

Wombat-5 Well, Gippsland Basin, Victoria Drilling Update

Wombat 3 high quality gas charged sands encountered on prognosis with high gas shows up to 67.49%

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	53
Current depth	2,916 mRT ¹ MD ² ; 1,415 mRT TVD ³
Horizontal length	1,364m
72hr Progress	522m
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

The Wombat-5 well continues to make good progress through the top of the Strzelecki Formation and is currently drilling past the Wombat-3 well where the highest gas flow rates have been recorded previously from good quality sands.

Excellent gas shows of up to 3,374 units or 674,900 ppm (67.49%, C1 to C5⁴) were encountered in good quality fine to med grained sandstones prior to reaching the Wombat-3 sand package. Further excellent gas shows of up to 3,256 units or 651,200 ppm (65.12%, C1 to C5) have been recorded since entering the Wombat-3 sand package at approximately 2,825 mRT MD and the well remains in this sand package at its current depth. The 6-1/8" hole is intended to be drilled towards total depth at approximately 3,050 mRT.

Lakes Blue Energy's Chair, Roland Sleeman, noted,

“The natural gas shows over the weekend are not only encouraging but continue to support our working hypothesis that the gas saturated Strzelecki Formation should provide the gas quantities required to give the Company’s shareholders a commercial development proposition.”

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.