

Lakes Blue Energy (ASX : LKO)
ASX Announcement
23 February 2022
Exploration Update and Outlook

Highlights:

- **Drilling of Wellesley-2 well is complete and drilling rig is being demobilised**
- **Wellesley-2 failed to discover gas, but has reaffirmed the prospectivity of the Wellesley Dome and has provided valuable data to assist with future exploration**
- **Iodine survey to be conducted to assist with design of a 3D seismic survey over the Wellesley structure**
- **Work underway to secure approvals for drilling of Wombat-5 and Otway-1 wells in Victoria**

The Directors of Lakes Blue Energy NL's (**Lakes**, or the **Company**; ASX:LKO) advise that drilling operations at Wellesley have been completed and Easternwell's Rig #101 is being demobilised.

While it is disappointing that Wellesley-2 was not capable of gas production it has, nonetheless, provided information that confirms the prospectivity of the Wellesley Dome and will assist with formulation of future exploration plans. The well confirmed the presence of the Evergreen Formation and, in particular, the Boxvale Sands. Based upon logging data, it is apparent that the well intersected the muddy periphery, rather than the thick permeable section, of the Jurassic-aged channel that contains the Boxvale Sands.

The Company is preparing for, and will in the near-term undertake, an iodine survey over the Wellesley Dome. This involves taking a widespread matrix of small soil samples that are analysed for iodine content, with higher concentrations being an indirect indication of areas favourable for petroleum accumulations. Data from the iodine survey will be utilised to design a 3D seismic program to better delineate the Wellesley structure and, in turn, to allow selection of location(s) for future exploration drilling.

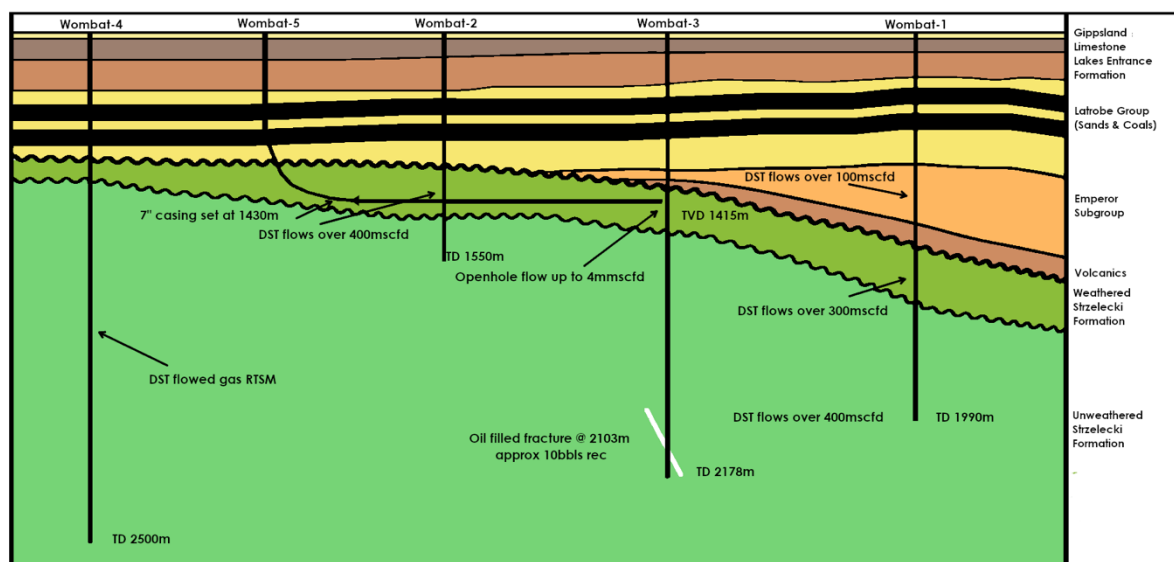
Importantly of course, drilling of the Wellesley-2 well satisfied one of the strict conditions for resumption of trading of the Company's shares.

Directors also advise that work has commenced toward securing approvals for drilling of the Wombat-5 and Otway-1 conventional gas wells in Victoria. The first part of this process involves stakeholder engagement programs, to identify and address

stakeholder concerns, following which Operating Plans, with full details of the proposed drilling activity, can be finalised and submitted for approval.

The Wombat-5 well lies within the Company's 100% owned Petroleum Retention Lease 2 (PRL 2), which contains an independently certified 2C contingent gas resource of 329 Bcf. Based upon independent technical review (carried out by Stimulation Petrophysics Consulting LLC) the forecast productivity of the Wombat-5 lateral well is 10 TJ/d. It is envisaged drilling will commence around mid 2022 (subject to receipt of approval to drill).

Wombat-5 Lateral Well, Cross-section



The Otway-1 well lies within the 49% Company owned Petroleum Exploration Permit 169 (PEP 169), which is presently operated by the Company.

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

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