

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	46
Current depth	2,200 mRT ¹ MD ² ; 1,400 mRT TVD ³
Horizontal length	678mm
72hr Progress	78m
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

After changing the drill bit and bottomhole assembly the drill string was run back into the hole to 2,122 mRT MD to resume drilling the 6-1/8" horizontal hole. The hole was drilled to a depth of 2,200 mRT MD through the Strzelecki Formation. Issues with a slow rate of penetration and increased torque were again experienced and it is suspected that part of the drillable reamer shoe (fitted to the bottom of the 7" casing) was dislodged and pushed to the bottom of the hole whilst running the drill string in. The contractor is currently pulling the drill string out of the hole to inspect the drill bit and bottomhole assembly. The well appears in good condition and the current issue with the drill bit is expected to be remedied shortly, before resuming drilling towards Wombat-3.

Gas shows of up to 590 units or 118,000 parts per million (C1⁴ to C5) have been noted whilst tripping in and out of the hole.

The Upper Strzelecki Formation continues to demonstrate that it is gas saturated with further, extensive good quality sandstones being intersected.

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.