

Wombat-5 Well, Gippsland Basin, Victoria Drilling Update –Gas Shows 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	38
Current depth	1,552 mRT ¹ MD ² ; 1,392.6 mRT TVD ³
Progress from 8am	82 metres
Hole size	8-1/2"
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 well has been drilled, cased and cemented to the 7" casing point, at 1,549.1 mRT MD, approximately 35 m vertically into the Strzelecki Formation the gas resource reservoir host. The well is currently at 87.5 degrees inclination from vertical at the drill bit. The Board is pleased for the well to have reached this point, a well fully cased and secured in the reservoir, after the challenges of the past few weeks.

Further to the announcement on 5 September, natural gas shows of methane, ethane, propane, butane and pentane continued to be recorded in increasing quantities, up to 35 units or 7,000 parts per million, in the 11 pounds per gallon drilling mud as drilling continued into the Strzelecki Formation. These natural gas shows are encouraging, as they build on the early gas shows of up to 12 units or 2,400 parts per million and are consistent with previous drilling evidence from the Wombat-2 and Wombat-3 wells.

Lakes anticipates increasing intensity of natural gas shows as the proposed 1,500 metre horizontal well is drilled from the 7" casing point to the target overall drilling depth of 3,050 mRT MD.

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