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Lakes Oil N.L.

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LAKES OIL N.L.

## More Oil Flows In Wombat 3

Lakes Oil N.L. (LKO) advises that the current re-evaluation of its Wombat 3 well is proceeding as planned with Strzelecki oil being recovered from existing perforations in the casing at a depth of 2,106 metres. The oil is flowing from a natural fracture that was previously hydraulically fracture stimulated. Oil is now continuing to flow freely into the well bore along with gas and fracing fluid.

The oil flow emerged after the removal of some 50m of fracing sand which was blocking recovery of gas or fluids from the perforations.

Lakes Oil N.L. will continue to allow the well to clean up in order to better assess the oil flow. The flow rate cannot be accurately measured at this time, however, over the next few days evaluation will take place using downhole measuring equipment.

Our technical team is now considering whether to re-fracture this zone and thus increase the size of the fracture or to bring in a workover rig to properly evaluate the oil flow rate.

**Lakes Oil N.L. considers this to be highly significant as it is the first non-biodegraded oil flow recorded anywhere in the onshore or offshore Gippsland Basin emanating from the Strzelecki Group (Bass Strait oil flows from the Latrobe Group).**

**Oil previously recorded from this zone in the well was analysed at 39° API gravity, similar to offshore oil recovered in the Latrobe Group. This oil appears to be the same and will be sent for analysis.**

Lakes Oil N.L.

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