



NEWS RELEASE

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Trading Symbol: NRS

NORWOOD COMMENCES MOBILIZATION OF DRILLING EQUIPMENT FROM OKLAHOMA TO NICARAGUA

Norwood Resources Ltd. (the “Company”) announces that it has now commenced mobilization of its drilling equipment from Oklahoma to Nicaragua. The mobilization was delayed by severe weather conditions prior to Christmas, which slowed the progress of modifying and refitting of the new rigs to meet the upcoming program specifications and ship scheduling issues.

The Company has contracted Gateway Logistics group to handle the movement of its drilling equipment from Stillwater, Oklahoma to San Bartolo, the Company's staging location on the Pacific coast of Nicaragua. Along with the rigs, Gateway will also consolidate other service companies' equipment in Houston and mobilize by ship to the port of El Rama on the east coast of Nicaragua and then by trucks to San Bartolo. The equipment is scheduled to be on location by the end of January.

Once on location, the Company will immediately commence the next phase of field exploration. This program will involve drilling 2 new wells and a re-entry to stimulate/frac several of the oil zones encountered in the San Bartolo well during last year's drilling and testing program.

As mentioned in previous releases, independent evaluations of the well logs and drill stem testing (“DST”) results conducted by both Object Reservoir Engineering and Fronterra Geosciences “indicate that several potential reservoir zones were significantly damaged during drilling and testing and many of the test results were inconclusive. Significant potential may also exist in zones previously thought to be either water bearing or tight.” The objective of the stimulation/frac program at San Bartolo is to attempt to overcome the damage/invasion around the well bore and establish sustained production rates and determine formation fluids from these zones.

Simultaneously, a new location at Madres Negras has been selected and will be drilled to exploit the same oil-bearing sand facies located in the San Bartolo and Las Mesas wells. This location was identified as a priority drill target during the seismic re-mapping process. This work confirmed the presence of several structural closures of significant size, the one at Madres Negras being the largest and up dip from San Bartolo.

A second step out well in close proximity and slightly up dip from San Bartolo is also planned upon satisfactory completion of the San Bartolo stimulation program.

For both new wells, the Company will use different drilling and completion fluids and mud weight pressures to minimize potential well bore damage. The program is also designed to obtain critical core

information by taking whole core samples from prospective oil bearing sands. Extensive testing procedures are planned for both new wells.

The Company will contract the services of Remedy Energy Services Inc. from Calgary, Alberta to act as project consultants for the program and to provide the Company's operations and drilling department with additional expertise and support services as may be required.

The Company has also contracted Foothills Diamond Coring Inc. of Calgary, Alberta to provide whole coring services. Core Lab of Houston will provide core recovery and analysis services.

Management will update shareholders in the coming weeks regarding any additional developments prior to the commencement of the program.

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This press release contains certain forward-looking statements. While these forward-looking statements represent our best current judgment, they are subject to a variety of risks and uncertainties that are beyond the Company's ability to control or predict and which could cause actual events or results to differ materially from those anticipated in such forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements.

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