

Lakes Blue Energy (ASX : LKO)

ASX Announcement

10 February 2022

Wellesley-2 Gas Well Spudded

Highlights:

- Wellesley-2 well spudded at 10.00am today
- The Wellesley-2 well is targeting the Wellesley Dome, which contains a Best Estimate Prospective Resource of 41 billion cubic feet of gas
- The well is in close proximity to existing gas flowline and gas processing infrastructure
- Drilling and testing of the well is expected to take around 10 to 14 days

The Directors of Lakes Blue Energy NL's (**Lakes**, or the **Company**; ASX:LKO) are pleased to advise that the Wellesley-2 well, in Queensland, was spudded today at 10.00am.

The Wellesley-2 well is 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.

Drilling progress reports will be provided on a daily basis.

This Announcement Has Been Authorised for Release by the Board of Lakes Blue Energy NL for lodgement with ASX.

For more information, please contact:

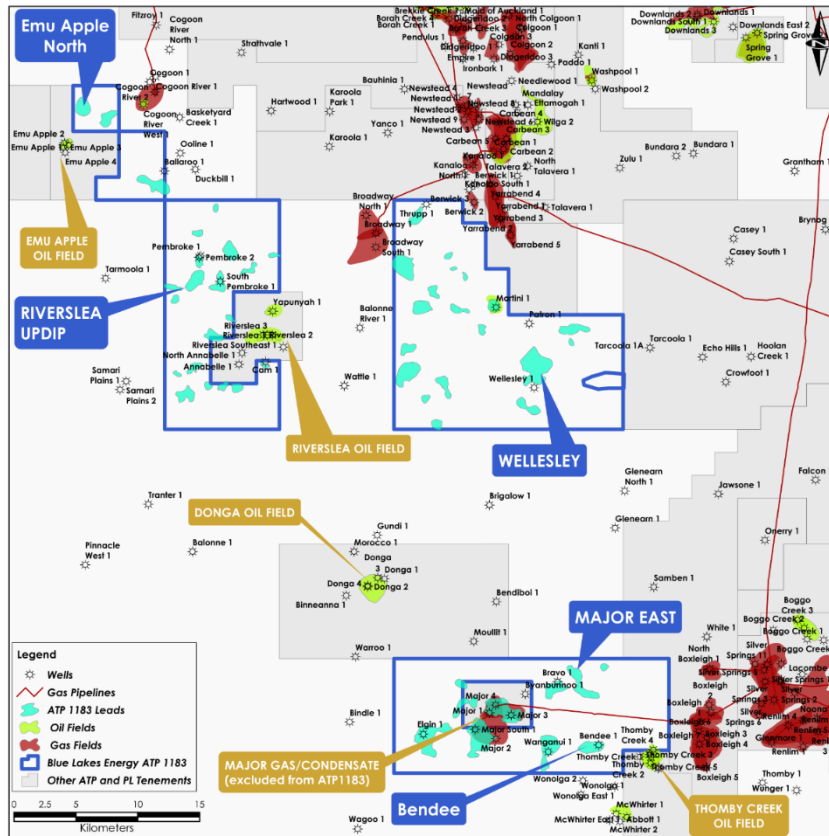
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Wellesley-2 Information

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 Armour Energy and AGL gas flowline and gas processing infrastructure.



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

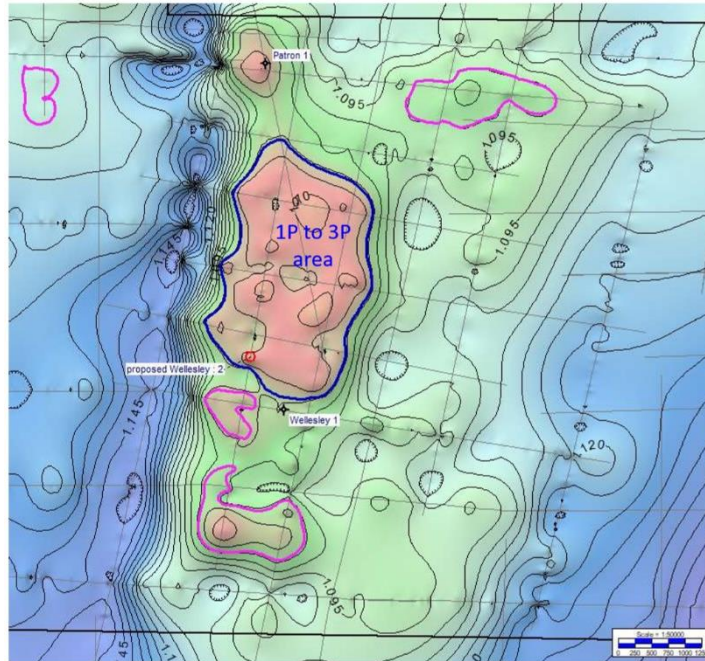
This is a Best Estimate prepared on a deterministic basis by Mr Peter Bubendorfer, Geotechnical Assessor. Mr Bubendorfer holds a BSc in Geology, is a member of AAPG, and has over 22 years of relevant experience in hydrocarbon exploration and production.

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.

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- 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%.



The Wellesley-2 well will be drilled with Easternwell's Rig #101, which is presently being set up on the Wellesley-2 drill site. It is estimated that drilling and testing of the well will take around 10 to 14 days.

Easternwell Rig #101 being set up at Wellesley-2 drill site



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 assist with funding of subsequent, 2022 Victorian exploration activity.

For further information contact:

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Executives:

Tim O'Brien - Chief Operating Officer

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