

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 drilling operations at Wombat-5, side-track-1 (ST-1). As at 8:00 am AEST today, the status of the well is as set out below:

Days from spud	17
Current depth	470 mRT ¹ (MD ²)
24 hrs progress	0 m
Hole size	8-1/2"
Last casing point	9-5/8" set at 302.4 mRT (MD)
Current formation	Gippsland Limestone
Target formation	Strzelecki Formation
Target formation depth	1,360 mRT (TVD ³)
HS&E LTIs	0

Since the last update, Lakes has arranged an independent investigation into the mud circulation issues, with draft findings expected to be received today. Lakes received the Contractor's final report at 8:30am this morning and is currently reviewing it.

The free section of drill-string has been successfully recovered from the hole, from above a depth of 896 mRT, and a cement plug has been set back from that level to approximately 470 mRT, with good cement returns indicating the hole is still in good condition.

After further mud circulation failures on Saturday, a remedy for the issue with the mud circulation system appears to have been identified. The system is currently being stress tested, with no further issues arising so far. Once the stress testing has been completed and the necessary replacement equipment for the bottomhole assembly has arrived on site, the 8-1/2" directional assembly will be in a position to run in hole to kick off and drill ahead to the 7" casing point.

Any decision to recommence drilling is subject to the Company reviewing its independent expert's report and the Contractor's final investigation report, and concluding that both the rig is fit for purpose and the Contractor's assurances regarding suitability of the mud circulating system are sufficient.

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