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Lakes Oil N.L.

ASX  
Announcement  
And Media  
Release

23 November 2015

[www.lakesoil.com.au](http://www.lakesoil.com.au)

# 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](http://www.lakesoil.com.au)

Lakes Oil N.L.  
AGM 23<sup>rd</sup> November 2015





# Proposed Projects in the State of Limbo

## All Conventional Activities

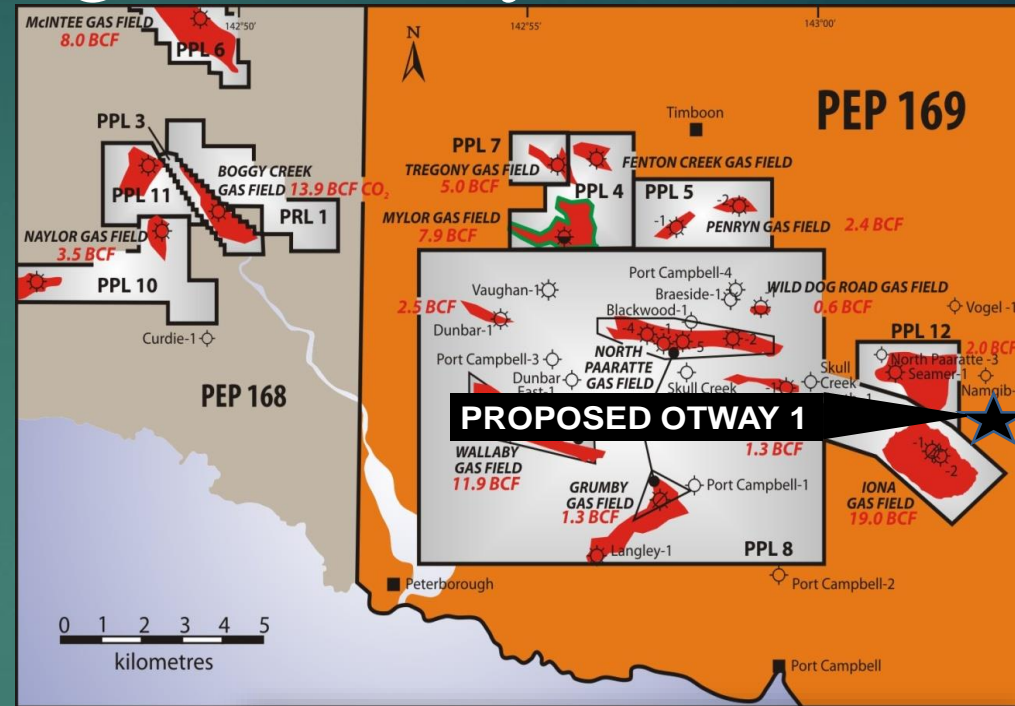
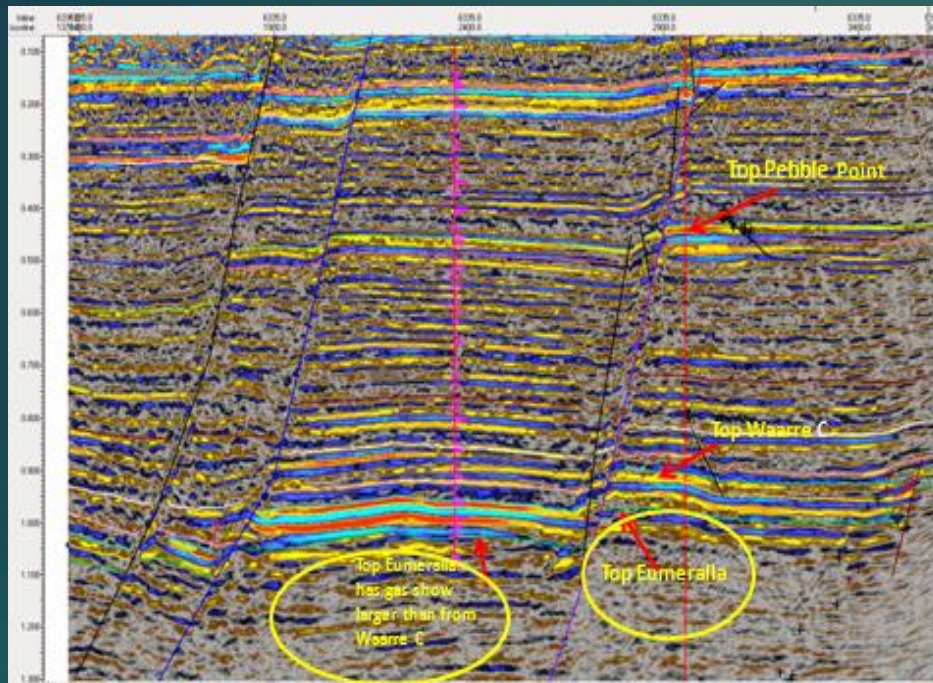
Lakes Oil has a number of projects proposed which are currently on hold due to the ongoing, non-scientific, Government imposed, state-wide moratorium and total onshore gas exploration ban, regardless of whether it is conventional or unconventional, namely:

- 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

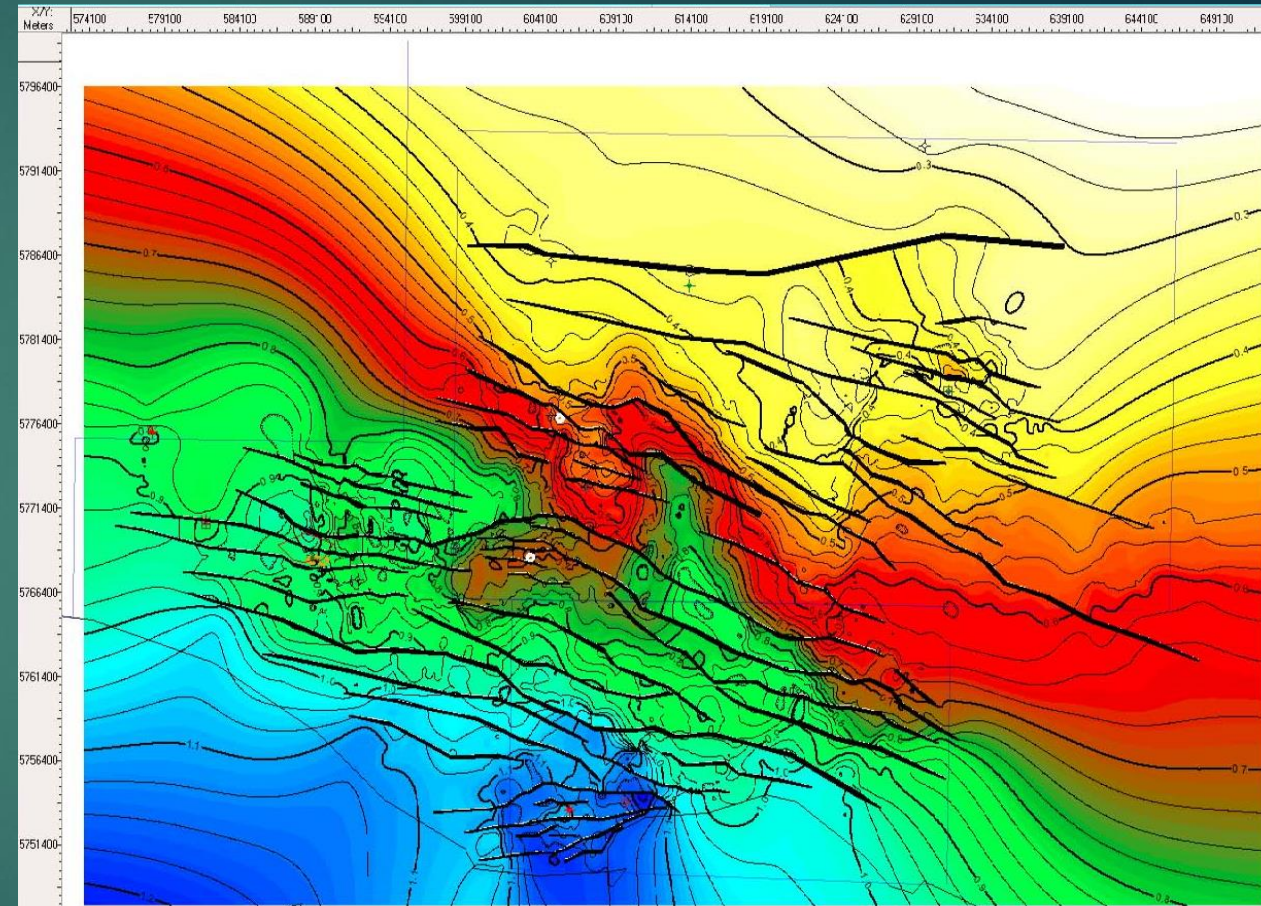
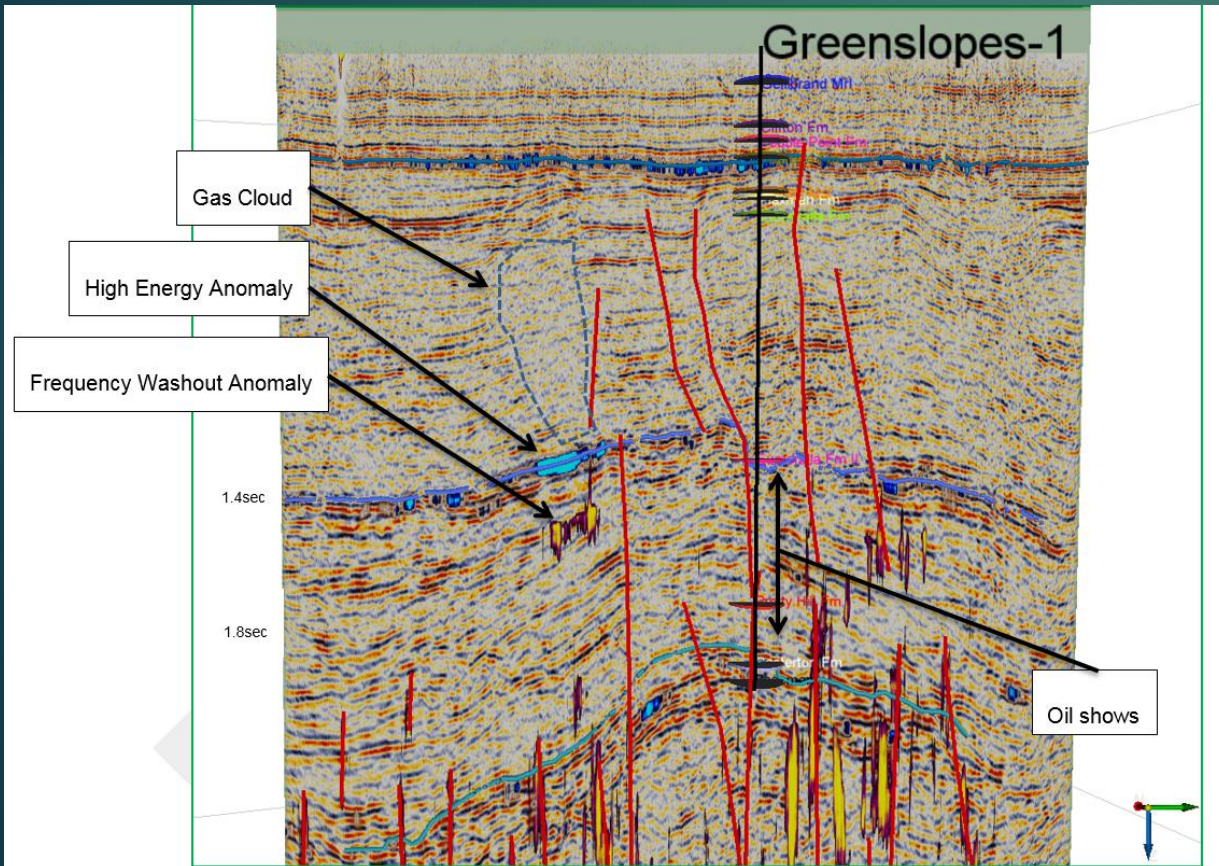






# The Drilling of the “Proof of Concept” Wells

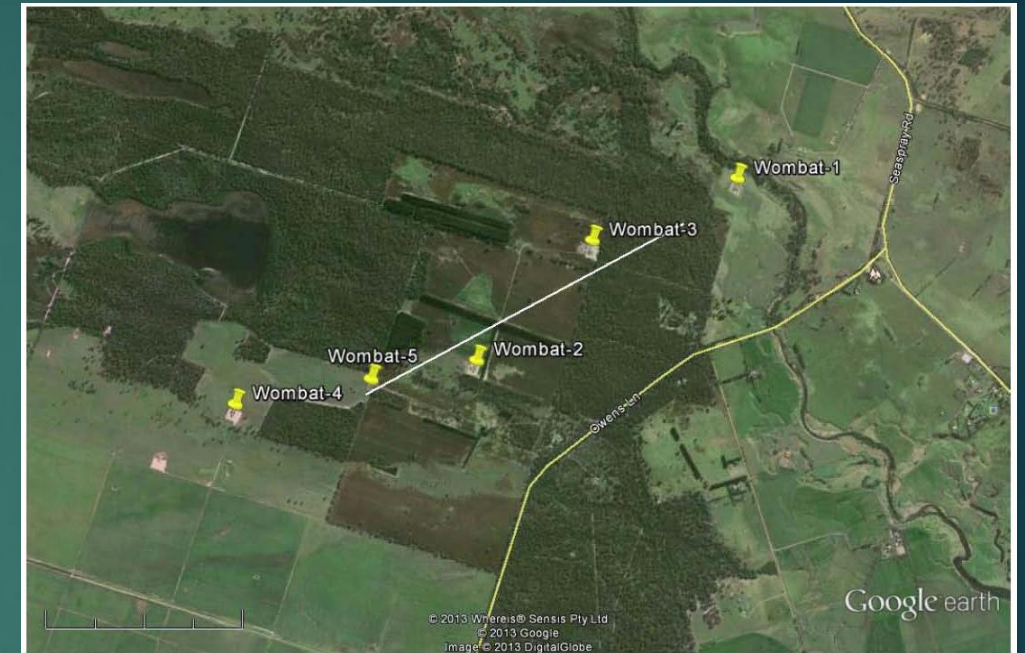
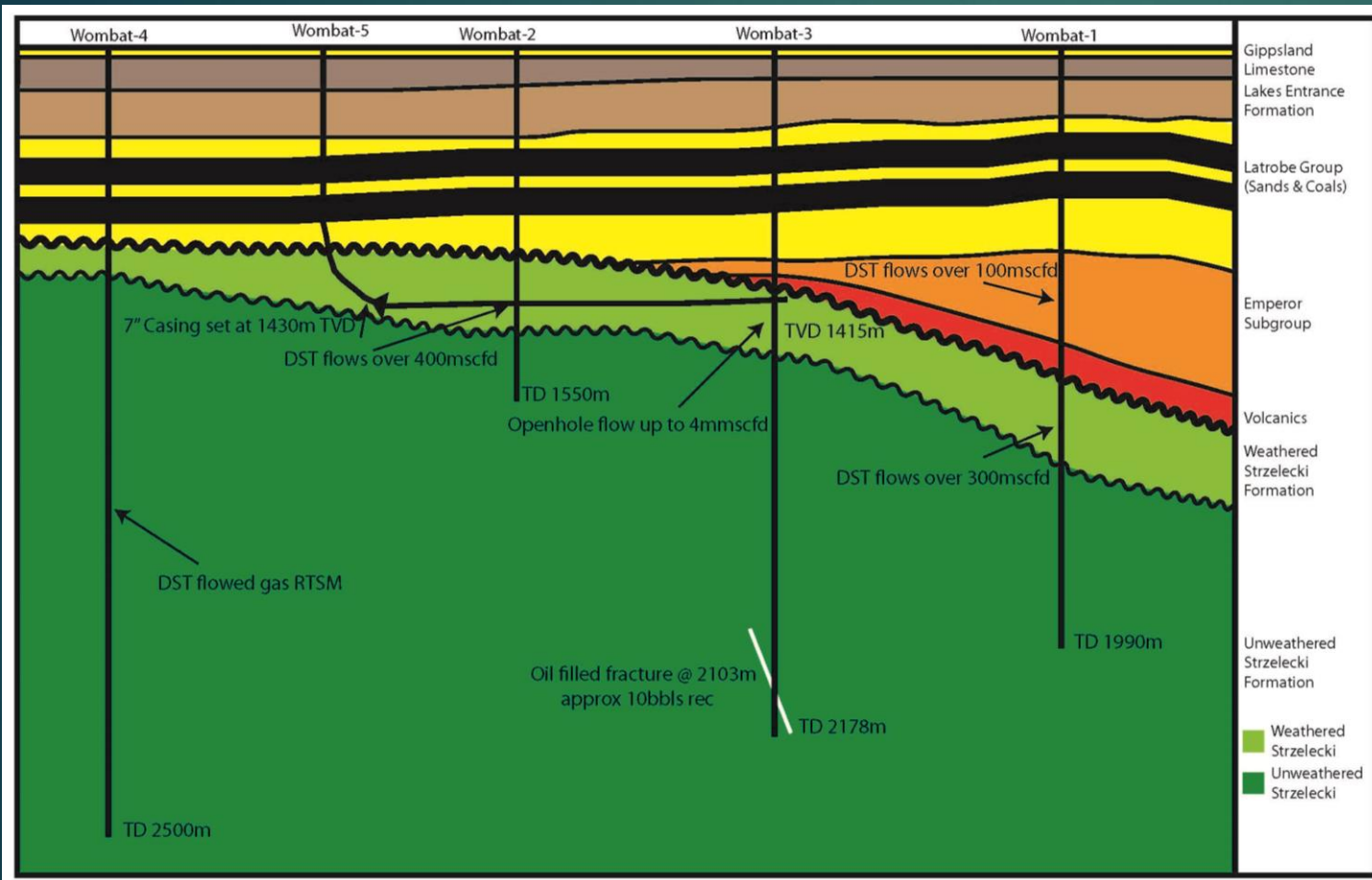
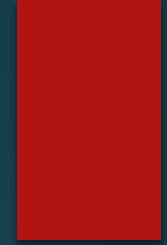
- Wells designed to test the gas encountered in the previously drilled wells which weren't tested at the time
- Modelling shows the wells should be able to produce significant gas flows without stimulation







# The Drilling of Wombat-5

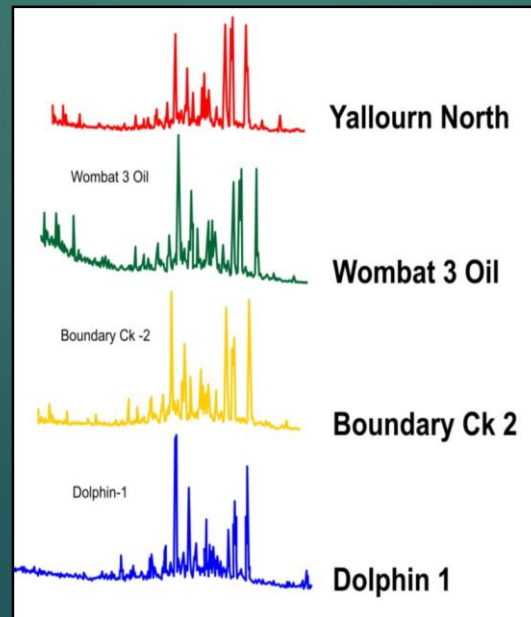
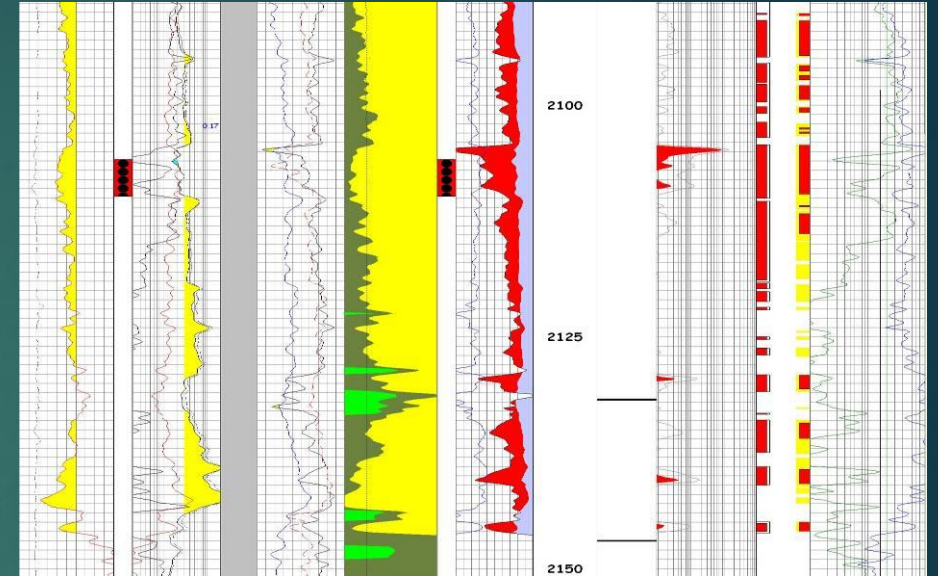


- Conventional, directional well designed to produce commercial volumes of gas without fracing.
- Targeting high por/perm “weathered zone” at the top of the Strzelecki Formation
- Initial flows of up to 15mmscfd predicted
- Wellsite is located on land owned by Lakes



# 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

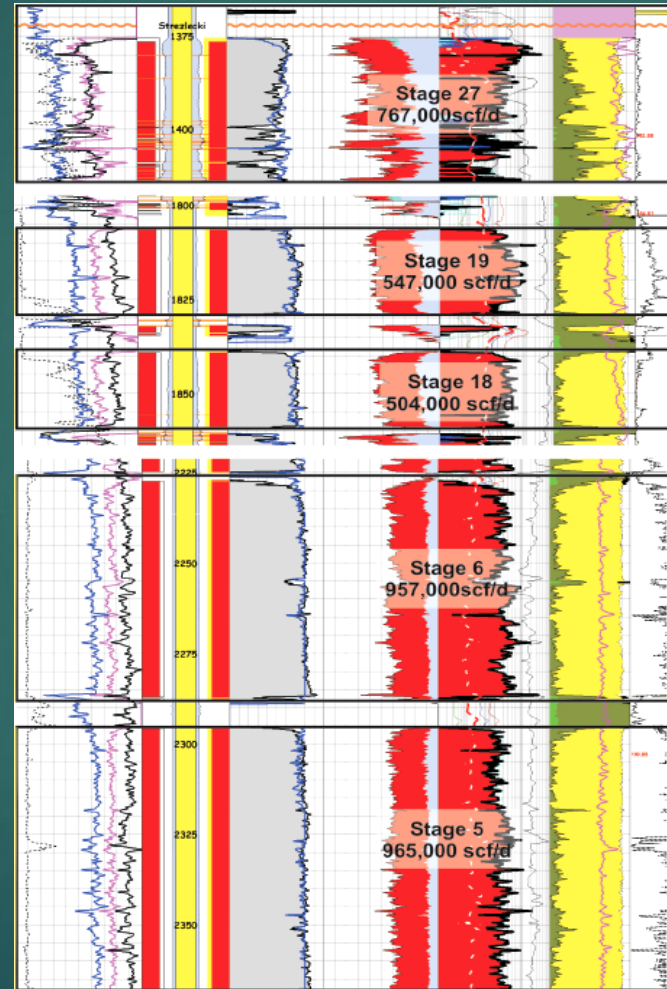
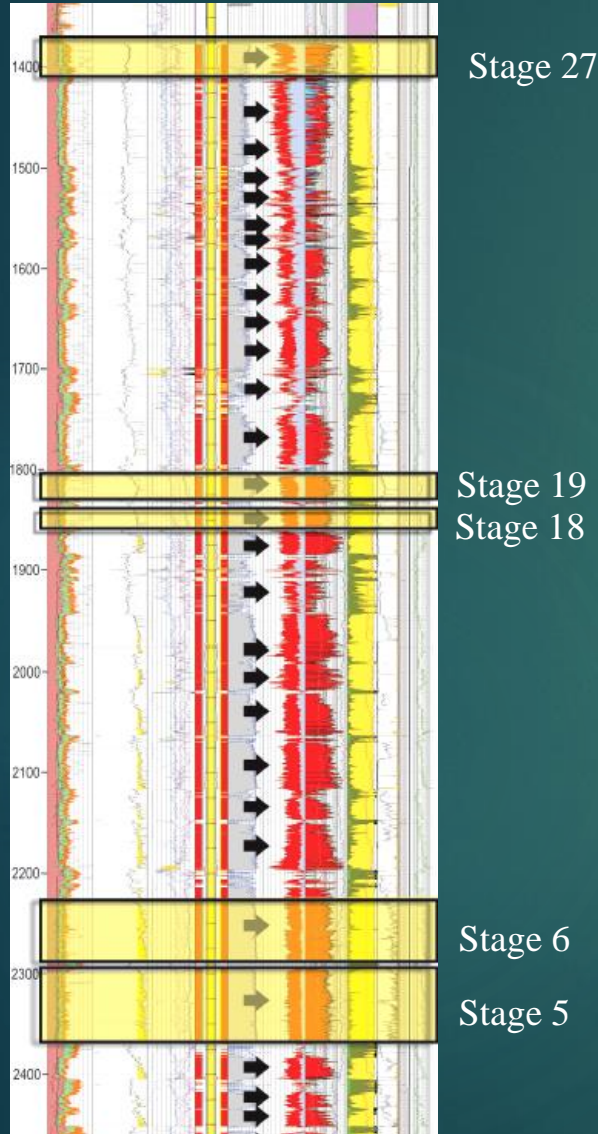






# The Testing of Wombat-4

## A Vertical Conventional Well



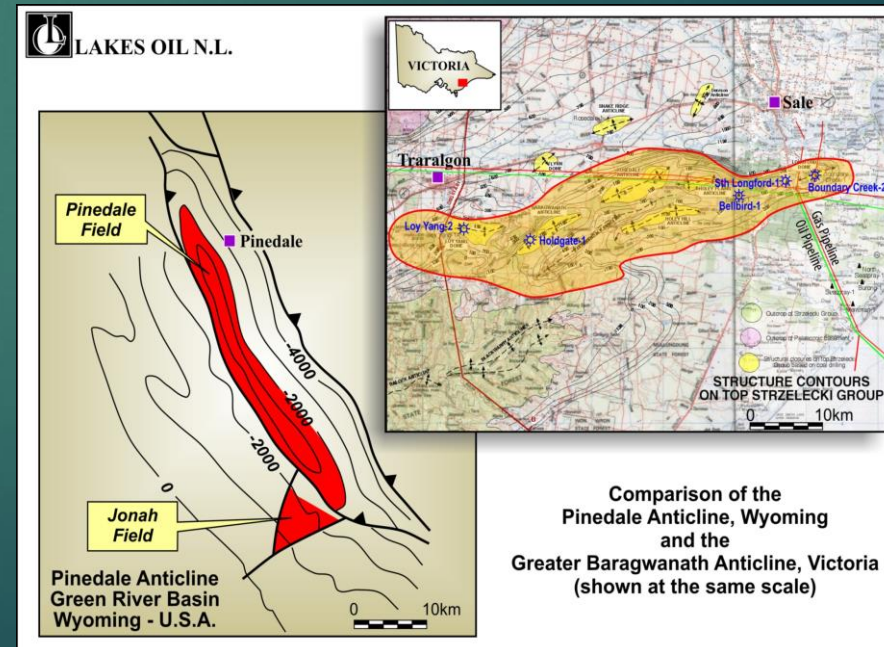
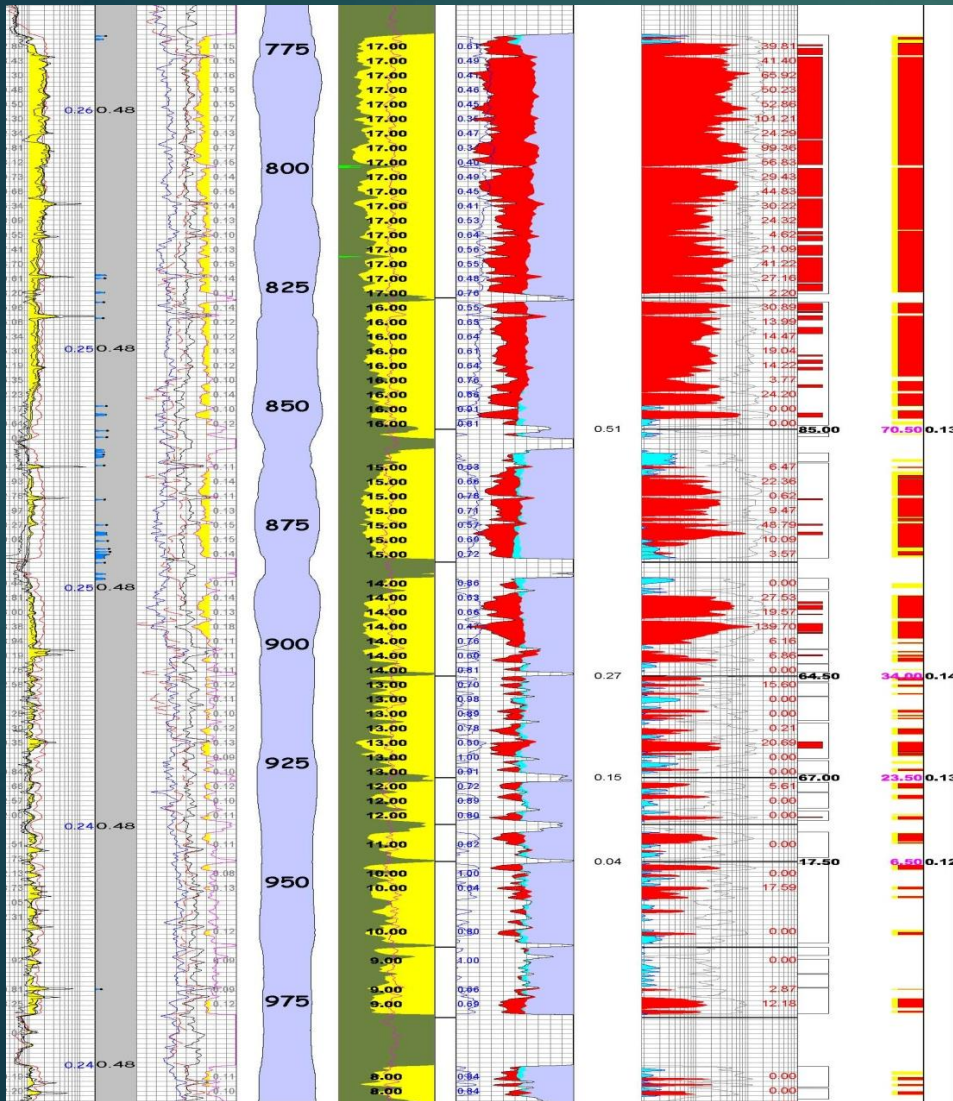
- There are up to 27 intervals in Wombat-4 to test across the Strzelecki Formation
- Modelling indicates that a commercial flow rate could be achieved without stimulation
- Multiple zones are planned to be tested across the 1200m of gas saturated Strzelecki Formation encountered in the well.
- Flows 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

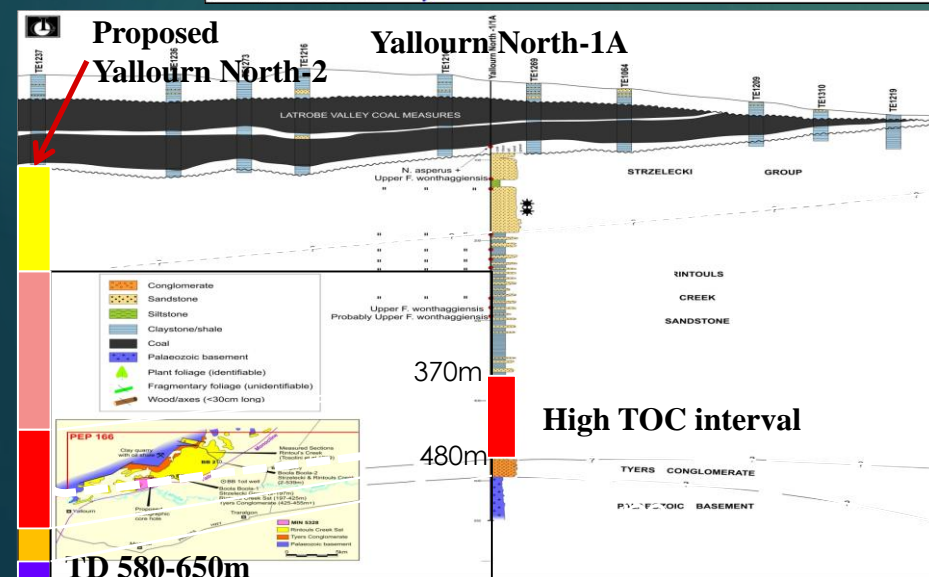
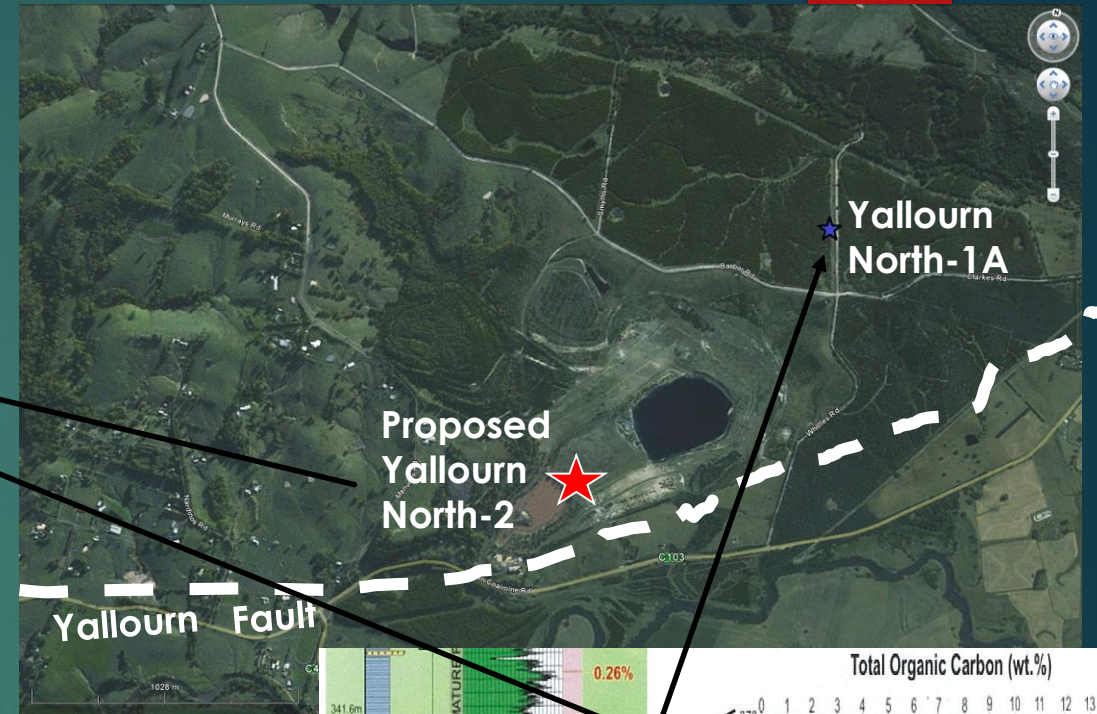
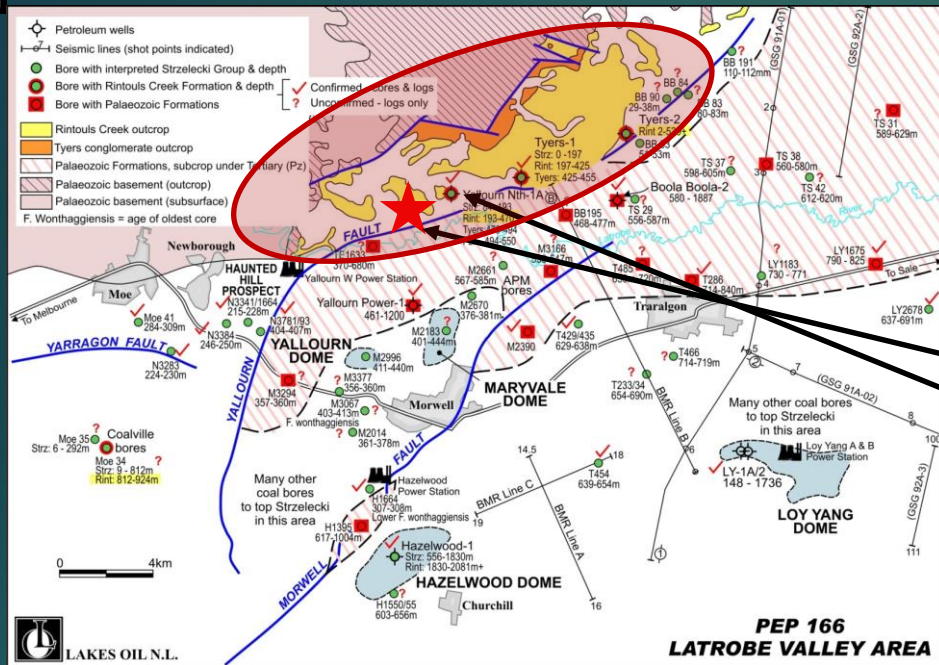
- Located on the eastern end of the Greater Baragwanath Anticline with very large gas in place resource
- Shallow, untested gas sands with a net gas column of over 300m
- Best zones between 750-1050m
- Up to five intervals to be tested
- Modelling shows commercial flows of up to 2.3mmscfd may be achieved 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

