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Lakes Oil N.L.

**ASX
Announcement
And Media
Release**

23 November 2015

Lakes Oil NL

Annual General Meeting 2015

Chairman's Address to Shareholders

Chairman's Address to Shareholders

Please find attached the Chairman's address to Shareholders to be presented at today's Annual General Meeting.

Lakes Oil N.L.

ROBERT J. ANNELLS

Chairman

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Lakes Oil N.L.
'an unconventional oil & gas company'
www.lakesoil.com.au

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AGM 23rd November 2015





Proposed Projects in the State of Limbo

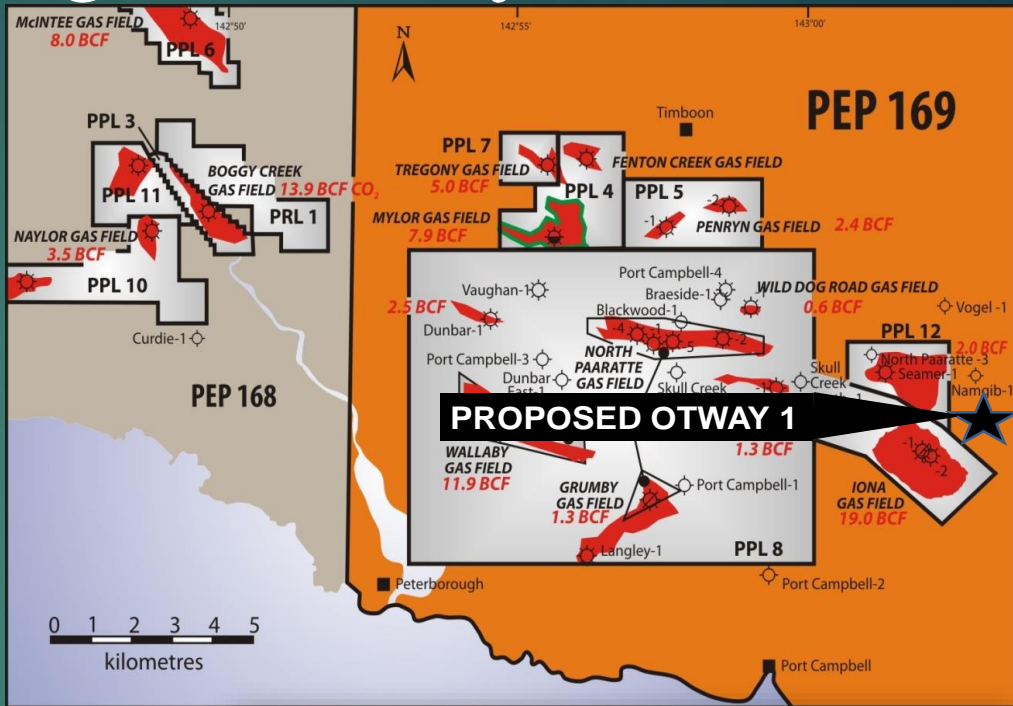
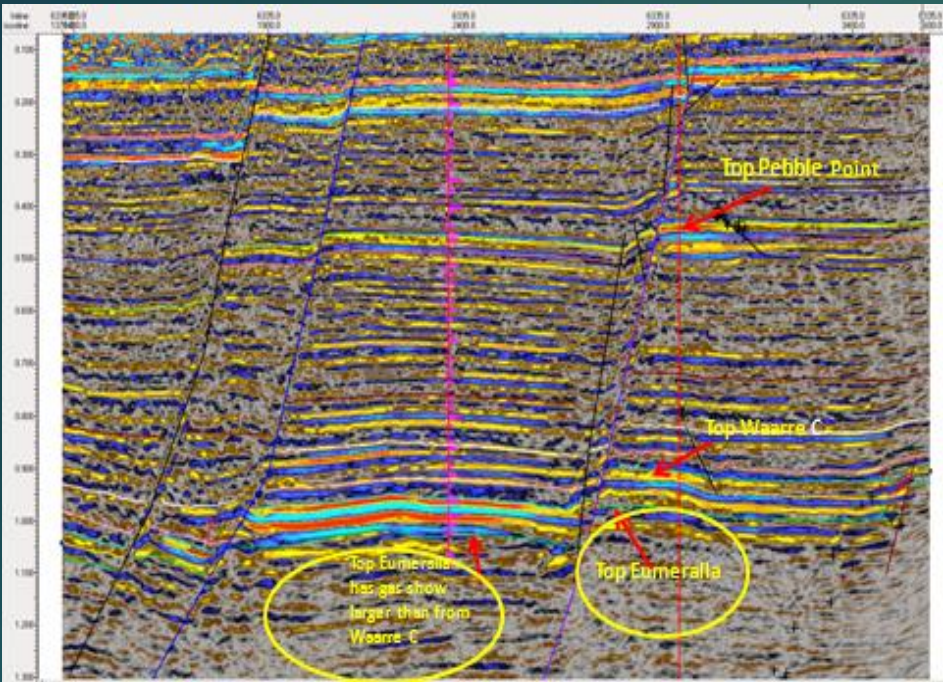
All Conventional Activities

Lakes Oil has a number of projects proposed which are currently on hold due to the ongoing, non-scientific, Government imposed, state-wide moratorium and total onshore gas exploration ban, regardless of whether it is conventional or unconventional, namely:

- The drilling of two “proof of concept” wells for the Portland Energy Project
- The drilling of Otway-1
- The drilling of Wombat-5
- The workover of Wombat-3
- The testing of Wombat-4
- The testing of Boundary Creek-2
- The drilling of Yallourn North-2



The Drilling of Otway-1



Origin Otway
Gas Plant

Proposed Otway-1
Location

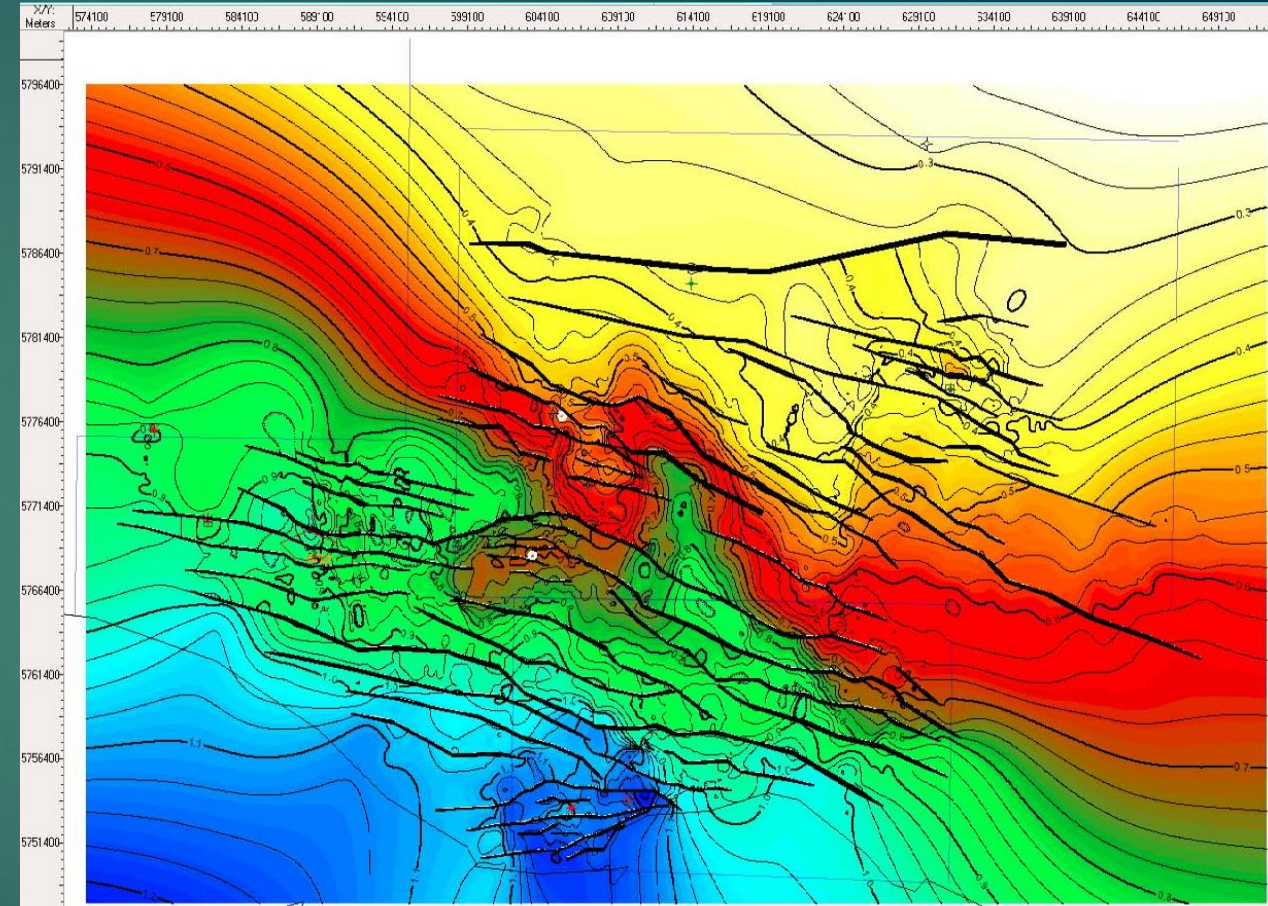
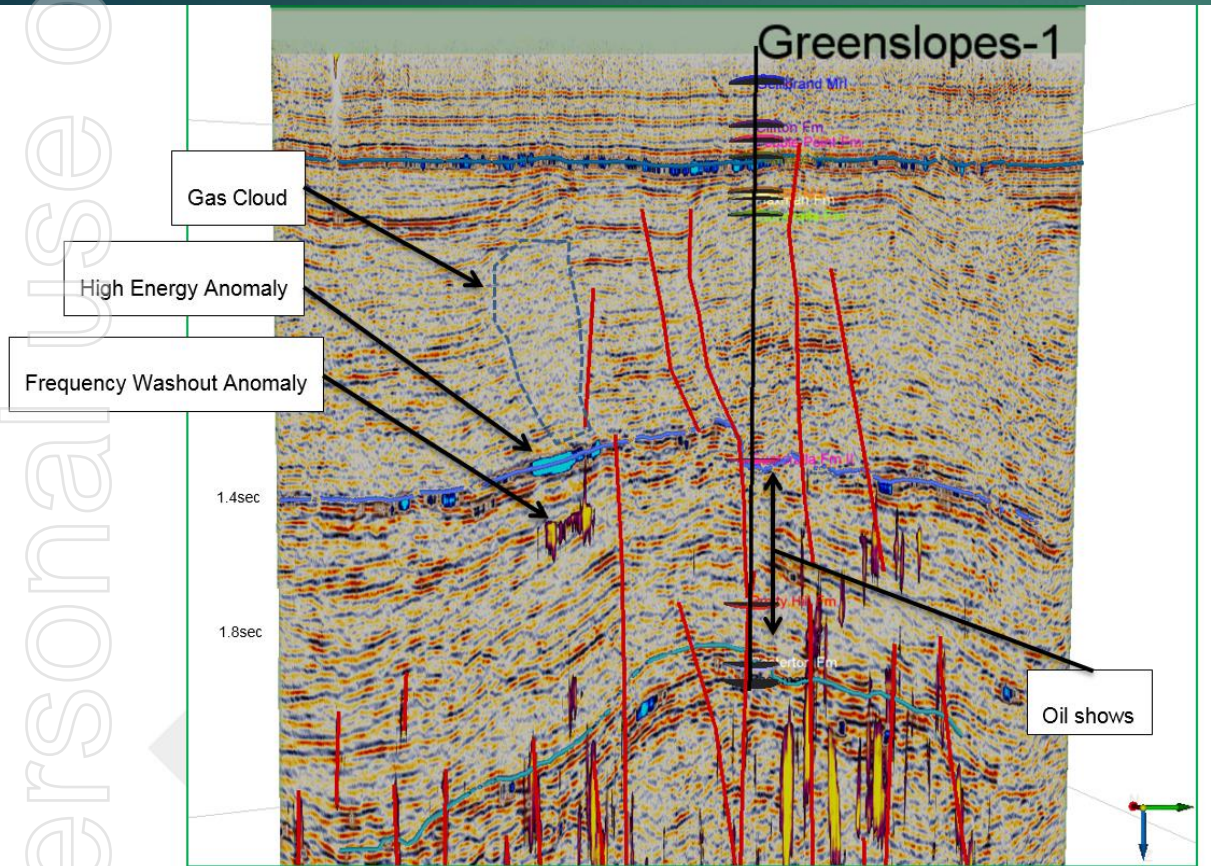
Energy Australia
Iona Gas Plant





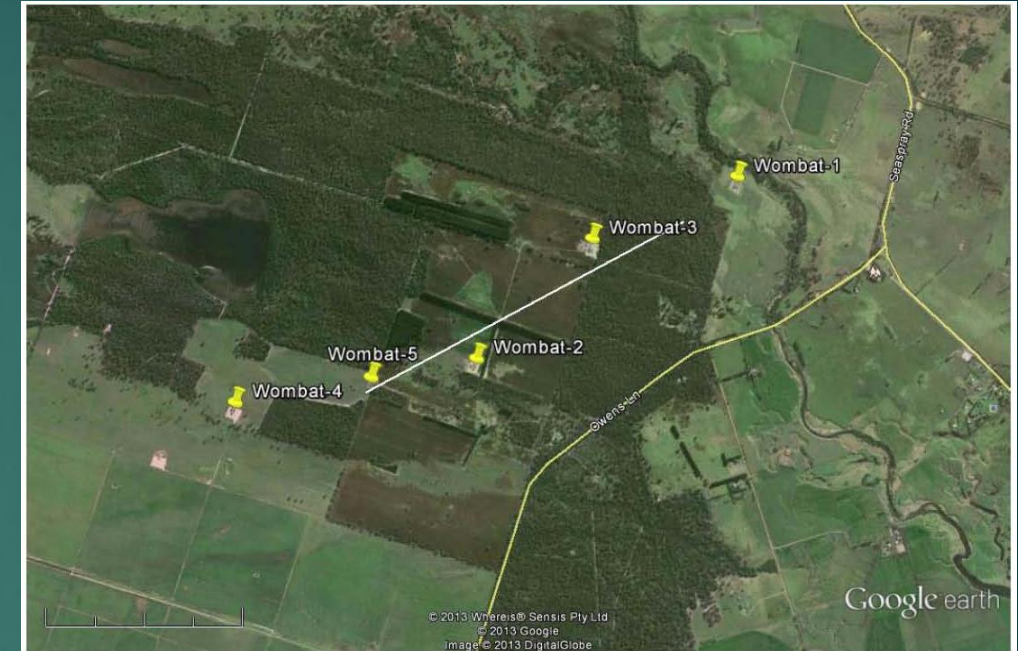
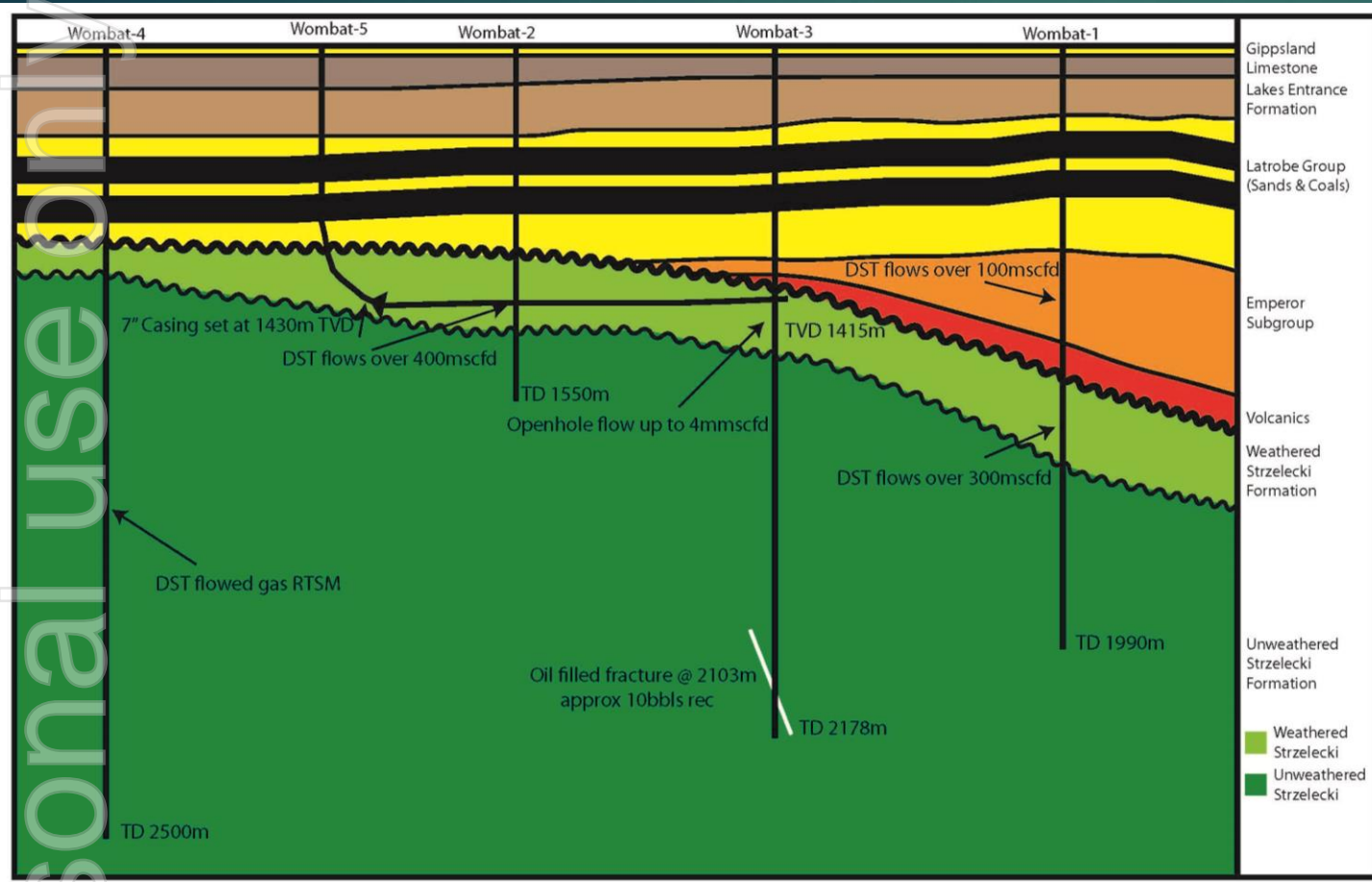
The Drilling of the “Proof of Concept” Wells

- Wells designed to test the gas encountered in the previously drilled wells which weren't tested at the time
- Modelling shows the wells should be able to produce significant gas flows without stimulation





The Drilling of Wombat-5

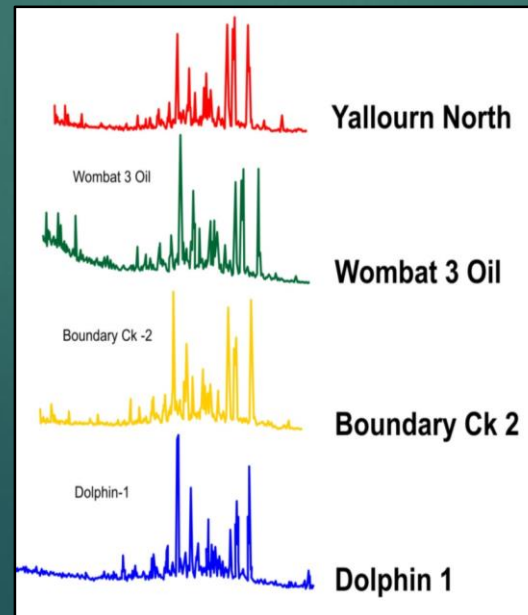
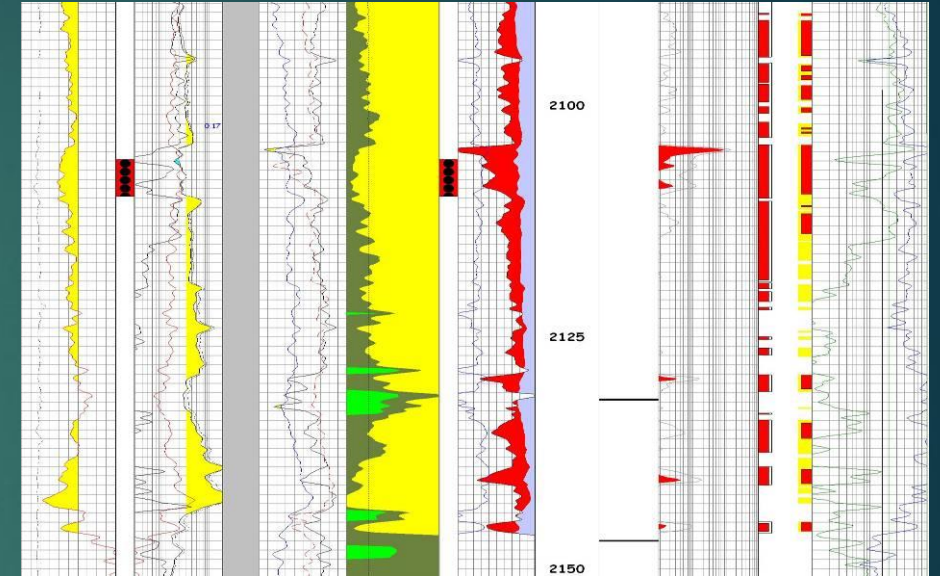


- Conventional, directional well designed to produce commercial volumes of gas without fracing.
- Targeting high por/perm “weathered zone” at the top of the Strzelecki Formation
- Initial flows of up to 15mmscfd predicted
- Wellsite is located on land owned by Lakes



Follow up to Oil Flow From Wombat-3

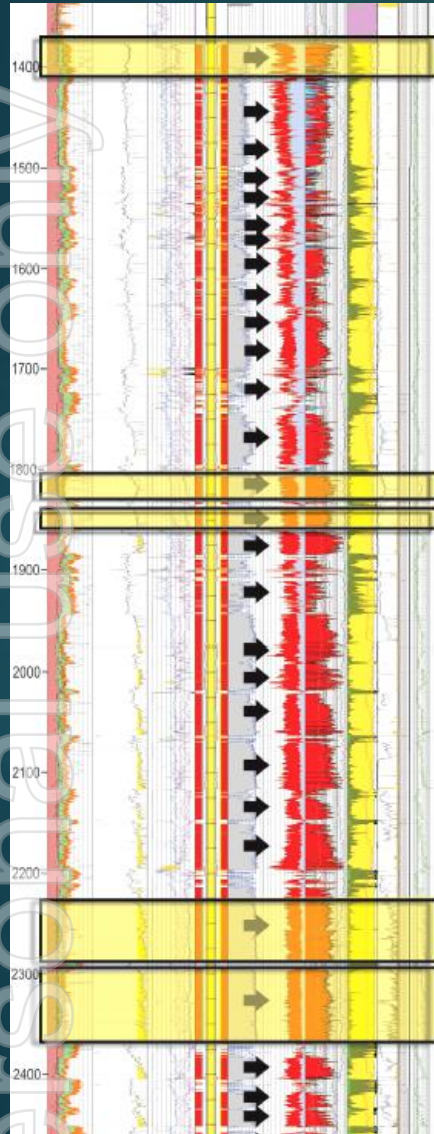
- First oil flow from the Strzelecki Group (2106mKB)
- Ten barrels of oil recovered at surface during initial swabbing
- Oil contains an API gravity of 39.81°
- The oil is a light crude which is waxy and un-biodegraded
- Oil flowed from a natural fracture that must be connected to a source located deeper
- Workover expected to take 3-4 days followed by 4 weeks of testing
- Operation was originally approved in 2010 but put on hold by Beach Energy farm-in





The Testing of Wombat-4

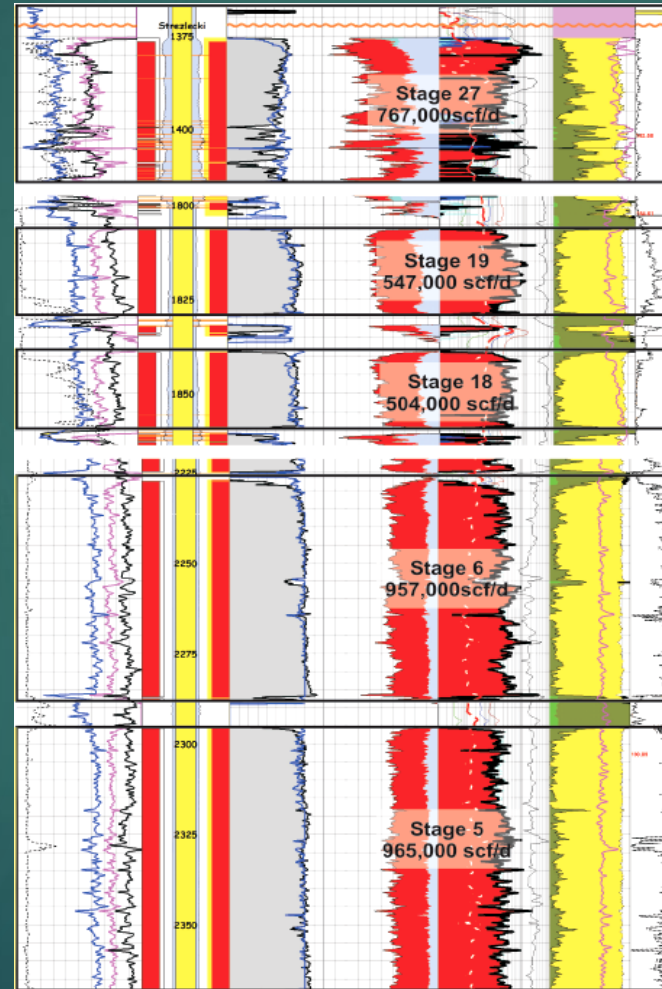
A Vertical Conventional Well



Stage 27

Stage 19
Stage 18

Stage 6
Stage 5

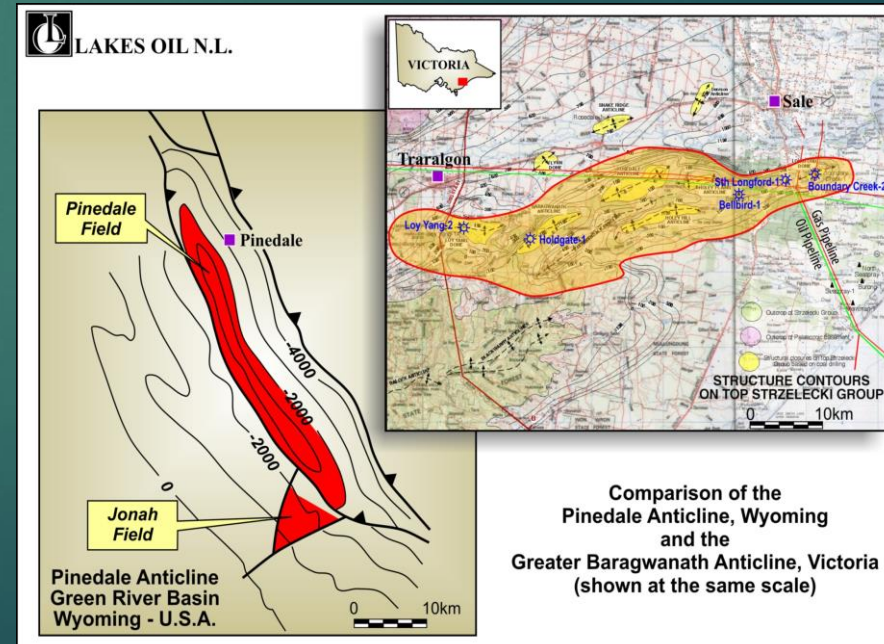
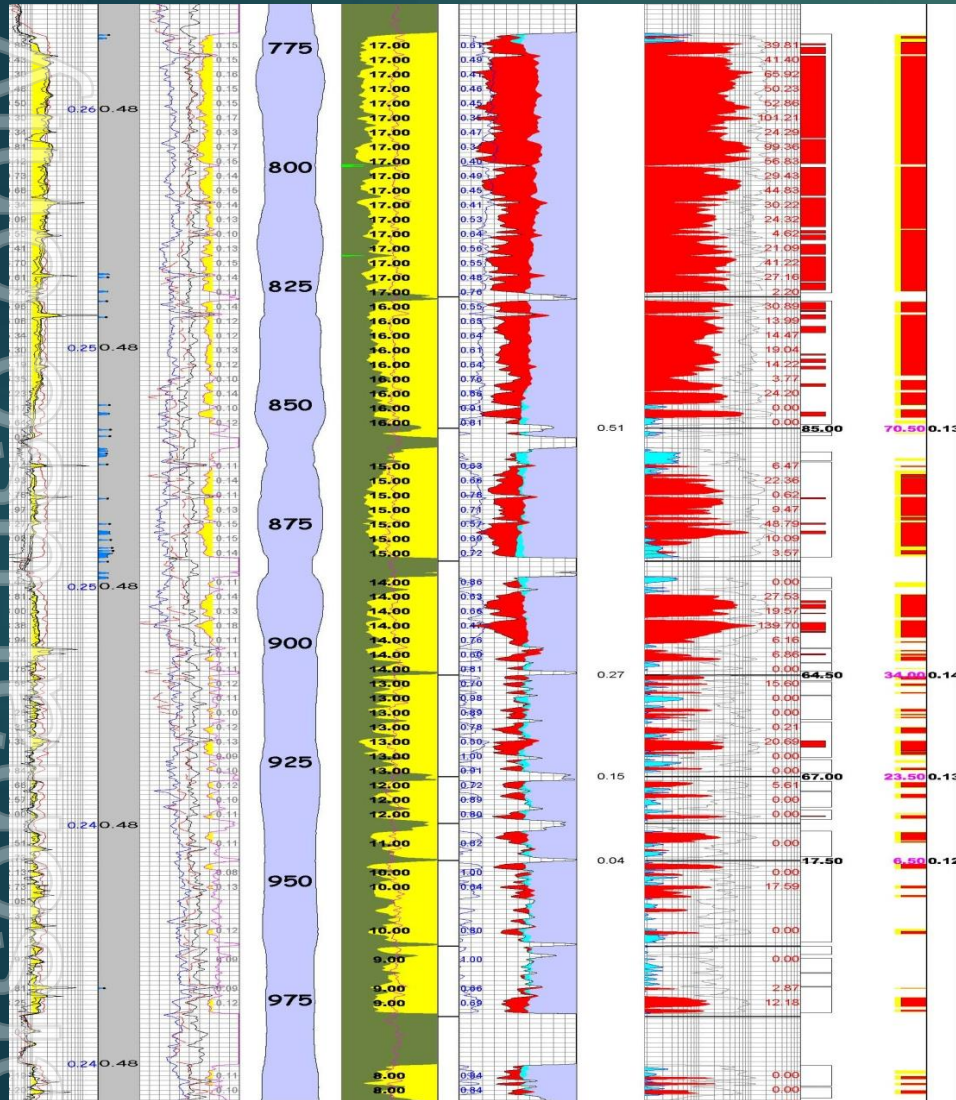


- There are up to 27 intervals in Wombat-4 to test across the Strzelecki Formation
- Modelling indicates that a commercial flow rate could be achieved without stimulation
- Multiple zones are planned to be tested across the 1200m of gas saturated Strzelecki Formation encountered in the well.
- Flows in excess of 4mmscfd could be achieved
- The well is currently suspended awaiting the governments decision on onshore gas
- The well is located on land owned by Lakes



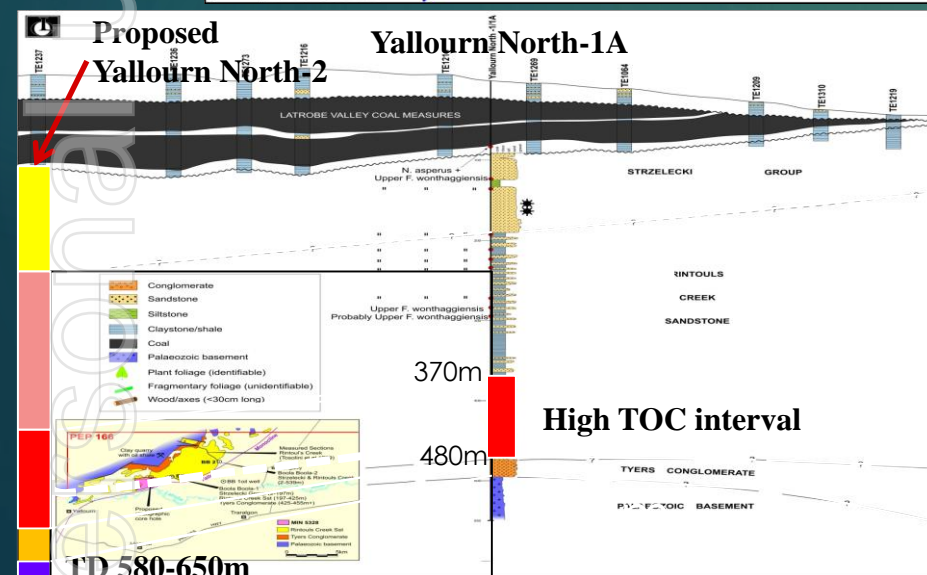
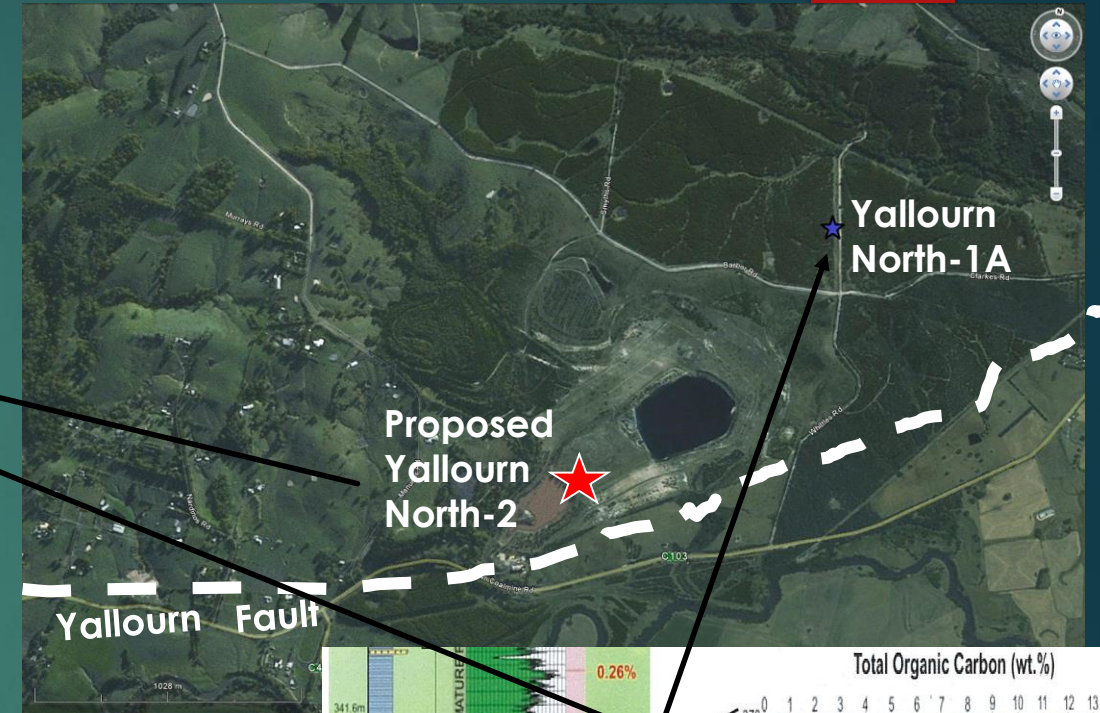
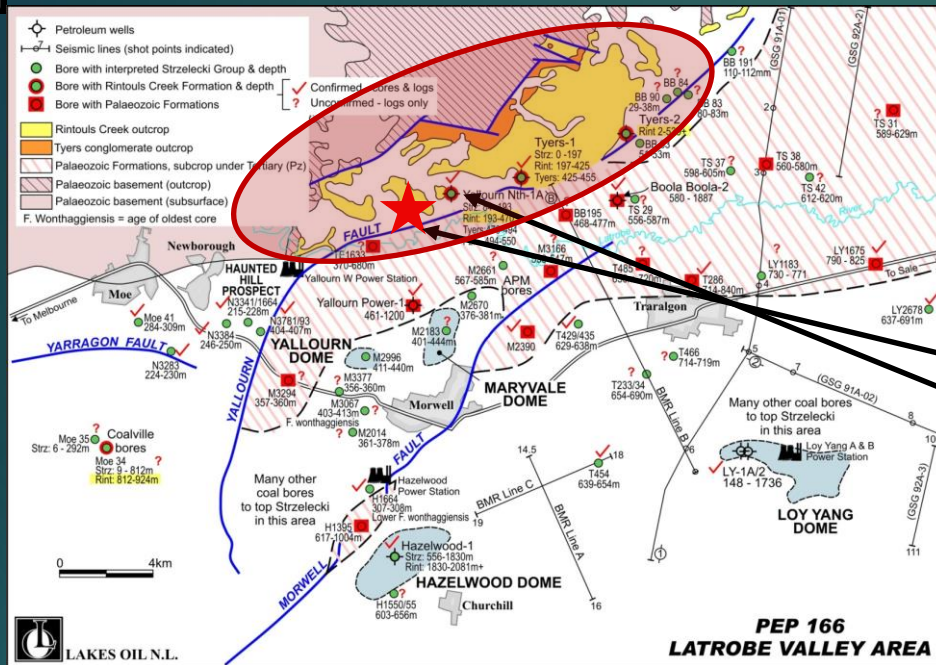
The Testing of Boundary Creek-2 A Vertical Conventional Well

- Located on the eastern end of the Greater Baragwanath Anticline with very large gas in place resource
- Shallow, untested gas sands with a net gas column of over 300m
- Best zones between 750-1050m
- Up to five intervals to be tested
- Modelling shows commercial flows of up to 2.3mmscfd may be achieved without stimulation





The Drilling of the Monash Sub-Basin



- Proposed to prove the extent of the very high TOC interval in Y.N-1
- Previously undifferentiated sub-basin on northern edge of Latrobe valley
- Relatively shallow potential shale oil play

