



A.C.N. 004 247 214

Lakes Oil N.L.

ASX

**Announcement and
Media Release
25 August 2020**

www.lakesoil.net.au

Registered Office:
100 Albert Road
South Melbourne
Victoria 3205
Ph: +61 3 9629 1566

**Lakes Oil N.L.
ASX Announcement**

MOU signed with Supagas for Nangwarry CO₂

Highlights:

- **Non-binding Memorandum of Understanding signed with Supagas**
- **Planning underway for Nangwarry-1 flow test**
- **Considering Options for Commercial Development of Nangwarry**

The PEL 155 onshore Otway Basin joint venture (a 50:50 venture between Lakes Oil NL subsidiary Otway Energy Ltd, as operator, and Vintage Energy Ltd) is pleased to advise that a non-binding Memorandum of Understanding ("MoU") has been signed with Supagas Pty Ltd ("Supagas"). Supagas is an Australian based distributor of gases for domestic, industrial, medical and other applications that is backed by Taiyo Nippon Sanso Corporation, the 4th largest gas supplier in the world.

Under the MoU, Supagas will fund work associated with the preliminary design and costing of facilities for processing Nangwarry carbon dioxide to allow commercial production and delivery of food grade carbon dioxide. In return, the joint venture will give Supagas the opportunity to submit a formal proposal to develop and/or purchase gas from the Nangwarry resource.

Design work is currently underway for an extended production test of the Nangwarry-1 well to be carried out late this year. The MoU signed with Supagas will assist with identification and consideration of options for development of Nangwarry and is an important step toward commercial production and sale of carbon dioxide.

Richard Ash, Chairman of Lakes Oil NL, said "The understanding with Supagas is a catalyst for expedited flow testing of Nangwarry-1 well, and provides a basis for detailed consideration of development options for the well. The Australian carbon dioxide market is in short supply and the Nangwarry project is placed to fill the supply gap left by the recent shutdown of the nearby Caroline-1 well, after almost 50 years of profitable operation."

For and on behalf of the Board of Directors and for further information.

Richard Ash

Chairman

Lakes Oil NL

Ph: +61 3 9629 1566





A.C.N. 004 247 214

Lakes Oil N.L.

ASX

**Announcement and
Media Release
25 August 2020**

www.lakesoil.net.au

Registered Office:
100 Albert Road
South Melbourne
Victoria 3205
Ph: +61 3 9629 1566



Nangwarry-1 details

The Nangwarry-1 well, onshore Otway Basin, reached a total measured depth of 4,300 metres in the Pretty Hill Formation. Gas shows were observed in the top Pretty Hill Sandstone and mid Pretty Hill Sandstone. Laboratory-based analyses of samples identified a carbon dioxide content in excess of 90%. These results and evaluation of wireline log data indicate a carbon dioxide column potentially in excess of 65 metres thick in the Top Pretty Hill Sandstone. The well has been cased and suspended for further evaluation, including the mid Pretty Hill Sandstone, which could not be fully evaluated during drilling operations.

About Supagas

Supagas is a leading supplier of LPG, industrial, medical, specialty and helium gases in Australia. Supagas is backed by Taiyo Nippon Sanso Corporation, the 4th largest gas supplier in the world. Supagas is active nation-wide and is rapidly building a reputation for growth and success based on and its customer service offering and quality products that are focused on highly competitive markets. Supagas has state-of-the-art facilities that allow it to offer multiple gas types and gas products and run specialised laboratories to mix and test specialty gas, helping to service customers' needs and requirements.