

1 February 2022

ASX Release
Wellesley-2 Gas Well - Update

Highlights:

- *Earthworks in preparation for drilling of the Wellesley-2 gas well in Queensland, are complete*
- *Easternwell Rig #101 has been contracted to drill the well*
- *Drilling rig is being mobilised to site with spudding of the well expected to take place on 7 February 2022*
- *Drilling and testing of the well expected to take around 10 to 14 days*
- *The Wellesley-2 well is targeting the Wellesley Dome, which contains a Best Estimate Prospective Resource of 41 billion cubic feet of gas*

The Directors of Lakes Blue Energy NL's (**Lakes**, or the **Company**; ASX:LKO) are pleased to advise that earthworks, in preparation for drilling of the Wellesley-2 gas well in Queensland, are complete and Easternwell's Rig #101 has been contracted to drill the well.

The drilling rig will be mobilised to site over coming days and rigged up to spud the well (i.e. commence drilling) on Monday, 7 February 2022. This follows successful completion of the Company's recent capital raising program which raised the fully subscribed maximum of \$5,488,810.

The Wellesley-2 well will be a conventional vertical well targeting the Wellesley Dome, which contains a Best Estimate Prospective Resource of 41 billion cubic feet of gas. It is anticipated that drilling and testing of the well will take around 10 to 14 days.

This announcement has been authorised and approved by the Board of Lakes Blue Energy NL for lodgement with ASX.

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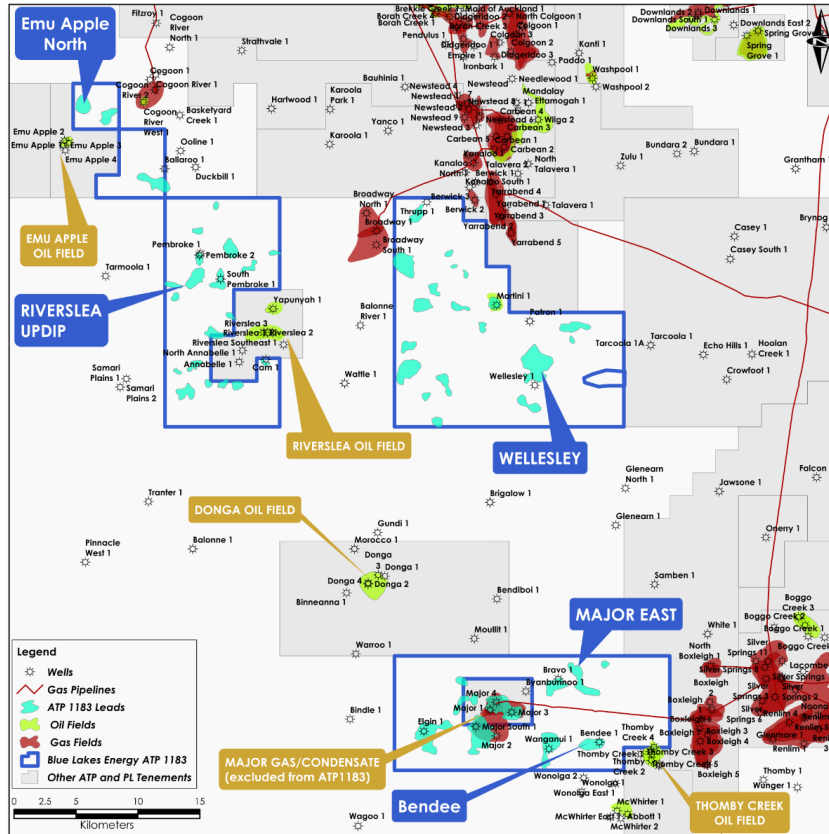
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Wellesley-2 Information

Location

The Wellesley-2 gas well lies within the Lakes 100% owned and operated Authority to Prospect (ATP) 1183, in the Roma Shelf region of the Surat Basin. It is within close proximity to existing gas flowline and processing infrastructure.



The Wellesley-2 well will be a conventional, vertical well drilled to around 1650m metres total depth within the crest of the Wellesley Dome, approximately 1 km northwest of the Wellesley-1 well. The estimated cost of the well is approximately \$1.6m.

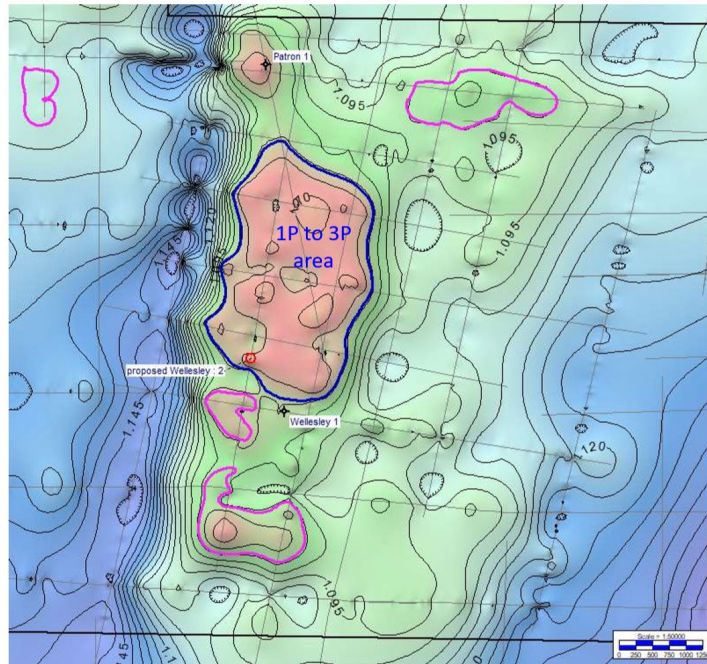
Prospectivity

The Wellesley-2 well will target the Wellesley Dome, which contains a Best Estimate Prospective Resource of 41 billion cubic feet of gas.

This is a Best Estimate prepared on a deterministic basis by Mr Peter Bubendorfer, Geotechnical Assessor. Mr Bubendorfer holds a BSc in Geology, is a member of AAPG, and has over 22 years of relevant experience in hydrocarbon exploration and production.

Lakes considers the prospectivity of Wellesley-2 to be high in view of the following:

- The Wellesley Dome was first drilled by BHP in 1979, targeting oil. Drilling took place near the prognosed gas-liquid contact, with 20 metres of clean Boxvale Sand intersected. The Wellesley-1 well confirmed both reservoir quality (average 28% porosity) and the presence of gas.
- Seismic data confirms that the original drilling was near the gas-liquid contact and indicates that the up-dip reservoir extension has significant gas potential.
- The historic success rate for wildcat drilling on seismic closures within the Roma Shelf region is 38%. Since the presence of gas and of thick, porous, good-quality reservoir sands has already been demonstrated, the prospect for success at Wellesley-2 is potentially better than 38%.



Drilling and Development Program

Civil works, in preparation for drilling of the Wellesley-2 well, are complete.

Wellesley-2 Site



Easternwell's Rig #101 has been contracted and drilling of the well is expected to commence on 7 February 2022. It is estimated that drilling and testing of the well will take around 10 to 14 days.

After completion of testing the well will be completed for production, unless testing is not successful, in which case it is anticipated the well will be completed as a water well for the benefit of the owner of the land upon which the well is located.

The Company's vision is that production of Wellesley gas will be facilitated through tolling arrangements with adjacent infrastructure owner(s), with gas sales revenue used to fund subsequent, 2022 exploration activity.