

Lakes Secures Final Regulatory Approvals to Commence Drilling at Wombat-5 Well in Gippsland, Victoria

HIGHLIGHTS:

- **All approvals now received to commence drilling of the conventional Wombat-5 well at Lakes' wholly-owned Wombat Gas Field in Gippsland, Victoria**
- **Condor Rig #1 on schedule for mid-July mobilisation to Wombat-5 site**
- **Site preparation works nearing completion, ahead of 31 July 2025 spud date**
- **Wombat-5 designed to test gas production from upper Strzelecki Formation, with independently assessed potential of up to 10 TJ¹/day**
- **Lakes holds a combined 2C contingent resource of 719 PJs across Wombat and adjacent Trifon-Gangell fields**
- **Drilling success at Wombat-5 has potential to be transformational for Lakes and support near-term supply into the Victorian gas market**

Lakes Blue Energy NL (ASX: LKO) (Lakes or the Company) is pleased to advise it has now satisfied all conditions attached to the Victorian Minister for Energy and Resources' consent for drilling of the Wombat-5 well in Gippsland, Victoria.

As part of the approval process, the Company has lodged a bank guarantee in favour of the Minister to cover the rehabilitation bond for Wombat-5, which was set at \$898,500 by the Victorian Department of Energy, Environment and Climate Action

¹ 1 TJ per day is a Terajoule or 1000 GJ (giga joules) per day. A giga joule is the basis for quoted gas prices which typically range from \$12/ GJ (contract) to \$20/GJ on the recent spot market in Victoria.

(DEECA). With the bank guarantee in place, all regulatory conditions for drilling have been met and there are no remaining obstacles to the commencement of the well.

The Company is also pleased to confirm that Rig #1, contracted from Condor Energy Services, remains on track for mobilisation to the Wombat-5 drill site in mid-July. Drilling is expected to commence on 31 July 2025. In preparation for rig mobilisation, the Company commenced site works a week ago, which are now nearing completion.

The Wombat-5 well is of conventional, lateral design. With a targeted 1.5 kilometres of near-horizontal production hole passing through the upper Strzelecki Formation, the well has an independently verified² gas production potential of 10 Terajoules per day. Prior exploration through the Company's existing Wombat gas wells has confirmed the presence of high-quality natural gas in the upper Strzelecki Formation. Development of the Wombat Gas Field is expected to be facilitated given the field's close proximity to existing third-party owned gas infrastructure, particularly gas pipelines supplying the Melbourne market.

The Wombat Gas Field contains an independently certified² contingent ('2C') gas resource of 329 Petajoules (PJ³). The adjacent Trifon-Gangell Gas Field holds a further 390 PJ (2C), bringing the combined contingent resource across the fields to 719 Petajoules. Subject to successful drilling, the Company believes these fields have the potential to deliver near-term supply into the east coast gas network, significantly easing impending Victorian gas shortages as forecast shortfalls emerge from 2026. The Company aims to coordinate development of two gasfields (combined resource of 719 PJ) to supply gas into Victoria at a rate of around 20 PJ per annum for 20 years.

Mr Roland Sleeman, Chairperson of Lakes said: *"Successful drilling at Wombat-5 has the potential to not only support Victorian gas users, but also to be transformational for Lakes. This is an exciting prospect, now within reach, that has been a long time coming. We're hopeful that Lakes will at last be able to unlock the value of its onshore Victorian assets - for the benefit of both Victorians and our shareholders."*

² See pages 4 and 5 of LKO Quarterly Activities Report, 31 March 2025, for sources of estimates. The Company confirms that all the material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed.

³ 1 Petajoule (PJ) is equal to 1,000 Terajoules or, in historic imperial terms, about 1 billion cubic feet. In turn, 1 Terajoule (TJ) is equal to 1,000 Gigajoules (GJ). Natural gas is typically priced on a \$/GJ basis, with Victorian prices in the range \$12/GJ to \$20/GJ. This price range is equivalent to: \$12k/TJ to \$20k/TJ; or \$12m/PJ to \$20m/PJ.



Figure 1: Early stage of Wombat-5 Site Works

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

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