



# Lakes Oil NL

## Investor Information and Company Strategy

September 2020

# At a Glance - Today

ASX Code	LKO
Shares on Issue	33,668,753,141
Con. Notes on Issue	4,961,111,113
Share Price <sup>#</sup>	≈ 0.1 cent
Market Cap. (fully diluted)	A\$38.5m
Shareholders	≈ 12,200

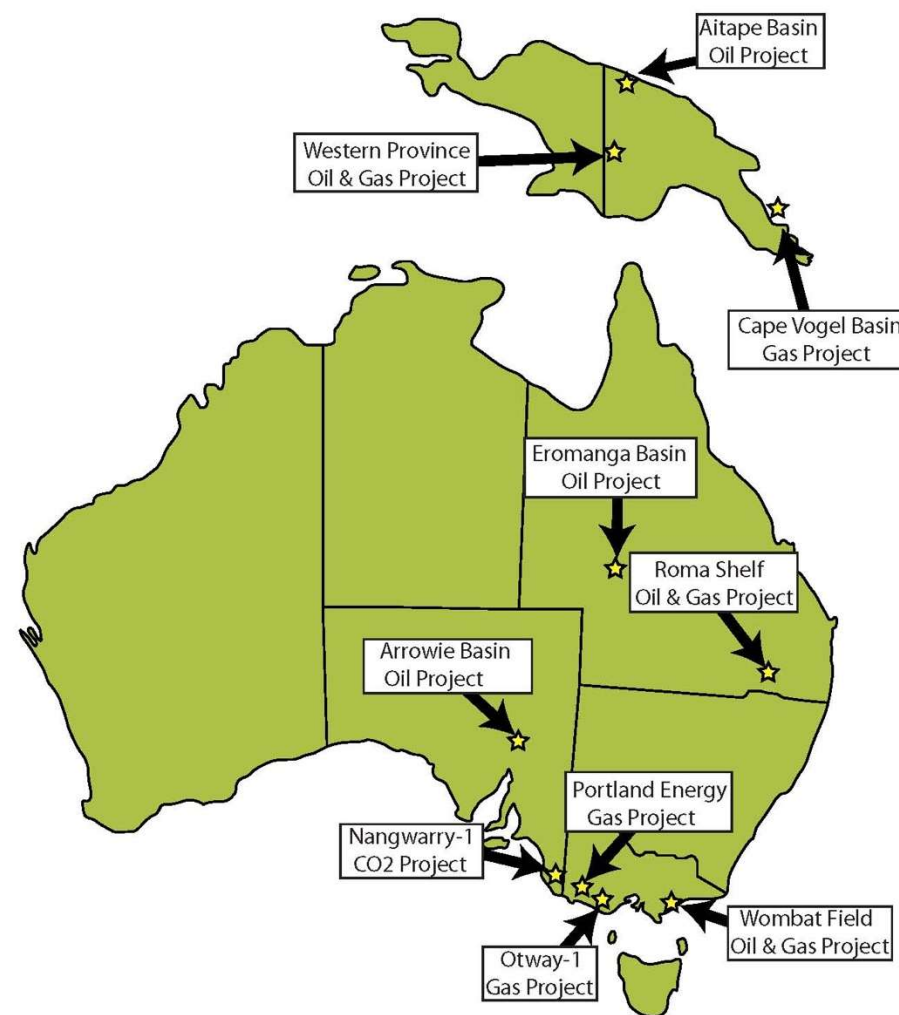
## Independent Valuation



Midpoint 0.3 c/s

Upside 0.6 c/s

Further Potential



# Trading of the Company's shares is presently suspended pending successful capital raising and ASX approval.



# Forward Vision

**Lakes Oil aspires to become a gas producing company within 2-3 years with market capitalisation increased to >\$500 million.**

- Company holds a diverse portfolio of highly-prospective acreage.
- Portfolio includes independently certified contingent gas resource in Victoria.
- Onshore exploration is allowed to resume in Victoria from 1 July 2021.
- Vision involves realising the potential of the Company's portfolio.
- Capital raisings will be required:
  - Further \$3m in 2020
  - ≈ \$7m in 2021/22



# Strategy to Achieve Vision

Initiative	Net to Lakes	Potential Size	Timeframe
Develop Nangwarry CO <sub>2</sub> Project	50% (50% VEN)	Rec.25.1 Bcf <sup>1</sup>	2023
Drill / Complete Otway-1	49% (51% AJQ)	P50 5Bcf <sup>2</sup>	2022
Develop Wombat Gas Field	100%	2C 329Bcf <sup>3</sup>	2022/3
Develop Trifon-Gangell Gas Field <sup>2</sup>	57.2% (42.5% Jardine)	2C 390Bcf <sup>3</sup>	2028
Farmout / Develop Arrowie (SA)	100%	TBD	2022
Develop Qld ATP1183 Prospects	100%	See slide 10	2022-24
Portland Energy Project	100%	P50 3Tcf (conv) <sup>4</sup>	2024/5
Farmout Buna Prospect (PNG)	100%	3.3Tcf <sup>5</sup>	TBD

Refer to slide 18 for references





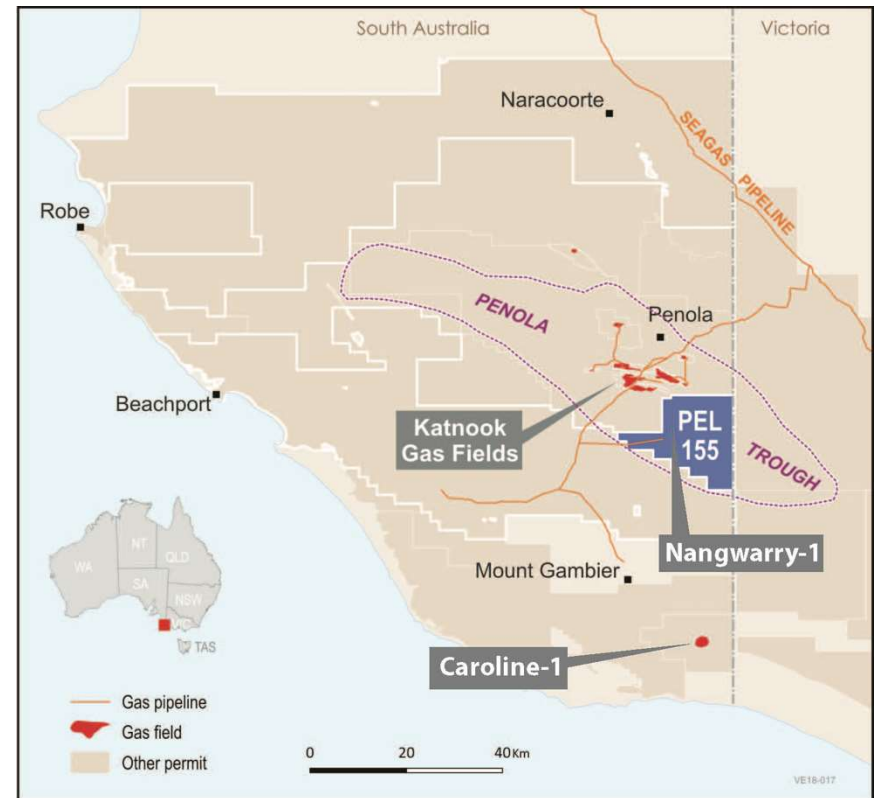
# Supporting Information

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## Project Portfolio

# Nangwarry (PEL 155, Otway Basin, SA)

- Nangwarry-1 well drilled December 2019
  - Joint venture with Vintage Energy
  - High carbon dioxide content (>90%)
- Best Estimate of Recoverable CO<sub>2</sub> is 25.1 Bcf<sup>1</sup>
  - Lakes Oil net share of rec. CO<sub>2</sub> is 12.6 Bcf
  - Potential to supply 150 t/d CO<sub>2</sub> for >15 years
- Memorandum of Understanding in place with Supagas Pty Ltd
  - Prelim design and costing of food-grade CO<sub>2</sub> processing facility to be completed
- Completion and flow-testing of Nangwarry planned for late 2020
- Nearby Caroline project (shut down in 2016) produced ≈800,000 tonnes of CO<sub>2</sub> over 50 years



# Otway-1 Gas Well – Otway Basin, Victoria

- Conventional vertical well (Lakes Oil 49%)
- Drilling planned for mid-2021, as soon as exploration is allowed to resume
- Well targets Waarre Sandstone and Eumeralla Formation
- Waarre Sandstone is basis for adjacent, historic gas production
- Eumeralla Formation is known to contain and has flowed gas
- 400 metres from existing facilities - can be brought on line quickly





# Wombat Gas Field – Gippsland Basin, Victoria

- 329 Bcf contingent gas resource already demonstrated<sup>3</sup>.
- Wombat-5 well:
  - Lateral well targeting conventional potential of Strzelecki Formation.
  - 10 TJ/day gas flow rate independently predicted<sup>3</sup>
  - Government approval to be sought to allow drilling asap after 30 June 2021
  - Well can be brought on line quickly
- East Coast gas market short of supply and prices high.
- Wombat development to be followed by Trifon-Gangell ramp-up to deliver 20 PJ/a for 20 years.

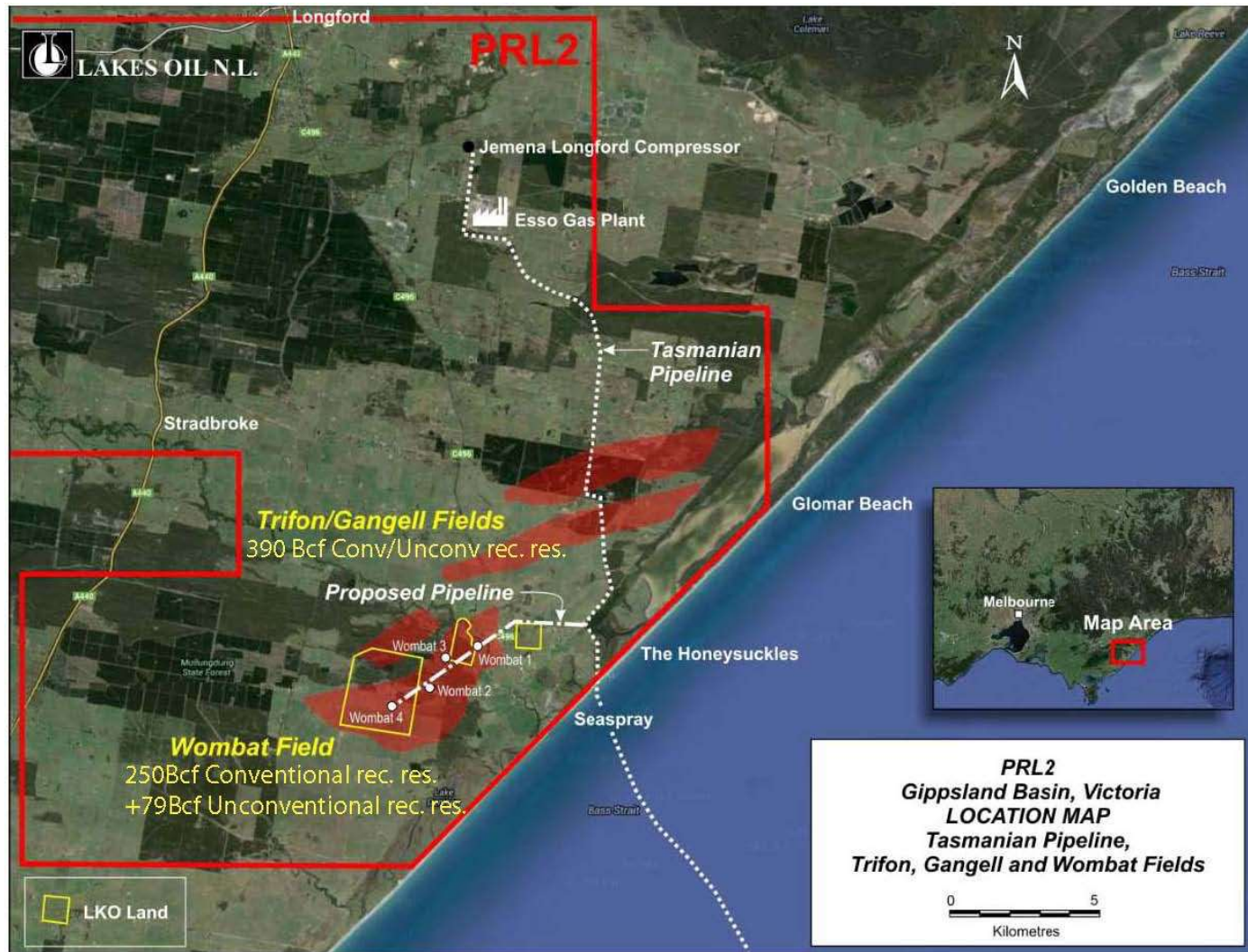


Wombat: A Known Gas Resource



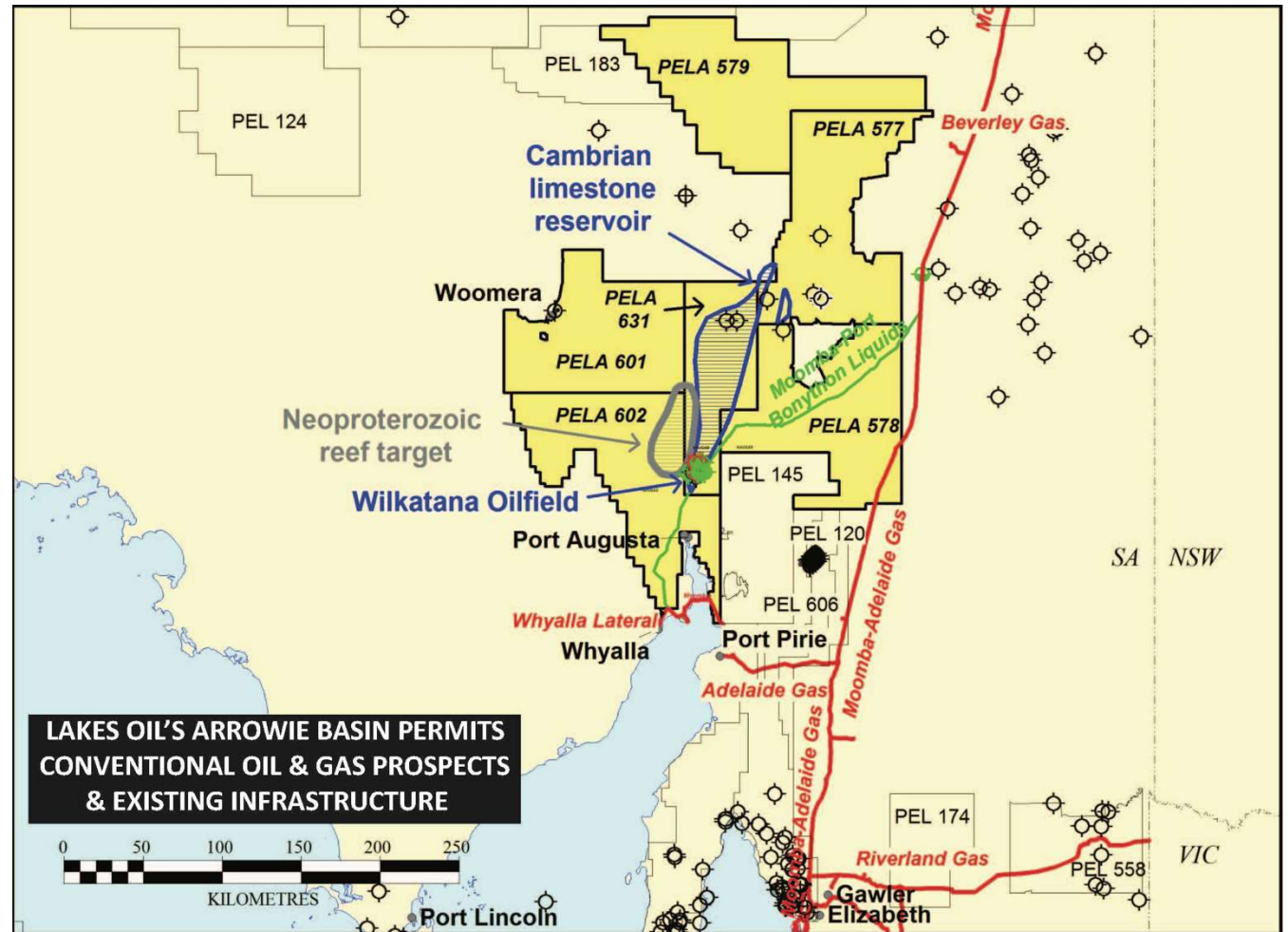


# Integrated Wombat – Trifon/Gangell Project



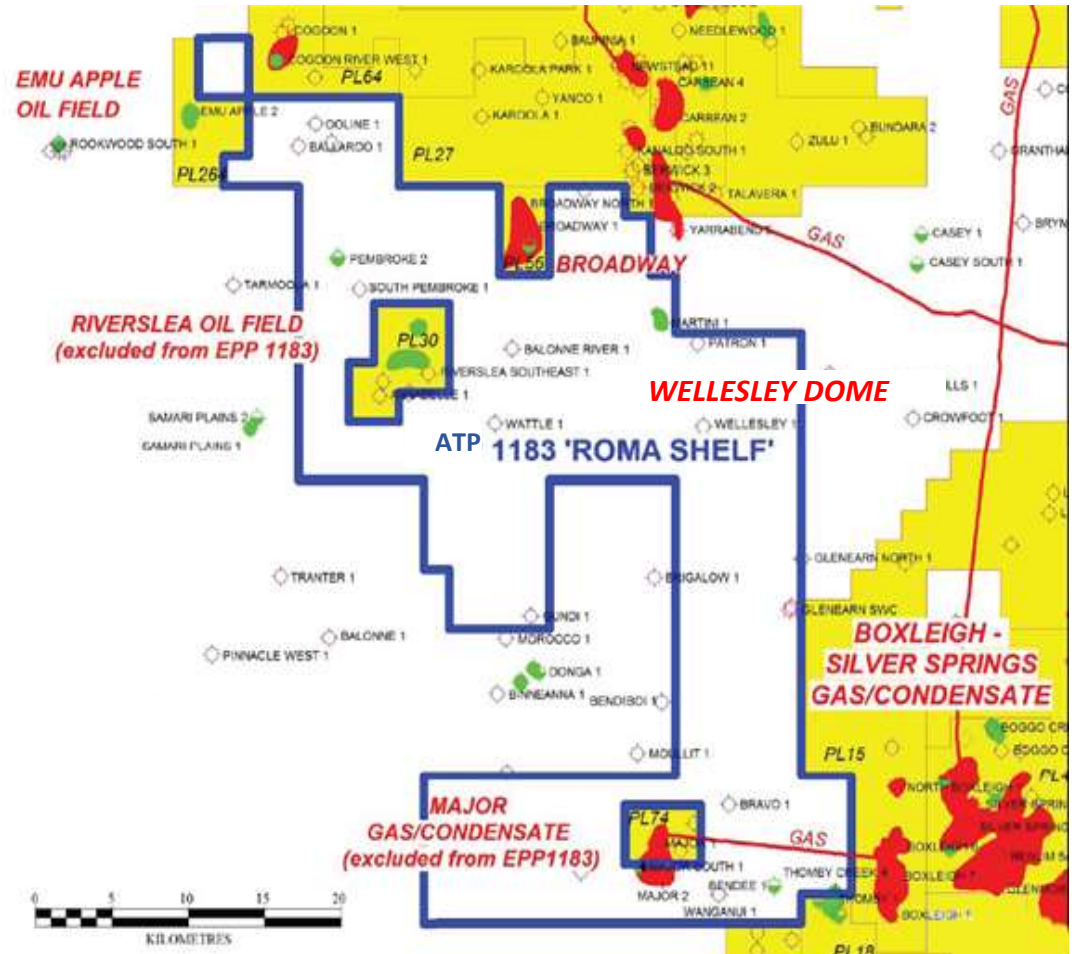
# Arrowie Basin, South Australia

- Lakes Oil 100%
- Historic oil shows at Wilkatana were outside of seal
- Closure identified through more recent seismic program
- Farm-out opportunities to be investigated



# ATP1183, Queensland

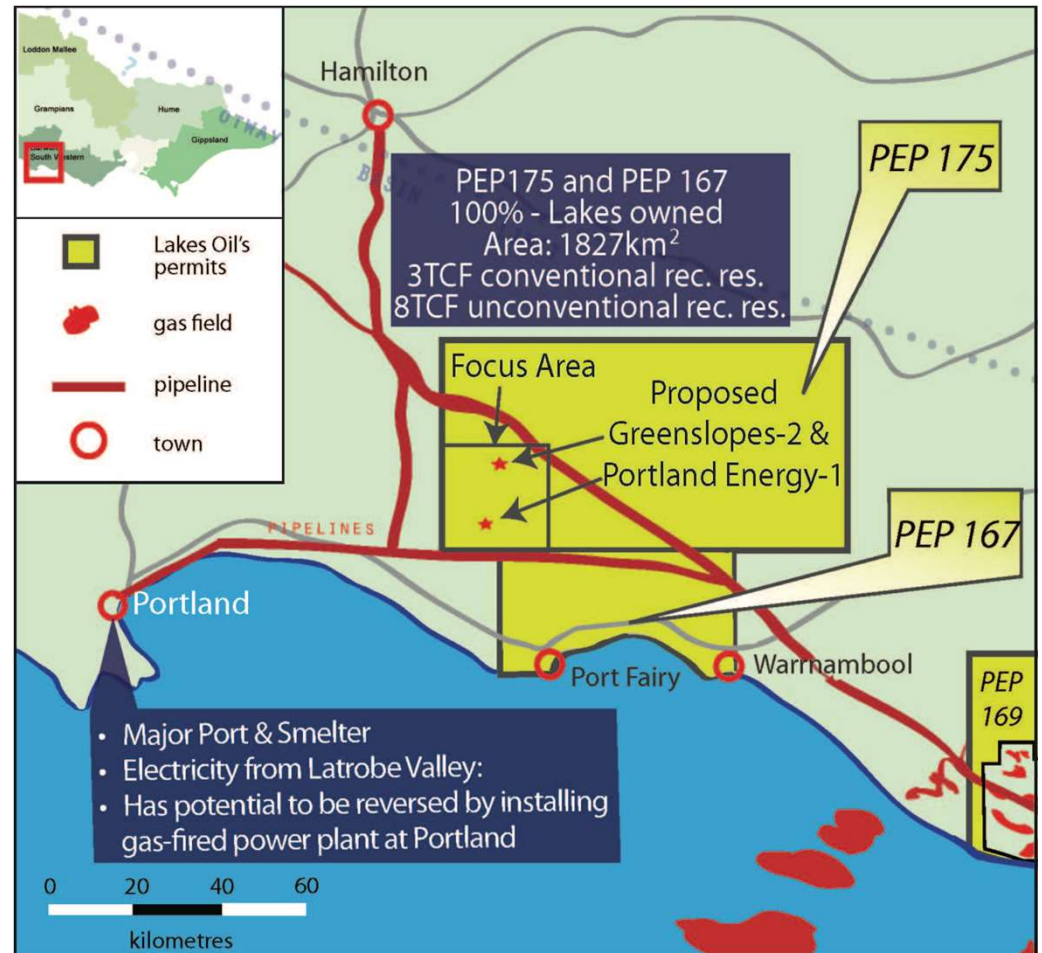
- 100% Lakes Oil ownership
- Proven hydrocarbon province
- Multiple prospects identified<sup>5</sup>
  - Wellesley Dome - 41 Bcf.
  - Emu Apple North - 3.4 MMBbl.
  - Bendee Prospect – 1 MMBbl.
  - Major East Lead - 13.8 Bcf.
- Exploration success can be quickly monetised:
  - In close proximity to Armour Energy's Kincora gas and oil infrastructure.
  - East Coast gas market undersupplied and high priced.



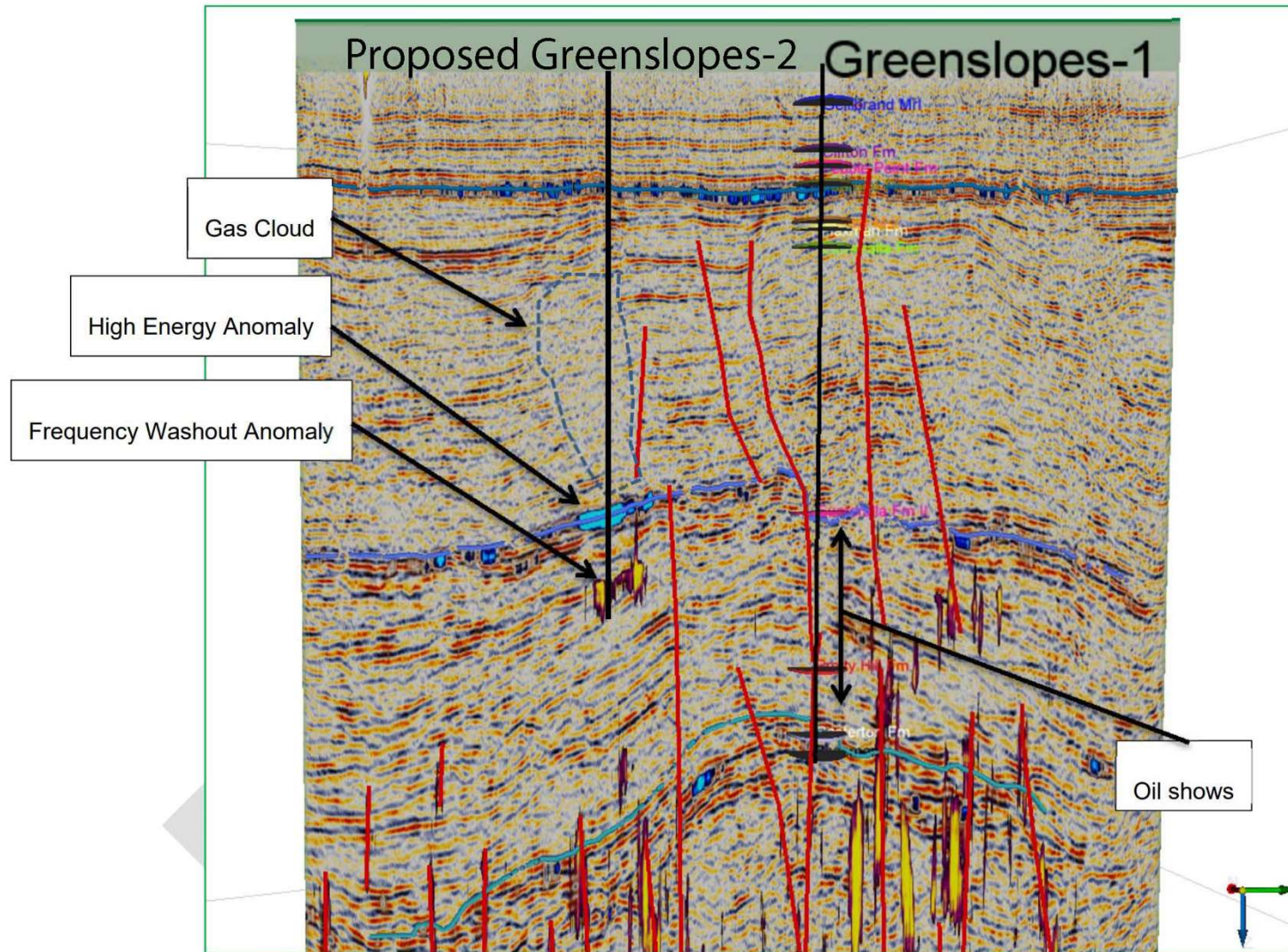


# Portland Energy Project – Otway Basin, Vic.

- Multi Tcf potential<sup>4</sup> – scale comparable to the Bass Strait.
- All historic wells intersecting Eumeralla Formation showed gas.
- Focus area identified for conventional pursuit.
- Up to 3TCF of recoverable conventional potential<sup>4</sup>.
- Sites selected for 2 proof of concept wells.
- Close to existing markets and infrastructure

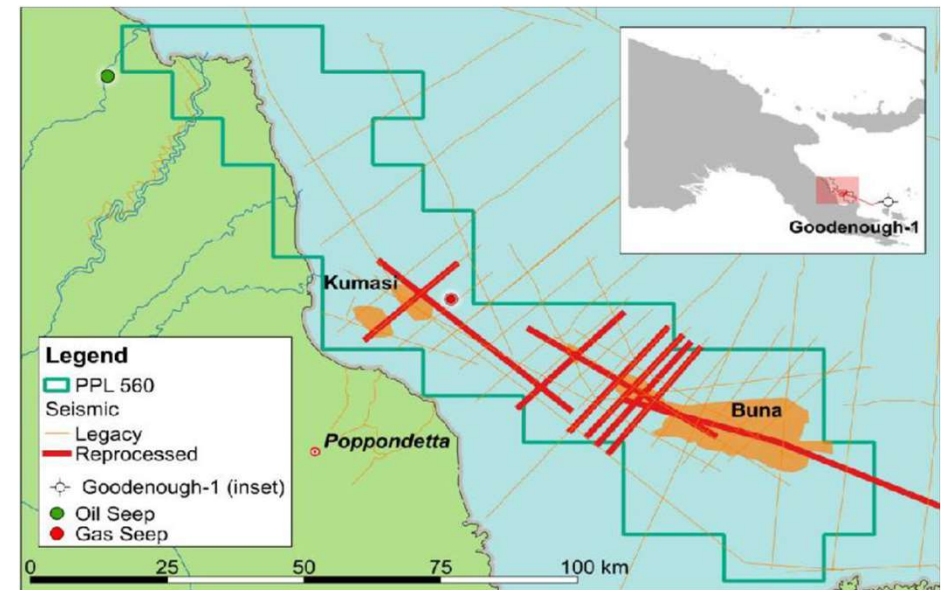
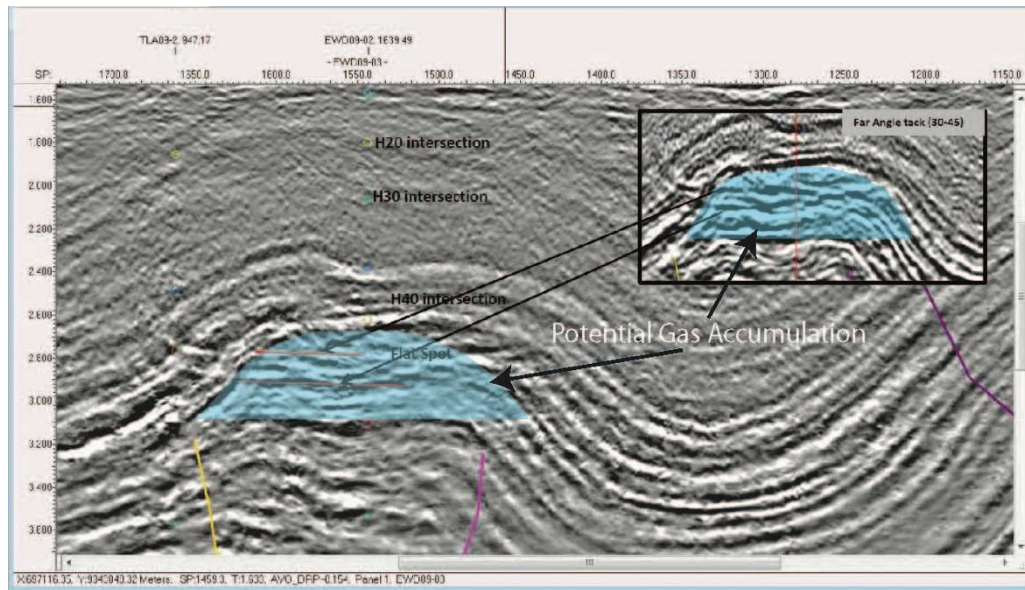


# Portland Energy Project – Clear Potential





# Buna Prospect – PPL 560, Papua New Guinea



- 3.3 Tcf (P50 recoverable resource) <sup>6</sup>
- AVO flat spots on seismic are reliable hydrocarbon indicators
- Extension of term of PPL 560 imminent
- Value-realising farm-out opportunity to then be implemented





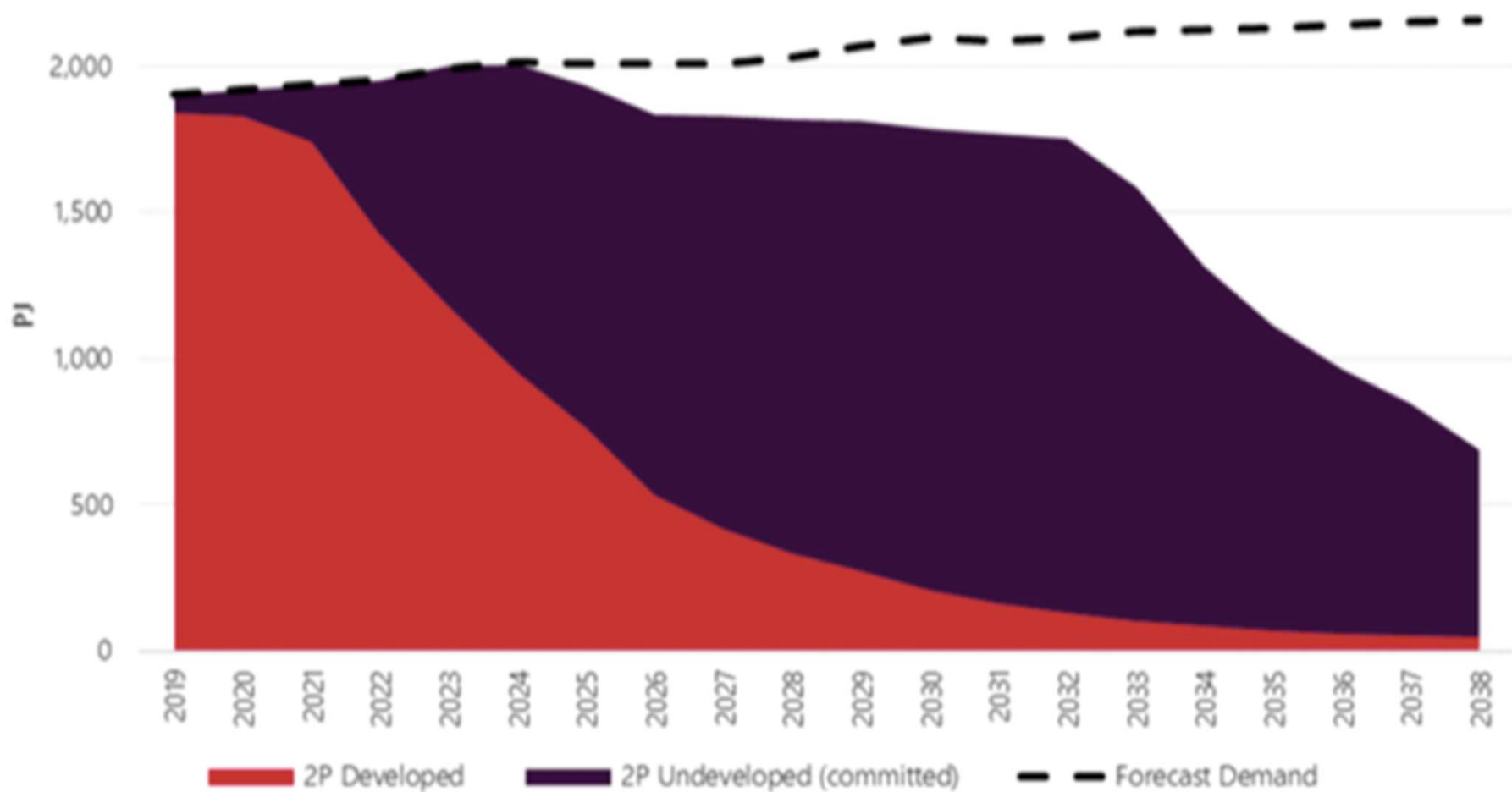
# Reference Information

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## Eastern Australian Gas Market



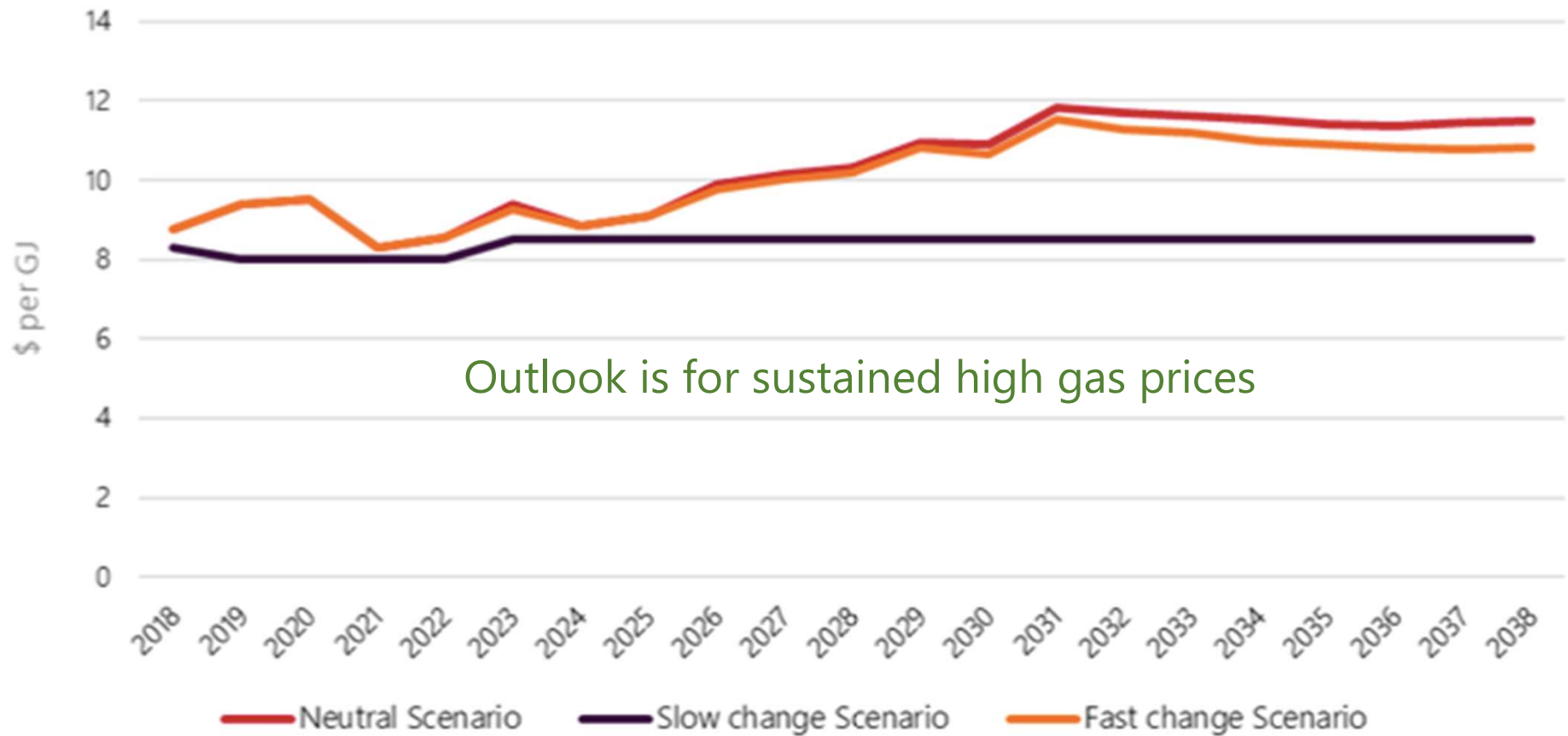
# East Coast Australia Gas Supply and Demand



Source: Gas Statement of Opportunities, Australian Energy Market Operator, 2019



# East Coast Australia Gas Pricing



Source: Gas Statement of Opportunities, Australian Energy Market Operator, 2019



# \*Sources of Information

All estimates have been prepared in accordance with the Petroleum Resources Management System ('PRMS') established by the Society of Petroleum Engineers ('SPE'), 2007, and Guidelines for Application of the PRMS (SPE, 2011). All estimates are reported in accordance with the guidelines and the definitions of reserves, prospective resources and contingent resources set out in the PRMS and approved by the Board of the SPE in 2007.

Specific sources of information are as follow:

1. Independent estimate prepared by ERC Equipoise Pte Ltd. See Company ASX release dated 31 August 2020.
2. Otway-1 Well: In-house estimate prepared by Company.
3. Wombat and Trifon-Gangell
  - Wombat-5 flow rate: SPC (Stimulation Petrophysics Consulting, LLC), "Production Forecast for the Proposed Lakes Oil Wombat 5", September 2013.
  - Resource potential: Gafney, Cline and Associates, as reproduced on pages 24-25 of "Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL", SRK Consulting (Australasia) Pty Ltd, made public in December 2016.
4. PEP 175 Focus Area
  - SRK Consulting (Australasia) Pty Ltd, as reproduced on page 29 of "Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL", SRK Consulting (Australasia) Pty Ltd, December 2016.
5. ATP 1183, Queensland
  - Other than Major East Lead: page 17 of "Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL", SRK Consulting (Australasia) Pty Ltd, December 2016.
  - Major East Lead: Mr Peter Bubendorfer, an AAPG member qualified in accordance with the requirements of ASX Listing Rule 5.42, and who has consented to the use of the estimate in the form and context in which it appears. The estimate was finalised on 3 February 2015 and was published on the ASX Announcements Platform by Navaho Gold Limited, then owner of Navgas Pty Ltd.
5. PPL 560, PNG, Buna Prospect
  - Rawson Oil & Gas Limited. Modified from Fekete Associates 2010 report in accordance with SPE-PRMS guidelines.



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