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Lakes Oil N.L.

**ASX
Announcement and
Media Release
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**Lakes Oil N.L.
ASX Announcement**

Nangwarry-1 Exploration Well Update

Two gas intervals encountered in Nangwarry-1

Highlights:

- *Nangwarry-1 exploration well drilling completed at 4,300 metres measured depth.*
- *Gas shows have been encountered in two intervals within the Pretty Hill Formation.*
- *Logging of the Pretty Hill Formation is now underway.*

Lakes Oil NL (**Lakes Oil** or **Company**; ASX:LKO) is pleased to advise that drilling of the Nangwarry-1 gas exploration well was completed late on 31 December 2019 with total depth (TD) being reached at 4,300 metres measured depth (mMD). The secondary target reservoir had been intersected but, unfortunately, was not gas-bearing.

Logging of primary target, the Pretty Hill Formation where two potential gas-bearing intervals (each about 140 metres thick) were encountered, is now under way. This involves running a selection of different tools through the well to measure parameters such as porosity and permeability, and to obtain gas samples. A strategy for testing and completion of the well will then be formulated. Subject to the logging results confirming the potential of the gas shows flow testing of the well will be carried out as soon as requisite approvals and equipment are in place.

The Nangwarry-1 well is a 50:50 joint venture between Otway Energy Pty Ltd (a subsidiary of Lakes Oil) and Vintage Energy Ltd. The cost of the well is being partially funded through a \$4.95 million grant under the South Australian Government's Petroleum Accelerated Exploration (PACE) program. In accordance with PACE grant conditions, the PEL 155 joint venture will strive to commence supply of gas to South Australian gas user(s) by the end of 2020.

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

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