



A.C.N. 004 247 214

Lakes Oil N.L.

**Media Release
23 February 2017**

www.lakesoil.com.au

MEDIA RELEASE

Lakes Oil NL (**Lakes Oil** or Company, ASX: LKO) notes with interest the Australian Energy Resources Assessment (**AERA**) Interim Report, released last year by Geoscience Australia and the subject of recent media attention. The Interim Report provides an overview of Australia's identified and potential non-renewable energy resources. In respect of onshore Victoria the Interim Report sets out the following preliminary estimates of shale and tight-gas potential.

| Basin | Gas-in-place P50 | Potential Recoverable Gas (5% of P50) |
|---------------------------|---------------------|--|
| Gippsland Shale Resources | 112 TCF | 6 TCF |
| Gippsland Tight Resources | 272 TCF | 14 TCF |
| Otway Shale Resources | 35 TCF | 2 TCF |
| Otway Tight Resources | 116 TCF | 6 TCF |
| Total | - | 27 TCF |

The AERA preliminary resource estimates reinforce the potential of Lakes Oil's onshore Victorian exploration acreage for production of gas and oil. Lakes Oil's exploration acreage is depicted in the figure below.



The following estimates of recoverable gas quantities have been independently prepared for the most prospective of Lakes Oil's projects. The PEP 175 Focus Area represents a portion of the total permit area from which it is anticipated gas will be recoverable without need for fracking.

| Project | Estimated Recoverable Gas |
|----------------------------------|----------------------------------|
| Wombat Gas Field (PRL 2) | 329 BCF 2C, Contingent Resource) |
| Trifon-Gangell Gas Field (PRL 2) | 390 BCF 2C, Contingent Resource) |
| PEL 175 'Focus Are' | 11,469 BCF (P50) |

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Roland Sleeman, Chief Executive Officer of Lakes Oil, commented that “Lakes Oil’s Gippsland Basin gas resource is real, and is ready to be brought on line for the benefit of all Victorians. It has been demonstrated beyond doubt that there is gas in the Wombat and Triffon-Gangell gas fields - that was a fundamental precursor to the permit area being upgraded to be a Retention Lease”.

The photo below shows flaring of gas during testing of the first Wombat well, drilled in 2003. In 2013 Lakes Oil proposed to drill the Wombat-5 conventional well, which had an independently estimated flow potential of 10 TJ/d (enough gas per year to supply 60,000 Victorian households). Letters of Intent were in place for sale of the gas.



Roland Sleeman
Chief Executive Officer
Lakes Oil NL

The estimated recoverable gas figures set out above have been sourced from Lakes Oil NL 2016 Annual General Meeting Presentation. 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.