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Lakes Oil N.L.

**ASX
Announcement
And Media
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YALLOURN POWER 1 WELL

PEP 166, GIPPSLAND BASIN

AT 454 METRES – SEEKS OIL SOURCE

Current Operations

Lakes Oil N.L. advises that its Yallourn Power 1 well in PEP166 onshore Gippsland Basin is at a depth of 454 metres RT.

Yallourn Power 1 is being funded by Lakes Oil and Armour Energy Ltd (ASX: AJQ) on a 75%: 25% basis.

Objectives

The Yallourn Power 1 wellsite is located approximately 2km to the north of the township of Morwell in the Latrobe Valley in PEP 166. The primary target is the carbonaceous source rocks within Tyers Group. The well is being drilled as a stratigraphic corehole between two Tertiary highs on the northern side of the Morwell Fault. It is being drilled to further the proven extent of the carbonaceous source rock sequence expected to exist across much of the Gippsland Basin. The prognosed total depth for the well is 1200 metres, unless basement is intersected earlier.

The well is predicted to take approximately 40 days to drill.

Update

Casing has been cemented in from surface to 454 metres. Currently the Bournedrig rig, which has been used from the surface to the current depth of 454 metres is being removed and replaced with the Boart Longyear rig which will core from the current depth through the Strzelecki Formation and Tyers Subgroup to basement. Coring is expected to begin early next week.

Lakes Oil N.L.

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