

31 October 2024

ASX Release
Replacement: Wombat-5 Operation Plan Submitted

Highlights:

- *An Operation Plan seeking consent for drilling of the conventional Wombat-5 well has been finalised and submitted to the Victorian Regulator.*
- *The Operation Plan outlines how the drilling of the Wombat-5 well will be carried out safely and responsibly, and addresses all regulatory requirements.*

Lakes Blue Energy NL (**Lakes**, or the **Company**; ASX:LKO) is pleased to advise that it has finalised and submitted to the Victorian Regulator (Earth Resources Regulation, or **ERR**) an Operation Plan seeking consent for drilling of the conventional Wombat-5 well in Gippsland, Victoria.

The Operation Plan is a comprehensive document that outlines how drilling of the Wombat-5 well will be carried out safely and responsibly, and addresses all regulatory requirements. Among other things, the Plan includes detailed environmental, operational, rehabilitation, cultural heritage, community consultation, monitoring and reporting plans.

ERR will now review the Plan, referring (as required) relevant sections of the Plan to other Government agencies, and may request additional information or amendments. Once satisfied that all legislative requirements have been satisfied, the ERR will issue consent to commence operations.

Mr Roland Sleeman, Chief Executive Officer of Lakes, said "Completion and submission of the Operation Plan is a significant milestone toward the Company's targeted drilling of the Wombat-5 well next year. Thanks must go to Lakes' Chief Operating Officer, Tim O'Brien, for overseeing development of the Plan."

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

For more information, please contact:

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Background Information

The 100% Company owned Wombat Gas Field is located within Petroleum Retention Lease 2 (PRL 2), together with the 100% Company owned Trifon-Gangell Gas Field.

Together, the Wombat and Trifon-Gangell Gas Fields contain independently estimated contingent (2C) gas resources totalling 719 Billion cubic feet (Bcf), of which it is expected around 450 Bcf will be recoverable by conventional means¹.

Drilling of the Wombat-5 well is targeted for mid-2025. The purpose of the well, which was originally proposed over 10 years ago but prevented by the Victorian Government's onshore exploration ban, is to prove that gas can be commercially produced. Lakes considers the prospect of success in this regard is high since:

- Lakes has existing vertical wells that are capable of flowing gas; and
- independent modelling the Wombat-5 well carried out using known data (from historic drilling) rather than assumed data predicts that the well will flow gas at an initial rate of around 10 TJ/d², rendering both the well and the Wombat Gas Field commercial.

The Wombat-5 well, a conventional directionally-drilled well targeting the upper, more permeable section of the massive, gas saturated Strzelecki Formation, as illustrated in the cross-section below.

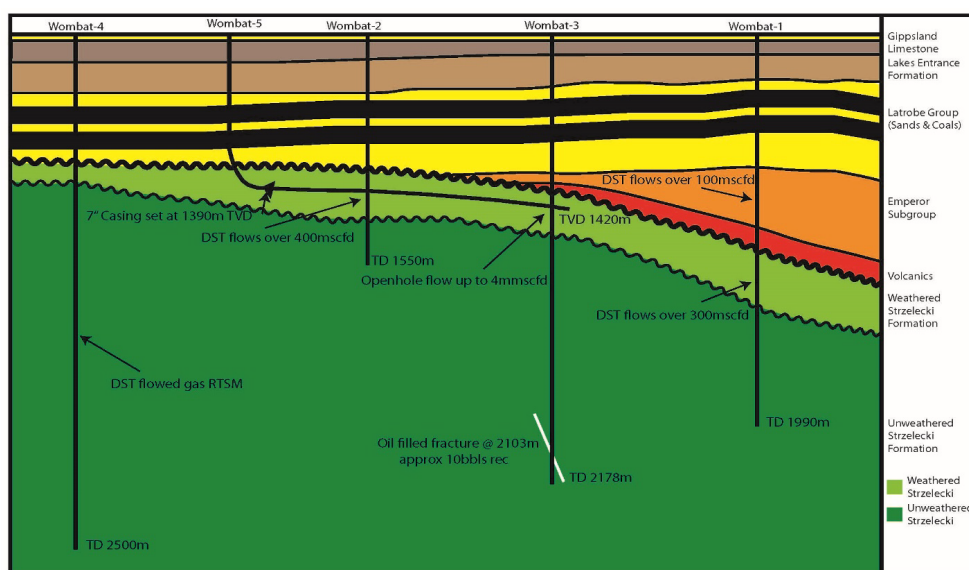


Figure 3: Cross-section, Wombat-5 Well

Given the onshore location of the Wombat Gas Field (close to existing gas pipeline infrastructure) and the knowledge (from testing of historic gas production) that gas from the field is high-quality, it is expected that the field could be brought on line relatively quickly and at low cost. Subject to drilling success at Wombat-5, the Company's target gas production from the Wombat and Trifon-Gangell fields is around 20 PJ/a.

The Company envisages an integrated approach to development of the Wombat and Trifon-Gangell Gas Fields. Sales gas production would initially be from the Wombat Gas Field with the Trifon-Gangell Gas Field developed to support steady gas sales over a 20-year period. On this basis, the estimated conventional sales gas potential of the fields is at least 20 PJ/a, representing 10% of Victorian gas demand.

Notes:

1. 719 Bcf is the sum the independent resource estimates for the Wombat gas field (being 329 Bcf) and the Trifon-Gangell gas field (being 390 Bcf). The independent resource estimates were prepared by Gafney, Cline and Associates, as reproduced on pages 24-25 of "Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL", SRK Consulting (Australasia) Pty Ltd, made public in December 2016. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and confirms that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons).
2. Independent modelling of gas production potential is set out in: "Production Forecast for the Proposed Lakes Oil Wombat-5", September 2013, Stimulation Petrophysics Consulting LLC. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and confirms that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons).