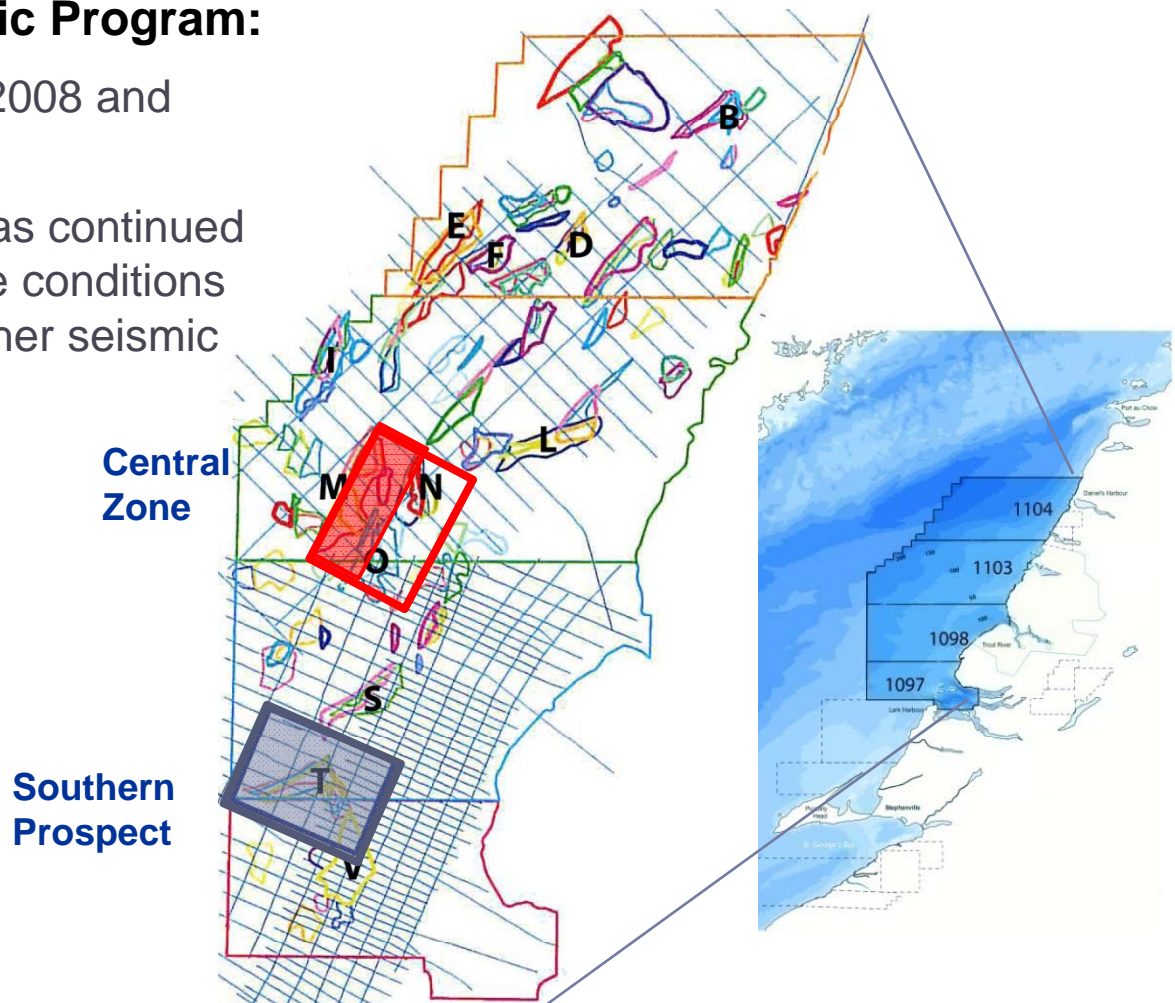
Block	Structure	Group	Size (acres)	Undiscovered Resources, Original Oil In Place (MMB)
1104	F	Table Head	3,863	97
		St. George	2,710	68
		Labrador	1,738	43
	D	Table Head	1,120	28
		St. George	1,336	33
	E	Labrador	1,596	40
		St. George	5,536	139
	B	St. George	5,522	139
Labrador		5,449	137	
1103	L	St. George	5,396	136
		Table Head	2,122	53
	I	St. George	9,487	239
		Labrador	8,094	204
	N	Table Head	2,397	60
		St. George	8,984	226
	O	Labrador	7,536	190
		Table Head	2,023	51
1098	T	St. George	3,755	94
		Labrador	6,607	166
	S	Table Head	2,576	64
		St. George	3,576	90
1097	V	Labrador	11,325	285
		Table Head	6,769	170
	U	St. George	8,448	213
		Labrador	7,475	188
Total	11	Table Head	4,751	119
		St. George	571	14
			6,643	167
			12,182	307
			149,575	3,771

# Exploration 3D (E3D) Seismic Program Area



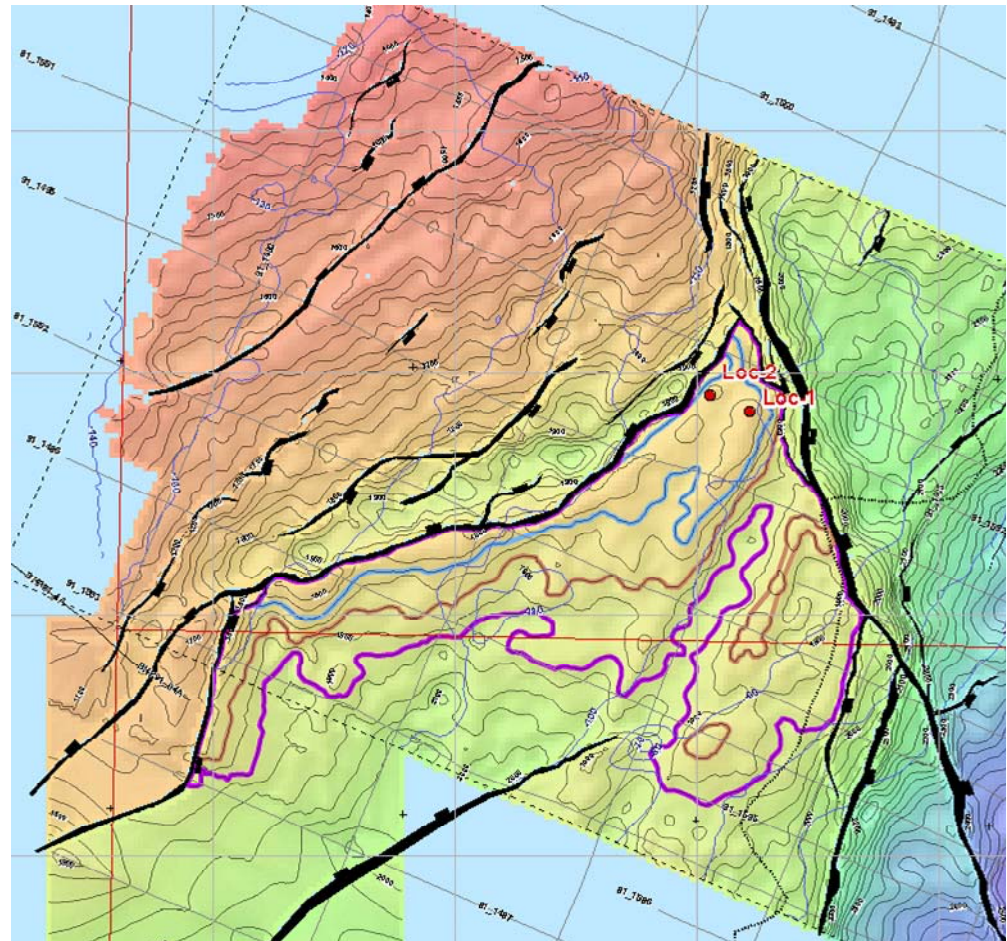
## NWest Completed E3D Seismic Program:

- ▶ Program started on Oct 15, 2008 and completed on Dec 22, 2008
- ▶ Operations were concluded as continued adverse weather and sea-state conditions made safe operations and further seismic acquisition impractical
- ▶ Two Areas totaling: **598 km<sup>2</sup>**
  - ▶ **100% of Southern**
  - ▶ **40% of Central**
- ▶ Approximate cost: **\$7.25M**



## 'T' Prospect

- ▶ Sproule Report (2007)
  - ▶ Resource Assessment prior to E3D
  - ▶ Potential Undiscovered Resources
    - 572MM bbl OOIP (unrisked)
- ▶ GEOSEIS Report (2009)
  - ▶ E3D Seismic Interpretation
  - ▶ Mean Potential Undiscovered Resources
    - 597MM bbls OOIP (unrisked)
  - ▶ Mean Prospective Resources
    - 114 MM bbls (unrisked)
- ▶ Drilling location water depth:
  - ▶ 100 – 110m (330 ft)
- ▶ Target depth:
  - ▶ 2200m – 3400m
- ▶ 25-30 km from shore



# 'T' Prospect Resource Modeling



GEOSEIS, 2009 (based on E3D Seismic) and Sproule, 2007 (based on 2D seismic)

Three separate target zones – Table Head, St. George, and Labrador Group

Prospect Size (Area) ; Prospect Oil-In-Place

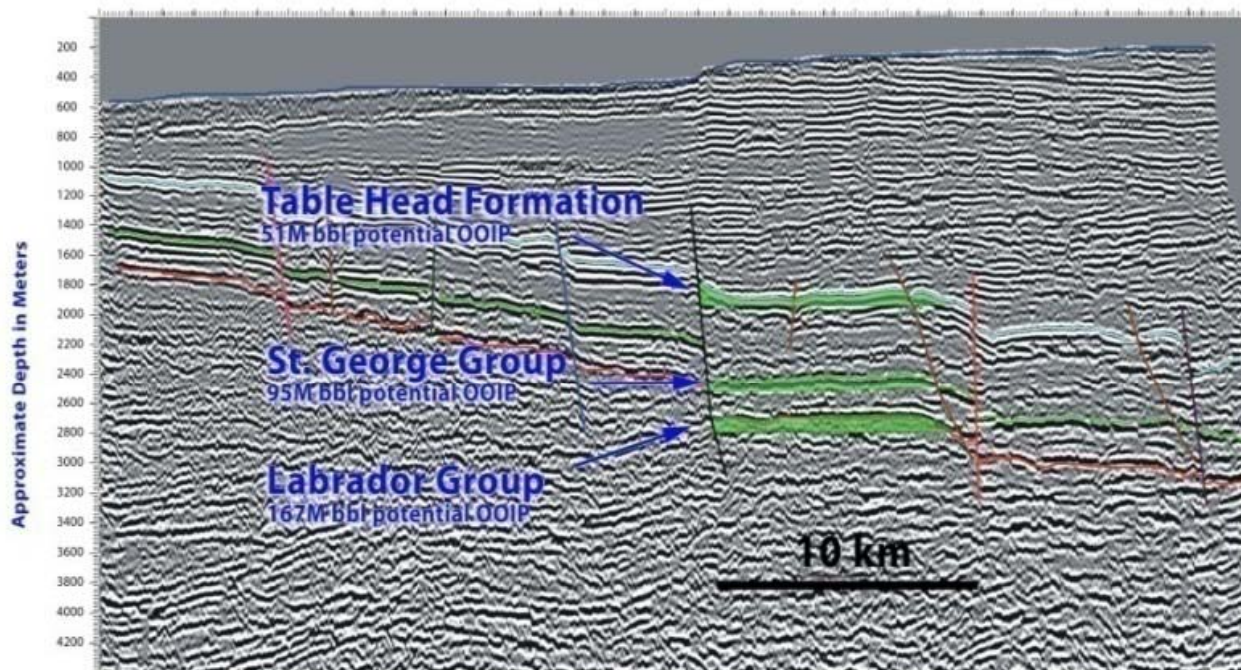
Horizon	NWest License	Sproule Anomaly Name	Water Depth Range (m)	GEOSEIS (2009)					Sproule (2007)	GEOSEIS (2009)				Sproule (2007)
				Area (km <sup>2</sup> )		Area (acres)	Swanson's Mean (km <sup>2</sup> )	Swanson's Mean (acres)	Single Value Reported	OOIP Range (MMBbls) - Probabilistic Modeling				OOIP (MMBbls)
				Low	Mid (50%)	High				90%	50%	10%	Mean (OOIP)	Single Value Reported
Table Head	1098 and 1097	T	80 to 120 m	9.9	23.7	50.9	27.7	6849	6769	56	152	415	207	171
St. George				8.5	25.0	52.6	28.3	7000	8448	57	156	430	213	213
Labrador				7.0	21.1	36.9	21.6	5342	7475	52	134	348	177	188
				Totals			19191	22692	Totals				597	572

Prospect Recoverable Resource ; Recovery Factors by Zone

Horizon	NWest License	Sproule Anomaly Name	Water Depth Range (m)	Recoverable Resource Range (MMBbls) - Probabilistic Modeling						Modeled Recovery Factor			
				90%	50%	10%	Mean	Mode	Standard Deviation	Low	Mid (50%)	High	Swanson's Mean (km <sup>2</sup> )
Table Head	1098 and 1097	T	80 to 120 m	10.9	31.0	88.1	43	16	35	0.15	0.20	0.30	0.22
St. George				11.2	31.9	91.3	45	16	37	0.15	0.20	0.30	0.22
Labrador				7.3	19.4	51.4	26	11	20	0.10	0.15	0.18	0.14
				Totals			114						

## “N-O” Structures

- ▶ Sproule Report (2007)
  - ▶ Resource Assessment prior to E3D
  - ▶ Potential Undiscovered Resources
    - 753MM bbl OOIP (unrisked)
- ▶ Seismic work will need to be completed
- ▶ Drilling location water depth:
  - ▶ 100 – 120m (330 ft)
- ▶ Target depth:
  - ▶ 2600m – 3000m
- ▶ 25-30 km from shore



### ▶ Farm-Out

- ▶ Five major O&G companies have signed CAs to gain access to NWest data room
- ▶ Currently running data room in Calgary with GEOSEIS

### ▶ Financial Snapshot

- ▶ June 30, 2009 Cash Position: \$2.1 million
- ▶ 12 Month Estimated Expenditures: \$500,000 - \$600,000

## Western NL property – Scorecard



	Factor	Present	Details
1	Geo-political stability	✓	Government of NL has well-established regulations and protocol; equity policy works in NWest's favour
2	Favorable Tax Regime	✓	Generic Royalty Regime in place; minor negotiation to be done
3	Ground floor opportunity for large targets	✓	Targeting 300-500M bbl fields, NWest currently holds 100% interest.
4	Majors Interested?	✓	Mobil & BHP departed for non-technical reasons in 1996-98
5	Potential to attract partners	✓	Goldman Sachs cites 300M BOE as threshold for Global Top 170 Projects list
6	Favorable petroleum system	✓	Oil seep onshore & historical evidence
7	Shallow water	✓	80-200m
8	Close to shore	✓	20-50 km from shore
9	Conventional Technology	✓	Jack-up may be possible; subsea tie-back to onshore facility – No Icebergs
10	Infrastructure	✓	Close to markets and refining; experienced offshore workforce and suppliers in province.

An aerial photograph of an offshore oil rig in the middle of a vast, blue ocean. The rig is a complex of metal structures with a small flame visible at the top. The sun is low on the horizon, creating a shimmering path of light across the water's surface.

Western Newfoundland.  
The way we see it.

**Right place.  
Right time.  
Right company.**

**TSX-V:NWN**