

Wombat-5 - Production Testing Continuing

Lakes Blue Energy NL (ASX:LKO; “Lakes” or “the Company”) provides the following update on ongoing production testing operations at the Wombat-5 gas well. During drilling of the well, as previously reported, Wombat 5 encountered three (3) strong gas zones in the 1,552 metre lateral in a package of broadly gas bearing sands.

Production testing activities at Wombat-5 are, at present, focussed on removal from the reservoir formation of drilling and completion fluids. Although gas is flowing from the three zones in the formation to the wellhead and being flared, (see figure 1 below), it is essential to recover as much as possible of the drilling fluids in order to realise the gas production potential of the field and, in turn, collect data required for evaluation of the overall gas content of and to optimise the gas deliverability of the Wombat Gas Field.



Figure 1: Gas flare from Wombat-5, 3 February 2026

Currently gas pressure in the reservoir is forcing residual drilling and completion fluid into the well bore and, periodically, Nitrogen (non-flammable) injection is being used to assist lifting these fluids from the hole to assist gas production. The Company's reservoir engineers are encouraged by the pressure flows and drill and completion fluid retrieved to date.

The Company will continue the fluid recovery operations until the majority of the drilling and completion fluid has been removed from the reservoir, at which point a comprehensive assessment of the gas deliverability of the Wombat-5 horizontal well can be undertaken. Further updates will be provided as operations progress.

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

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