

Wombat-5 Well, Gippsland Basin, Victoria Drilling Update

The Board of Lakes Blue Energy provides the following update on drilling operations at Wombat-5, side-track-2 (ST-2). As at 8:00 am AEST today, the status of the well is as set out below:

Days from spud	54
Current depth	3,052 mRT ¹ MD ² ; 1,421 mRT TVD ³
Horizontal length	1,500m
24hr Progress	Total Depth reached
Hole size	6-1/8"
Last casing point	7" set at 1549.1 mRT MD; 1,392 mRT TVD
Current formation	Strzelecki Formation
Target formation	Strzelecki Formation
Target formation depth	1,410 mRT MD; 1,356 mRT TVD
HS&E LTIs	0

The Wombat-5 well has reached total depth of 3,052mRT (MD) with 1,500m of horizontal hole drilled through the gas saturated interval at the top of the Strzelecki Formation. As noted in the previous day's ASX releases, the last 200 meters of the well were in good sand with gas shows of up to 1,791 units or 358,200 ppm (35.82%, C1 to C5⁴) Whilst pulling out of the hole to condition the hole in preparation for the 4-1/2" swellable packer, some tight hole was encountered. the drill pipe became jammed, leaving 44 meters of the Bottom Hole Assembly in the well. Management is currently assessing the best strategy to manage this issue. While this presents a further delay and complication, the Board does believe that there are a number of options available in order to minimise the impact of this complication.

This announcement was authorised by the Board of Lakes Blue Energy.

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1. mRT means metres below the rotary table, effectively metres below the drilling rig floor.

2. MD means measured depth

3. TVD means true vertical depth

4. C1 to C5 gas shows refers to methane, ethane, propane, butane and pentane gases evident in the drilling muds returned to the surface.