

Wombat-5 Well, Gippsland Basin, Victoria Drilling Update – First Gas Shows - Updated

Lakes Blue Energy provides an update to its announcement of 5 September 2025 when it announced first gas shows at Wombat-5. The announcement has been updated to provide further details in relation to the previous gas flows at Wombat 3, which were referenced in the announcement, in accordance with ASX Listing Rule 5.30. The flow rate at Wombat 3 was first reported by the Company on 11 October 2004.

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

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Wombat-5 Well, Gippsland Basin, Victoria Drilling Update – First Gas Shows

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	35
Current depth	1,470 mRT ¹ MD ² ; 1,379 mRT TVD ³
24 hrs progress	62 metres
Hole size	8-1/2"
Last casing point	9-5/8" set at 302.4 mRT MD
Current formation	Strzelecki Formation
Target formation	Strzelecki Formation
Target formation depth	1,410 mRT MD; 1,356 mRT TVD
HS&E LTIs	0

The Strzelecki Formation was intersected at 1,410 mRT MD, approximately 4 metres higher vertically than prognosis, in a very weathered sand/claystone at the top of the target gas reservoir. The well is currently drilling ahead at 1,470 mRT MD, or approximately 23 m vertically into the Strzelecki Formation, with an inclination from the vertical of 73 degrees at the drill bit. Drilling will continue into the Strzelecki Formation to the planned 7" casing point, at approximately 1,540 mRT MD which is approximately 35 m vertically into the target gas reservoir, with a well inclination of 88 degrees from the vertical. This will enable the planned 1.5 km lateral hole to be drilled through the target gas reservoir.

The Strzelecki Formation is a more competent rock formation than the coals and clays above and the drilling rate has increased significantly, reflecting the improved drilling conditions.

Overnight initial natural gas shows (methane, ethane and propane) were identified in progressively increasing quantities, up to 12 units or 2,400 parts per million in the drilling mud, from a background of less than 1 unit in the overlying Latrobe Group, as drilling continued into the Strzelecki Formation. These increasing shows are encouraging as they are consistent with the gas shows from previous wells, particularly Wombat 2 and Wombat 3 which flowed at rates of up to 3 million cubic feet per day (see qualifying note below) from a 50 m vertical intersection for Wombat 3. As the well continues to progress to the target TVD of 1,392 mRT MD Lakes expects the intensity of gas shows to increase in line with previous wells. The

horizontal program is designed to drill past the most significant gas intervals from the Wombat-2 and Wombat-3 wells, affording access to 1,500 m of horizontal production zone in the gas reservoir, as opposed to the vertical intersection noted above for Wombat-2 and Wombat 3.

The Company's Chairman Roland Sleeman noted

"Lakes is highly encouraged by the gas shows and is increasingly confident the strength and quality of the early gas shows give confidence that the gas production prognosis for the Wombat-5 well will be realised."

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

Note regarding Wombat-3 gas flow rate.

The 3 million cubic feet per day flow rate was first reported by Lakes Oil NL on 11 October 2004 (see attachment). Since then, reporting requirements have changed significantly, notably with updates to ASX Listing Rule 5.30 that were introduced in 2022. With reference to the updated Listing Rule, the following information is provided:

- a) The Wombat-3 well was a conventional, vertical well
- b) The location of the well was approximately 3km north of the township of Seaspray in the Gippsland basin, within Petroleum Exploration Permit 157 (which subsequently became Petroleum Retention Lease 2)
- c) Lakes Oil NL held 100% of the Permit, but an overriding royalty of 5% of the value of any hydrocarbon production was payable to Roma Petroleum NL, a former holder of the Permit. (The Roma Petroleum royalty is no longer in place)
- d) No gross or net pay thickness was reported
- e) The geological rock type of the Formation from which gas was produced was sandstones within the Strzelecki Formation
- f) The depth of the zone from which the gas flow was reported was from 1375m – 1437m, located at the top of the Strzelecki Formation
- g) The Wombat-3 well was drilled underbalanced, meaning gas could flow to surface while drilling took place. The gas flowed, at an estimated 3 million

cubic feet per day rate, for approximately 30 minutes before declining rapidly to an estimated 60,000 cubic feet per day rate after collapse of the formation downhole. The gas flow rate was estimated on the basis of flare size and length. Hydrocarbon produced during the gas flow period was flared

- h) The composition of gas produced was as follows, based upon on site chromatography:
 - C1 94%; C2 6%; C3 Trace
- i) No other formation fluids were recovered during the gas flow period.
- j) The gas was flowed through the 7 inch diameter blooie line from the rotating head on the blow out preventer. Gas was not flowed though a choke. The total volume of gas produced was not measured.
- k) The flowing gas pressure was not recorded.
- l) The was no fracture stimulation carried out. Gas flowed naturally from the Formation.
- m) Gas chromatography indicates minor (<0.1%) carbon dioxide in conjunction with the hydrocarbons produced. No other contaminants were detected.
- n) There is no other information available that is material to the reported result.

Having regard for the information set out above, in accordance with present reporting requirements, the 3 million cubic feet per day flow rate figure for the Wombat-3 well should be considered to be an estimate and should not be relied upon.



LAKES OIL N.L.

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11 October 2004

The Manager - Companies,
Australian Stock Exchange Limited,
Stock Exchange Centre,
530 Collins Street,
MELBOURNE VIC. 3000

Dear Sir,

**UPDATE WOMBAT 3 DRILLING
PEP 157, ONSHORE GIPPSLAND BASIN, VICTORIA**

Further to Friday's report advising gas flowing to the surface, we advise the flow rate increased rapidly to an estimated 3-4 million cubic feet a day. This estimated rate was sustained for about 30 minutes before the rate began to rapidly decline to a stabilised flow of about 60,000 cubic feet a day indicating that bridging has occurred in the well which has the effect of blocking flow. Currently we are assembling equipment on site to allow us to re-test this zone which is expected to take place late tomorrow.

Wombat 1 is currently scheduled to a total depth of 2500 metres to evaluate the numerous gas shows encountered in Wombat 1 and 2.

Wombat 3 is located mid way between Wombat 1 and 2, approximately 1 kilometre from each well.

The Wombat Block is located in PEP 157. An overriding royalty of 5% of the wellhead value of any hydrocarbon production is payable to Roma Petroleum N.L. a former holder of the permit.

Yours sincerely
LAKES OIL N.L.

ROBERT J. ANNELLS
Chairman