

Wombat-5 Well, Gippsland Basin, Victoria Drilling Update

The Board of Lakes Blue Energy is pleased to be able to provide the following update on the drilling operations at Wombat-5, side-track-1 (ST-1), as at 8:00 am AEST this morning, with the current status of the well set out below:

Days from spud	10
Current depth	1,078 mRT ¹ (MD ²)
24 hrs progress	37 m
Hole size	8-1/2"
Last casing point	9-5/8" set at 302.4 mRT (MD)
Current formation	Latrobe Group
Target formation	Strzelecki Formation
Target formation depth	1,360 mRT (TVD ³)
HS&E LTIs	0

Difficulties were encountered progressing the hole due to the doglegs in the hole, caused by the failure of the directional tools kicking the well off in the wrong direction and exacerbating some other geological issues. To remedy the issue, it was decided to set a cement plug, then sidetrack the well to get it back to its intended path and ensure no compromise of the production section of the hole. A cement plug was set from 1,223 mRT to 1,014 mRT. It was allowed to set before being drilled down to the new kick off point at 1,050 mRT. The plug was conditioned and then the well was control drilled to ensure that it successfully kicked off toward the northeast. At 8:00 am today the well was drilling ahead in 8-1/2" hole at a depth of 1,078 mRT along the desired directional well path towards the 7" casing point at 1,548 mRT (MD).

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

For enquiries regarding this release please contact:

Roland Sleeman

Chairperson

Tel: +61 3 9629 1566

- 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