

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-2 (ST-2). As at 8:00 am AEST today, the status of the well is as set out below:

| | |
|------------------------|---|
| Days from spud | 28 |
| Current depth | 1,259 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 | Latrobe Group |
| Target formation | Strzelecki Formation |
| Target formation depth | 1,360 mRT (TVD ³) |
| HS&E LTIs | 0 |

The slow drilling problem experienced yesterday was found to have been caused by failure of the downhole mud-motor (rather than by clogging of the drill bit). The failed mud-motor was replaced, and the contractor is currently running back into the 8-1/2" hole to drill ahead to the 7" casing point.

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