

2 July 2021

## ASX Release Corporate Update

### *Highlights:*

- *Independent analysis of Nangwarry extended flow test data nearing completion.*
- *Operations Plans for resumption of Victorian exploration ready for submission, with objective of drilling Wombat-5 conventional well mid 2022.*
- *Farmout discussions for multi-Tcf Buna prospect (PNG) progressing.*
- *Funding conditionally in place to meet 2021/22 requirements.*
- *Comprehensive, formal submission provided to ASX on 30 June 2021 seeking reinstatement of the Company's securities to quotation.*

As the 2021/22 Financial Year begins, the Directors of Lakes Blue Energy NL (the **Company**; ASX:LKO) are pleased to provide the following information by way of a general update of important corporate matters.

### **Nangwarry**

Independent, expert analysis of data gathered during extended flow testing of the Nangwarry-1 well, and from downhole gauges that were recovered on 21 April 2021, is nearing completion. The Company anticipates it will shortly be able to announce the results of that analysis.

Discussions with Supagas Pty Ltd are continuing. The Company, with joint venture partner Vintage Energy Pty Ltd, remains focussed on putting arrangements in place to see the Nangwarry carbon dioxide resource developed for commercial production of food grade carbon dioxide.

### **Victorian Exploration**

Although the Victorian Government's announced date for resumption of onshore exploration activity was 1 July 2021, it appears that new Regulations to govern onshore activity will not be in place until September 2021.

The Company has prepared documentation ('Operations Plans') to seek approval for drilling of the Wombat-5 and Otway-1 conventional gas wells. While the Plans cannot be formally submitted until community consultation is complete, and this in turn cannot be carried out until the Regulations are promulgated, the Company envisages drilling of the Wombat-5 well commencing around mid 2022.

The Wombat-5 well is a key focus since:

- the Wombat gasfield contains 329 PJ of independently certified 2C gas resources (note 1);
- the Wombat-5 well, with an independently estimated capacity of 10 TJ/d (note 2), has been purpose designed to commercialise the Wombat gas field; and
- the Wombat gasfield contains high quality gas in close proximity to existing infrastructure.

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## **Papua New Guinea**

Following the November 2020 extension of the term of PNG Petroleum Prospecting Licence 560, the Company has been able to recommence discussions with a number of parties potentially interested in farming in to the tenement and, in particular, the multi Trillion cubic feet Buna prospect (note 3).

## **Queensland (ATP 1183)**

During 2020 an airborne electro-magnetic survey was flown across the entire permit and Iodine geochemical surveys conducted across several identified prospects. The results of the surveys are being analysed, and correlated with historic information, to upgrade geological mapping and further delineate prospectivity.

## **Funding**

Since December 2019 the Company has raised \$8.9m to meet costs, including drilling and testing of the Nangwarry-1 well. While the suspension from trading of the Company's shares meant the cost of these funds was higher than it would otherwise have been, the ability to raise funds reflects market confidence in the Company's outlook.

The Company tentative arrangements in place, conditional upon resumption of trading of the Company's shares, to raise further funds through placement of shares to meet requirements for 2021/22.

## **Trading Suspension**

A comprehensive submission was provided to the ASX on 30 June 2021 seeking immediate reinstatement of its securities to quotation in accordance with Listing Rule 17.7.

Directors are hopeful of a favourable response and will provide further advice immediately a response is received.

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

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*Note 1: Source of Contingent Resources estimate: "Technical GIIP and EUR Estimate Update Post Wombat #4: Wombat Field", June 2010, Gaffney, Cline and Associates.*

*Note 2: Source of Wombat-5 gas production potential: "Production Forecast for the Proposed Lakes Oil Wombat 5", September 2013, Stimulation Petrophysics Consulting LLC.*

*Note 3: Source of estimate: "Undiscovered Hydrocarbon Resources, Petroleum Prospecting Licence (PPL) Blocks 257 and 258, Papua New Guinea", 31 August 2010, Fekete Associates Inc.*

*The Company is not aware of any new information or data that materially affects the estimates and confirms that all the material assumptions and technical parameters underpinning the estimates 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).*