

Wombat-5 Well, Gippsland Basin, Victoria Drilling Update

The Board of Lakes Blue Energy is pleased 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	56
Current depth	3,052 mRT ¹ MD ² ; 1,421 mRT TVD ³
Horizontal length	1,500m
24hr Progress	Total Depth reached
Hole size	6-1/8"
Last casing point	7" set at 1,549.1 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 now been reamed and cleaned out to 2,450 mRT, with a 900 metre interval in the Strzelecki Formation covering two good sand intervals with high gas shows. The Board and Management have decided to complete this interval with slotted casing and to leave the lower 650 metres of the lateral as a barefoot completion.

The barefoot completion section incorporates the third of the high-quality sand intervals intersected. Gas production from this interval is expected to flow into the cased zone above the bottom hole assembly (BHA) that is stuck at the bottom of the hole.

This completion strategy substantially reduces the risk, time and expense of attempting to access and retrieve the stuck BHA, and preserves the production capability of the first 900 metres whilst retaining potential for gas production from the lower, barefoot completion zone.

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

For enquiries regarding this release please contact:

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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.