LAKES BLUE ENERGY

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Capital Raising Presentation

29 July 2026

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Cautionary Statement
As at the date of this presentation the Company is not aware of any new information or data that materially affects the information included in this presentation and confirms that all the material assumptions and technical parameters underpinning the estimates in this presentation continue to apply and have not materially changed. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

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EXECUTIVE SUMMARY

1	**Significant east coast market opportunity**	▪ Significant gas supply shortfalls are forecast in the Australian East Coast domestic gas market, with consequent high gas prices. ▪ LKO is strategically well positioned to profitably contribute to resolving this supply challenge through its key gas projects especially, initially, the Wombat and Trifon/Gangell Gas Fields within Petroleum Retention Lease 2 ("**PRL 2**") Gippsland, Victoria. ▪ The Wombat Gas Field, being onshore, conventional, close to markets and with gas of high-quality, offers a timely and cost-effective solution to Victoria's ongoing gas shortfall.
2	**Wombat-5 Update**	▪ Production testing has concluded, with pressure build-up data supporting a gas-charged reservoir ▪ Three gas-bearing zones confirmed across ~1,500m horizontal section (Zone 1, Zone 2 and Zone 3), with gas shows from C1 methane through to C5 pentane throughout ▪ **Next steps:** Reservoir protection with the placement of specially formulated inhibited fluid over the reservoir zone, propellant enhanced perforation program (~156m of the best quality gas-bearing sands) to reach beyond the damaged zone and access clean gas bearing sands, followed by flow testing of the well to establish a baseline flow rate from perforated intervals.
3	**Board Changes**	▪ As part of the successful completion of the capital raising, LKO will implement several Board changes to position the Company with appropriate experienced leadership and governance structure to support the next phase of the Company's strategic growth and development. ▪ As announced on 2 July 2026, Mr Roland Sleeman has retired from his role as Non-Executive Chairman. The Board thanks Mr Sleeman for his significant contribution to the Company during his tenure. Mr Boyd White has resigned from the Company's Board to pursue his personal interests in green energy projects. The Board thanks Mr White for his valuable contribution to the Company. ▪ The Company has appointed Mr Hugh Walter Robertson to the Board as a Non-Executive Director. ▪ Mr Hugh Walter Robertson brings over 40 years' experience in stockbroking and is a Senior Investment Adviser at Morgans Financial Limited. He holds multiple board and chair positions across ASX-listed and private companies. ▪ Hugh brings deep capital markets expertise, extensive ASX board experience and a strong network of institutional and investor relationships.

4	**Equity raising details**	▪ The Company is undertaking a partially underwritten capital raising of approximately $8.7 million comprising:
		  ▪ A non-underwritten placement of $4.0 million comprising:
		  ▪ A non-underwritten placement of fully paid ordinary shares to professional and sophisticated investors ("**Institutional Placement Tranche 1**") to raise approximately $3.3 million via the issue of approximately 10.9 million new fully paid ordinary shares in LKO ("**New Shares**") within the Company's Listing Rule 7.1 placement capacity; and
		  ▪ A non-underwritten placement of $0.7 million, to be placed to institutional and sophisticated investors who have committed to participate in the Offer, subject to shareholder approval at an Extraordinary General Meeting ("**EGM**") ("**Institutional Placement Tranche 2**").
		  ▪ A partially underwritten 1 for 4.7 non-renounceable entitlement offer ("**Entitlement Offer**") to eligible shareholders of LKO to raise $4.7 million.
		  ▪ Participants in the Institutional Placement and Entitlement Offer will receive one (1) free attaching option for every one (1) New Shares allocated, with an exercise price of $0.36, expiring five (5) years from the date of the issue, ("**Attaching Options**"). The issuance of Attaching Options pursuant to the Institutional Placement will be conditional on shareholder approval at an EGM ("**Placement Attaching Options**"). The issuance of Attaching Options pursuant to the Entitlement Offer will not require shareholder approval ("**Entitlement Offer Attaching Options**"). The Attaching Options will be unlisted.
		▪ New shares issued as part of the Institutional Placement and Entitlement Offer will be issued at a price of $0.30 per New Share, a 39.1% discount to the 5-day volume-weighted average price ("**VWAP**") of $0.493 and a 36.2% discount to the last traded share price of $0.470 on Friday, 24 July 2026.
		▪ Funds raised will be used to further advance LKO's Wombat Project to target near-term cash flow opportunities and manage future cash flows and liabilities.
		▪ Post completion of the capital raise, LKO will have a pro forma cash balance of ~$8.5m[1] and will be well funded to finalise the Wombat 5 testing program.

(1) Pro-forma based on cash balance of A$0.4m as at 30 June 2026, plus net proceeds of the equity raising of $8.1m.

COMPANY OVERVIEW

1. PRL 2 - Wombat 5 and Trifon/Gangell

- Gippsland Basin, approximately 5km northwest of Seaspray and 30km south-southeast of Sale.
- Located within the area of Victorian Petroleum Retention License (PRL) 2.
- LKO owns 100% in the license area, with the appraisal well located on land owned by LKO.

Wombat Production potential

- Independently forecast 10 TJ/d initial production.
- Target peak production of approximately 20 PJ/a, with an indicative production life of approximately 17 years.

2. PRL 249 - Nangwarry CO_2 Project

- Centred on the Nangwarry-1 gas well, located within Petroleum Retention License 249 (PRL249) 35km north of Mt Gambier, South Australia.
- 50% owned by LKO.
- Renewal application lodged 3 March 2026 as per requirements.

Nangwarry Production potential

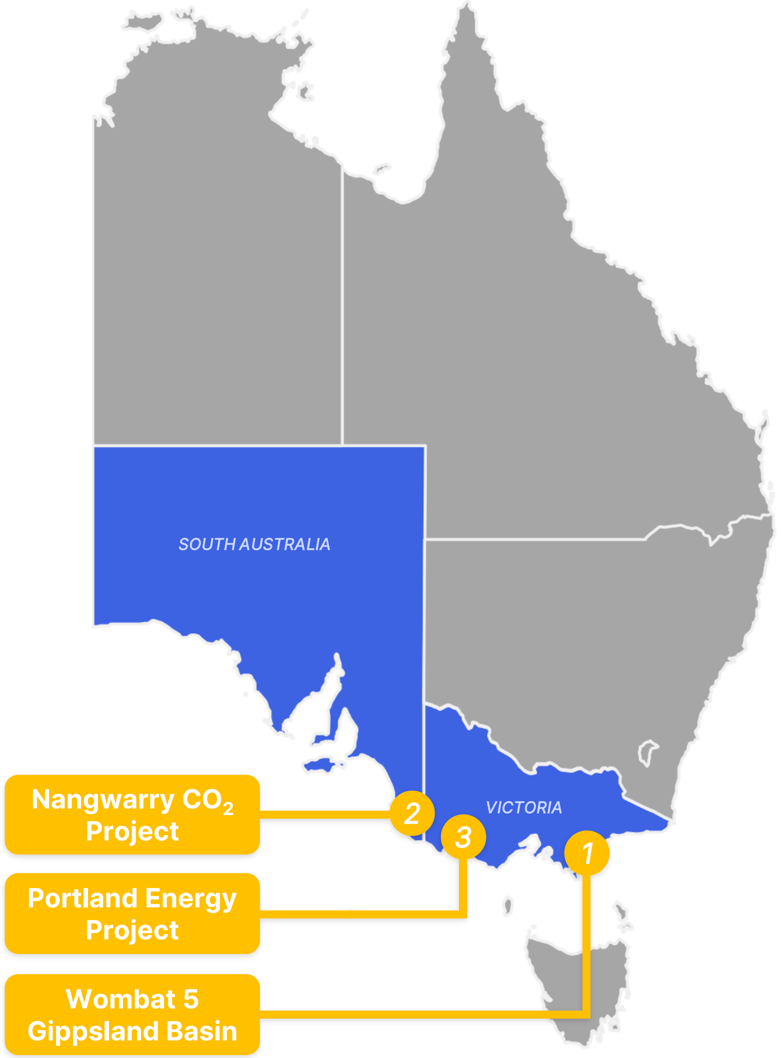
- Estimated saleable gas volume of CO_2 is between 4.5 – 32.2 (Sales Gas BScf).
- Bankable Feasibility Study completed Sept 2025.
- Project development studies progressing on 100tpd basis.

3. Portland Energy Project

- 100% interest in PEP 167 and PEP 175.
- Focus Area in the southwestern corner of PEP 175, to the north of Port Fairy.

Focus Area

- Two wells, are proposed initially as proof-of-concept wells.



Wombat Gas Field

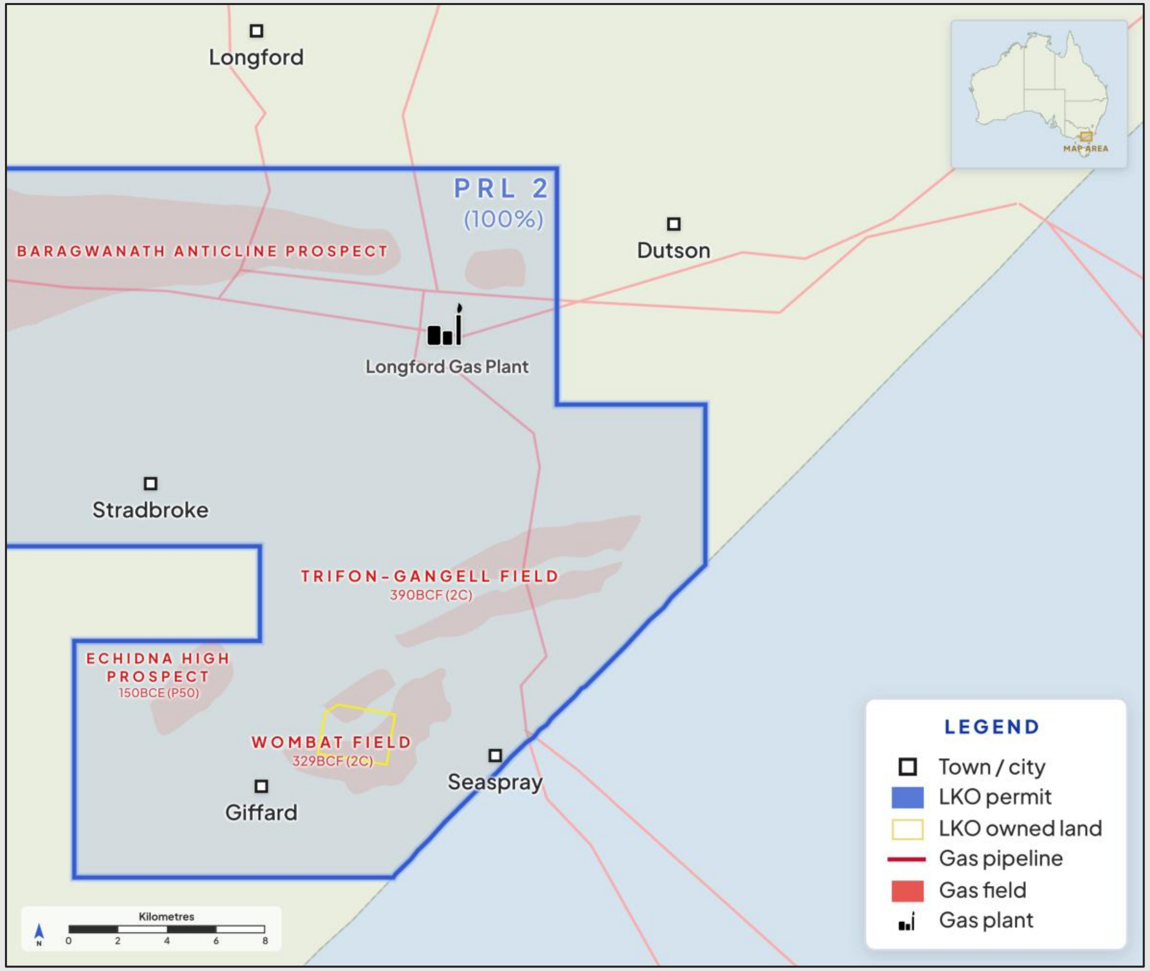
WHAT MAKES WOMBAT GAS FIELD SO APPEALING?

Relative Low Risk

- Existing vertical wells all flowed gas
- Certified Contingent (2C) gas resources
- Gas is high-quality with no impurities.
- Well design is conventional, using established technology.
- Well located on Company owned land, no local stakeholder issues to date.

Strategic

- Significant revenue generation potential.
- Victorian gas supply is very tight, and prices are very high.
- Onshore Victorian exploration ban has been lifted.
- Approval documentation lodged, dialogue with the regulator ongoing.
- Project is 100% Company-owned.
- Project is in very close proximity to existing infrastructure.



Wombat Field and Proximity to Infrastructure

WOMBAT – SIGNIFICANT GAS SHOWS ENCOUNTERED

Wombat 1

- >100mscfd Emperor
- >300mscfd W Strzelecki

Wombat 2

- >400mscfd W Strzelecki

Wombat 3

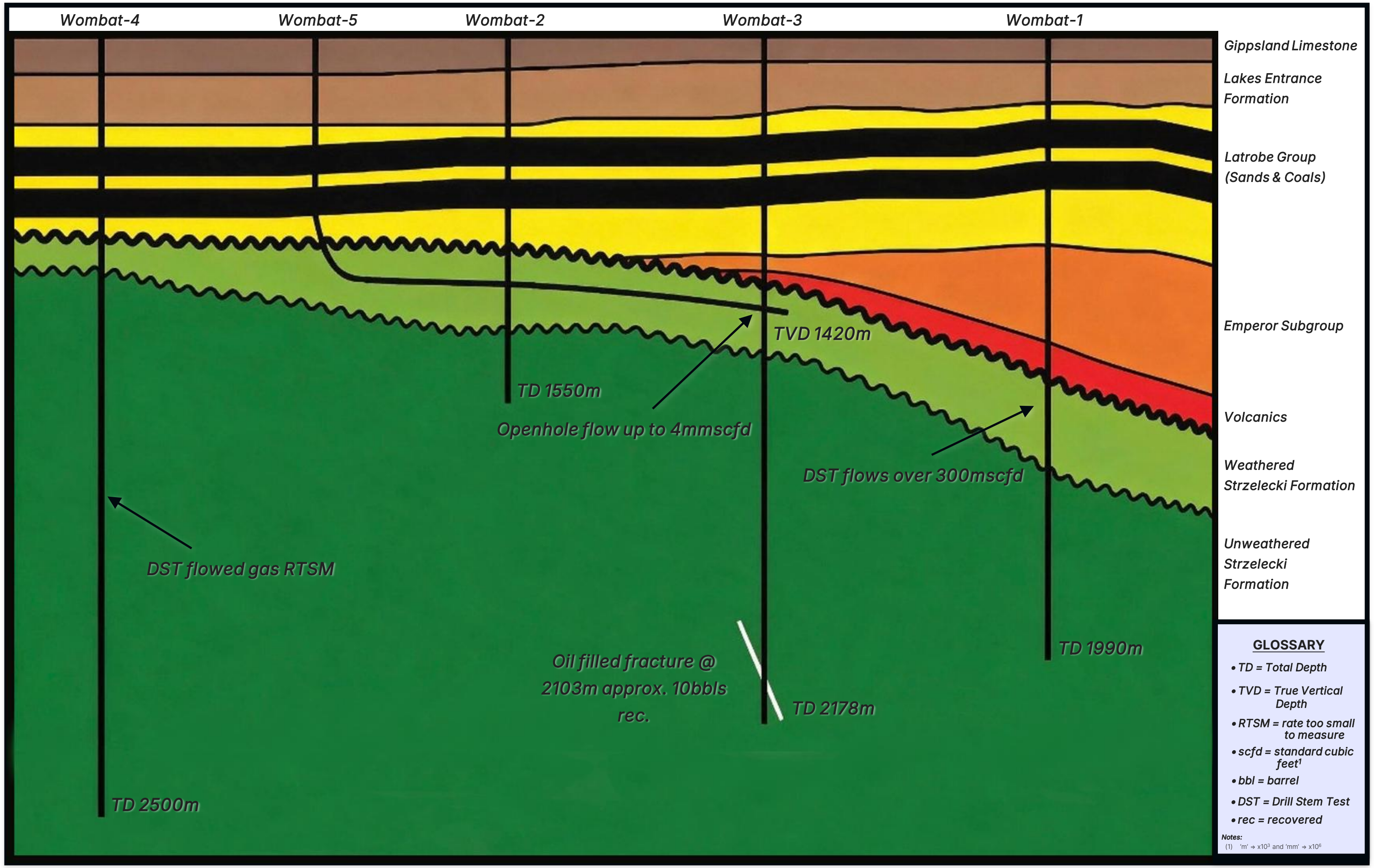
- ~4mmscfd W Strzelecki

Wombat 4

- RTSM U Strzelecki

Wombat 5

- RTSM W Strzelecki



WOMBAT-5 PRODUCTION TESTING UPDATE

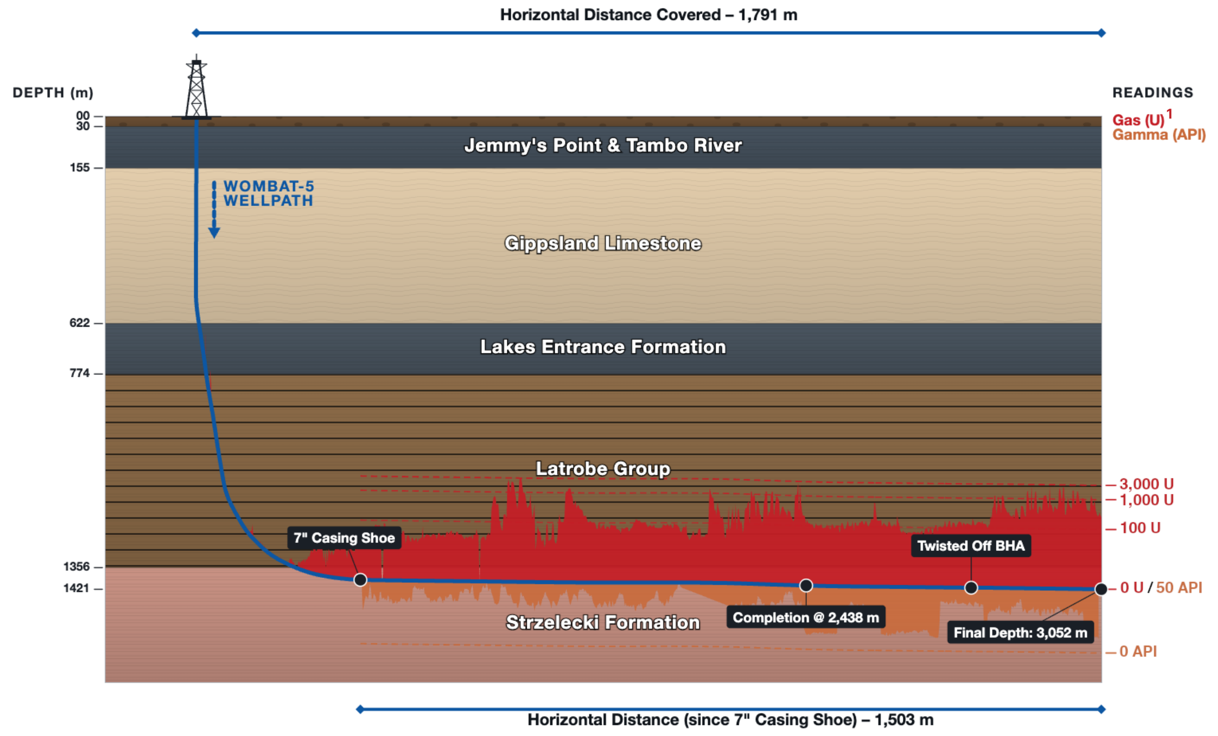
Production testing has concluded, with pressure build-up data supporting a gas-charged reservoir.

Three gas-bearing zones confirmed across ~1,500m horizontal section (Zone 1, Zone 2 and Zone 3), with gas shows from C1 methane through to C5 pentane throughout.

Minimum of ***237 metres of high-quality gas-bearing*** sands identified behind casing.

Pressure build-up reached 1,781 psi, with transient analysis confirming high formation skin from mud invasion/clay swelling.

Wombat 3D seismic reprocessing underway with Geomage Ltd.



Notes:
(1) 100 gas units is the equivalent of 2% methane in air.

WHAT CAUSED THE FORMATION DAMAGE & CAN IT BE OVERCOME?

Lakes believes there are two significant factors that contributed to the formation damage in the reservoir which resulted in the failure of Wombat 5 to flow gas at commercial rates.

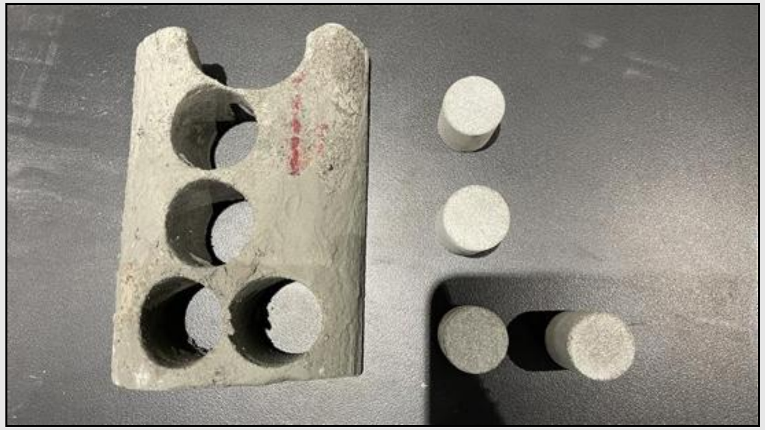
The hydrostatic pressure of the drilling fluid used to drill the reservoir was significantly higher than the reservoir pressure resulting in fluid and drilled solids being “squeezed” into the formation. Also, the drilling fluid was not compatible with the clay particles that reside in the reservoir pore throats. The drilling fluid caused the clay particles to swell further blocking the porosity and permeability in the reservoir and preventing gas flow.

The Lakes technical team, and industry specialists who have been consulted, believe these problems can be overcome. The damaged interval of the reservoir is estimated to extend 7-12 inches beyond the wall of the drilled hole. Lakes plans to use propellant enhanced perforating technology to perforate well beyond the damaged zone to access clean reservoir. Additionally, Lakes plans to do this with a completion fluid in the well that is fully compatible with the reservoir to avoid the risk of further damage to the newly exposed reservoir.

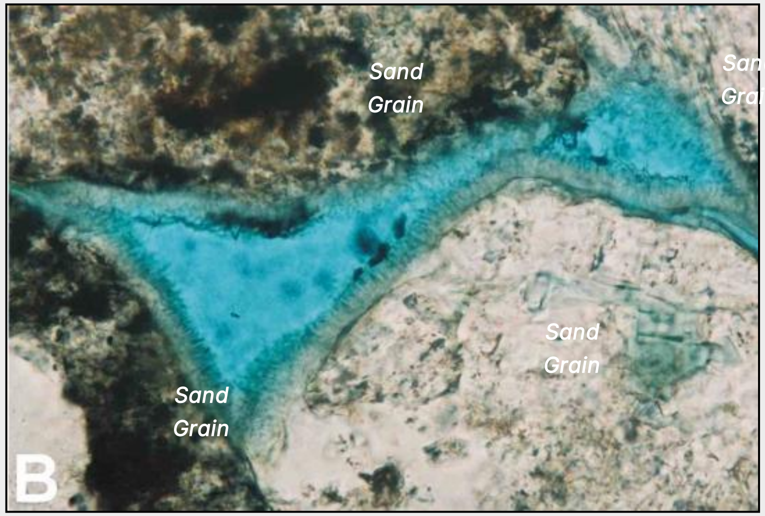
NEXT STEPS - FLUID AND ROCK COMPATIBILITY TESTING

- Drilling fluid invasion in the formation has inhibited the flow of gas into the wellbore.
- Core and Fluid analysis is being undertaken with SLB (formerly Schlumberger).
- Currently being advised by SLB world-wide Subject Matter Expert on fluid incurred formation damage.
- SLB formulating a non-damaging fluid for the upcoming workover program.
- Evaluating the potential for removing the damaged formation with specialised acid formulas.
- Fluid compatibility testing to be done on 4 cores, cut from the Wombat 2 core, and additional cuttings from the Wombat 5 horizontal well.
- A minimum of 7 different fluid formulations are being trialled along with SLB's Acid formulations.

Core from Wombat 2 being prepared for Fluid Compatibility Testing

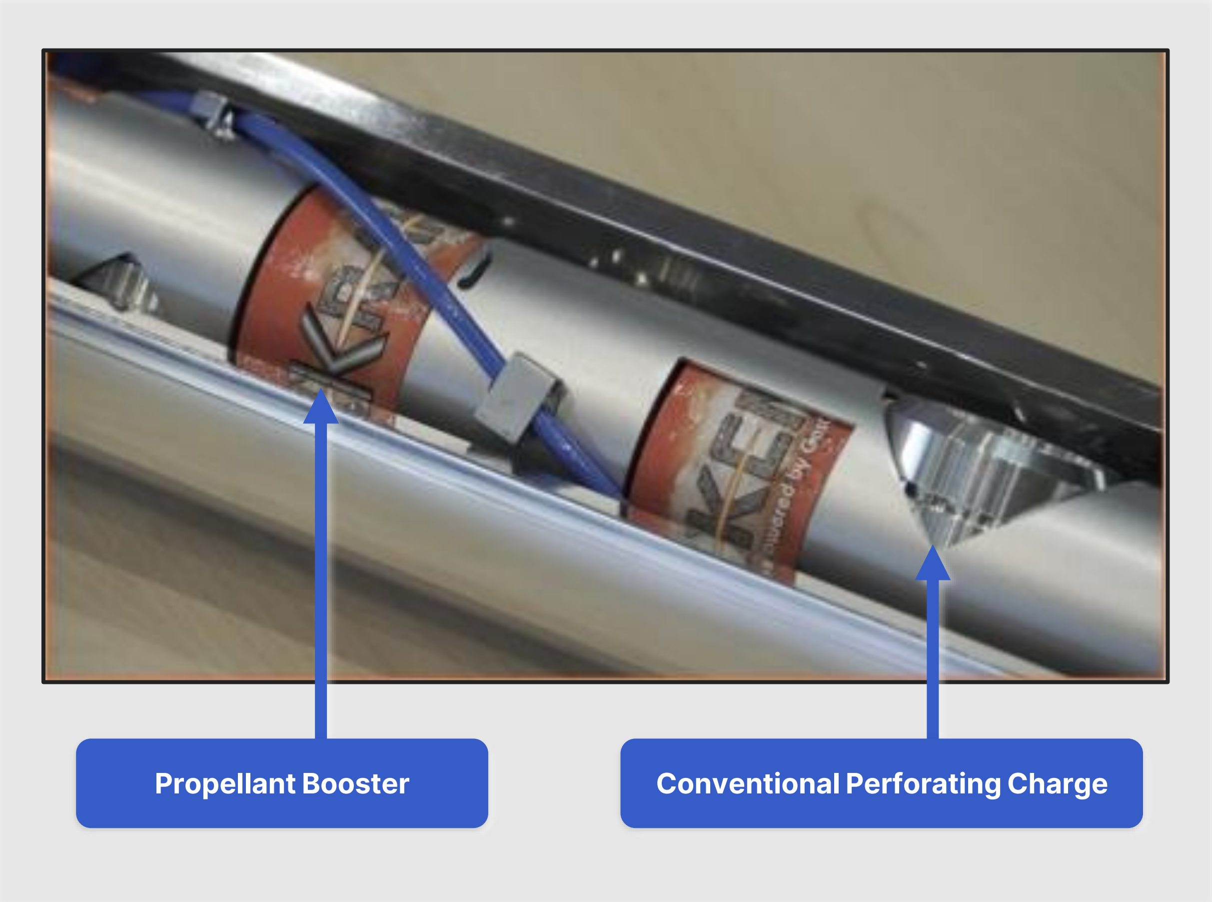


Porosity (in blue) with clays coating the sand grains lining the pore throat from the Wombat 2 core



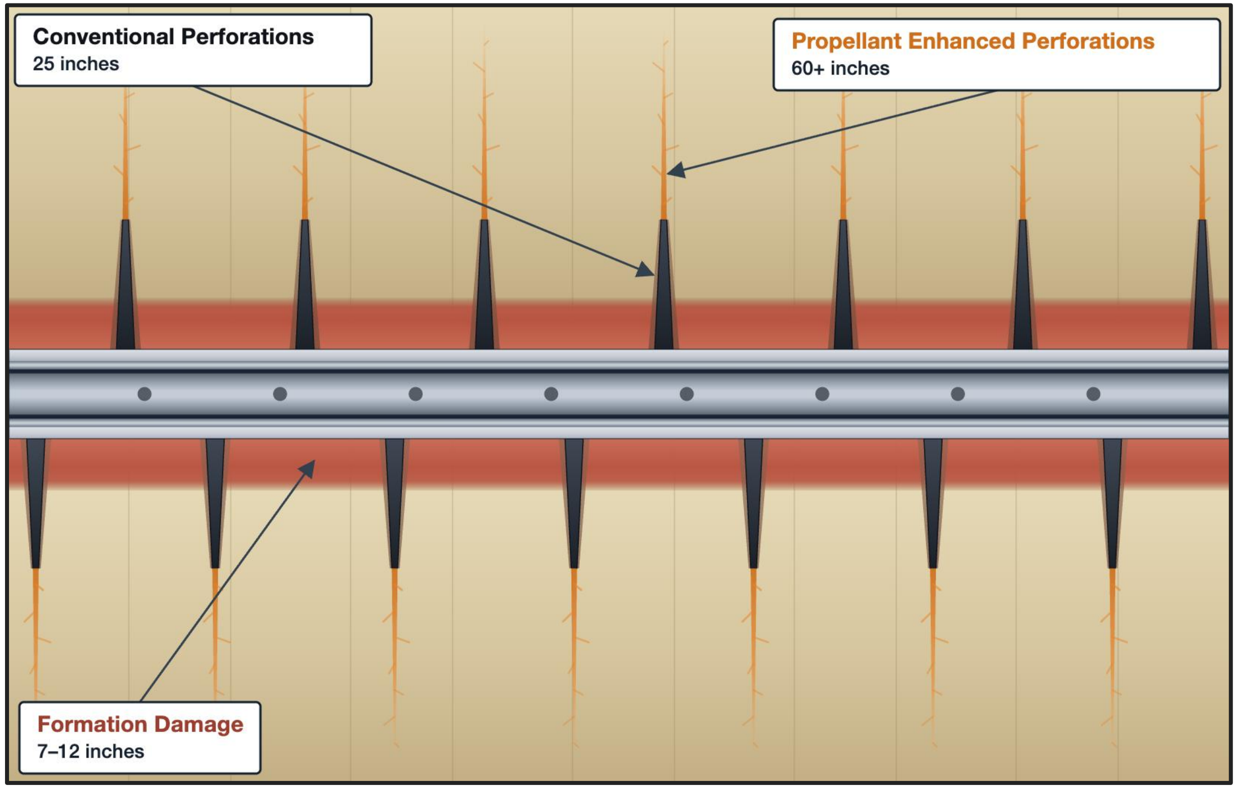
PROPELLANT PERFORATING TECHNOLOGY

- The tool which can be run on wireline, or tubing contains a propellant that rapidly generates high pressure gas when it burns. This additional energy follows a few milliseconds after the perforating charge detonation and creates a deeper perforating tunnel.
- The technology is proven to bypass damaged formations in multiple basins globally, examples include:
    - Bypassing barite formation damage offshore USA.
    - Propellant stimulation systems have an average increase in production of 280% in the Appalachian Basin USA and 100% average enhancement in China.
    - Production increase of 300% in a sandstone reservoir in Croatia.
    - Production improvements from between 30 to 350% from a tight oil sandstone reservoir in Thailand.
- While propellant technology will not replace hydraulic fracture stimulation , it is a very economic alternative to utilize in reservoirs close to aquifers and in regions with hydraulic stimulation restrictions.
- Considerably less expensive than fracture stimulation with similar results under certain reservoir condition.



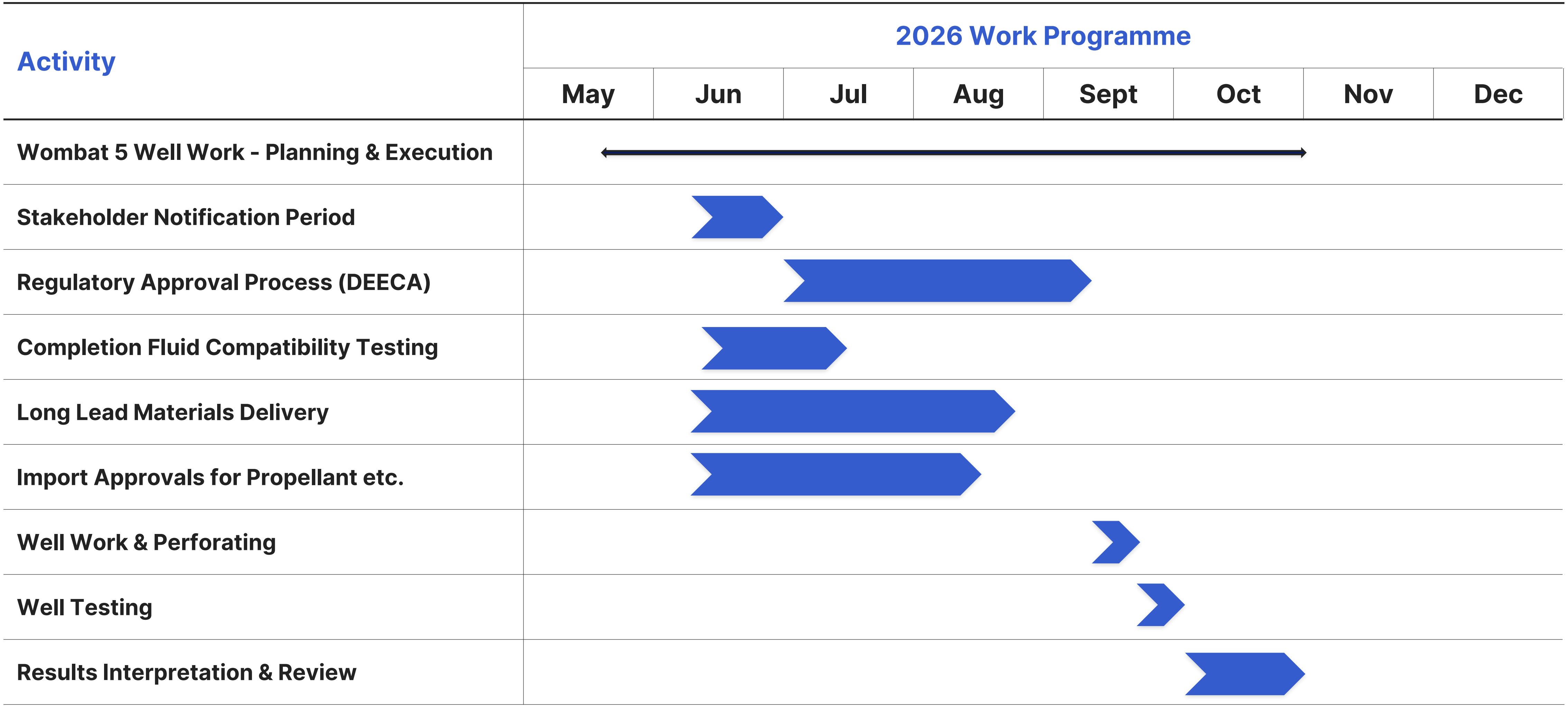
NEXT STEPS – PROPELLANT ENHANCED PERFORATING PLAN

- Minimum of 156 m of high-quality gas-bearing sands.
- Propellant technology will be supplied by a specialist US Company and deployed by their Australian partner, MPC Kinetic a leading Australian Well Service Company with extensive perforating experience.
- Highest quality reservoir is in the 1845 – 1900m MD interval
- Will be perforated with 13 perforations per meter.
- Propellant perforating guns specifically designed to overcome near wellbore damage will be utilised with modelling indicating >60 inches of penetration, well in excess of expected damage zone of <12 inches.
- 156m @ 13 perforations per meter.



Approximately 2,028 perforations create an aggregate modelled tunnel length of ~3000 m, each extending locally from the wellbore, actual penetration may differ

WOMBAT 5 – WORKOVER PERFORATION & TESTING SCHEDULE

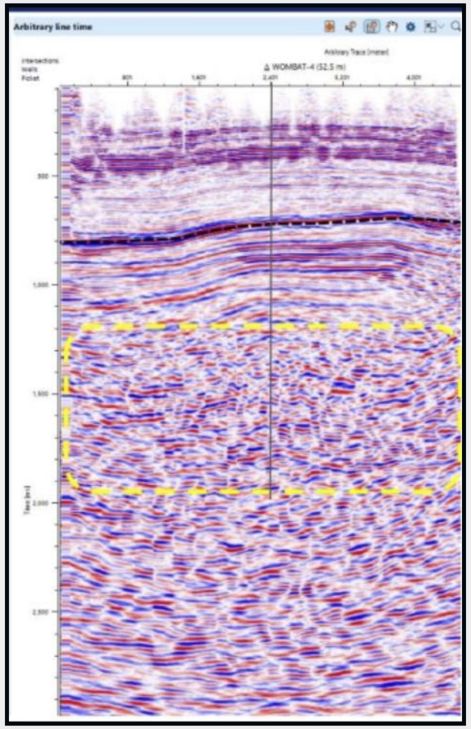


Note: Schedule is forward looking and depends on regulatory approvals, imports, long-lead equipment, contractor availability and board approval.

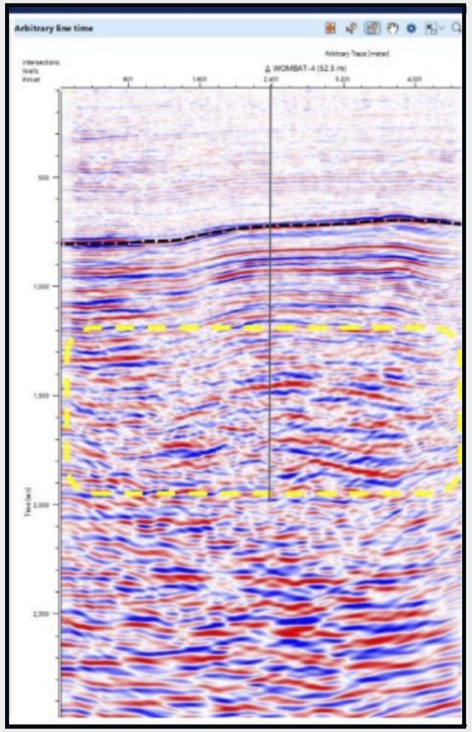
NEXT STEPS – WOMBAT SEISMIC REPROCESSING

- Reprocessing of the 2008 Wombat 3D Seismic dataset by Geomage Ltd, industry leaders in reprocessing of image challenged, legacy seismic.
- The preliminary Post-Stack Time Migration (PoSTM) results already demonstrates a dramatic improvement over the legacy volume, with a clear structural uplift and improved vertical and lateral resolution within the Strzelecki formation.
- Lakes anticipates the reprocessing will resolve complex near-surface statics and dramatically increase the signal-to-noise ratio from the low-fold, sparse Wombat 3D.
- Post processing workflow will include Inversion and Amplitude (AVO) studies.
- Inversion will convert seismic reflectivity into quantitative rock properties to better differentiate between lithology and fluid variations aerially and vertically within the stacked reservoirs of the Wombat Field.
- AVO (Amplitude Versus Offset) studies will help to identify productive channels within the field.
- This will support:
    - Resource re-evaluation.
    - Full Field Development Planning and Production Forecasting.
    - Updated design parameters for the planned Wombat 3D seismic acquisition over the combined Wombat and Trifon fields.
- Final reprocessed dataset due in August 2026.

2008 Legacy Data:



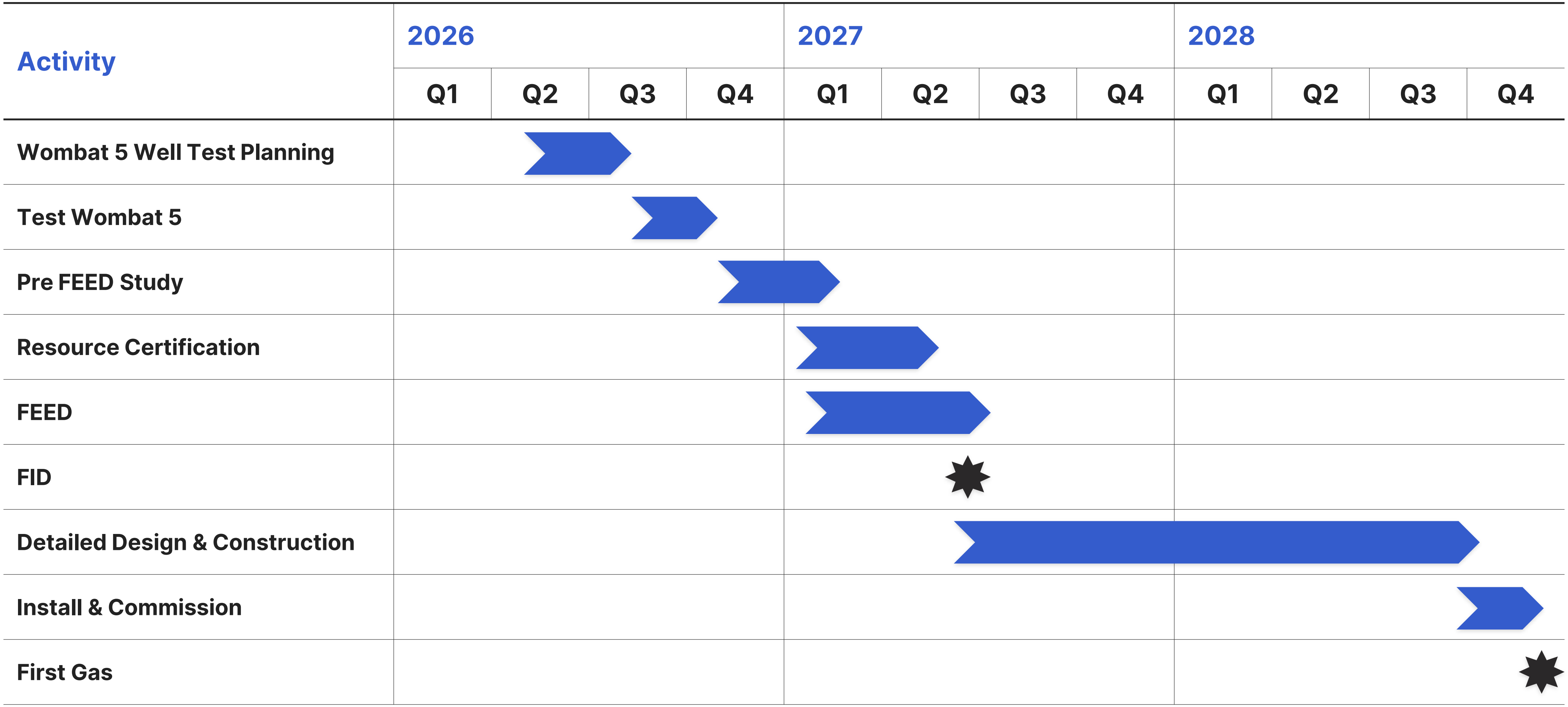
2026 PoSTM Data:



Preliminary PoSTM line through Wombat 4 compared with the original legacy line, indicating a more coherent imaging of the Strzelecki formation

WOMBAT PROPOSED DEVELOPMENT SCHEDULE

Announced to ASX on 2 July 2026

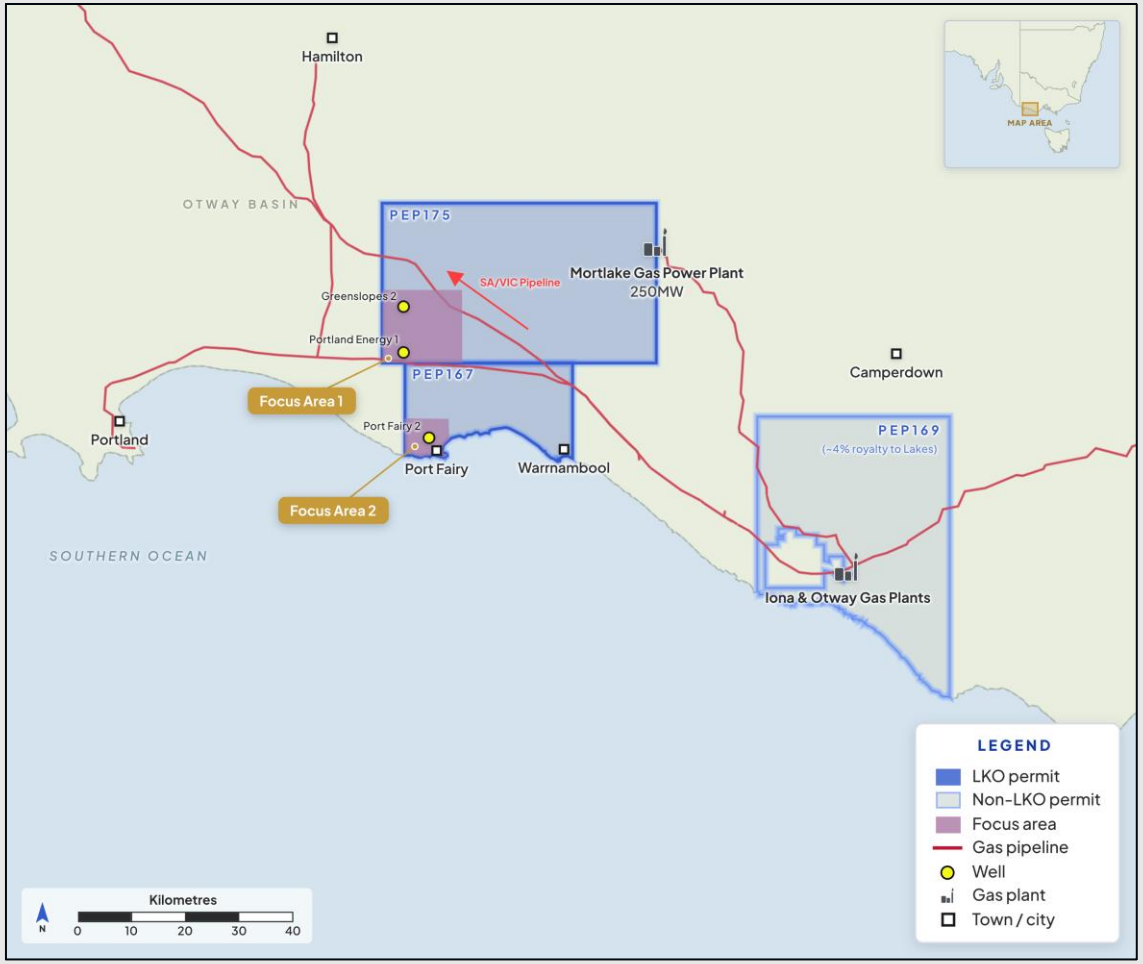


Note: Schedule is forward looking and depends on regulatory approvals, imports, long-lead equipment, contractor availability and board approval.

Portland Energy Project

PORTLAND ENERGY PROJECT SUMMARY

- Tight Gas is contained within Eumeralla, Liara, Pretty Hill & Casterton Formations.
- Independent Competent Person report estimates in place resources to be 521 tcf of gas and 800 mmbbls of oil[1].
- Traditionally resources like this would be accessed by fraccing.
- Intent is to drill two proof of concept wells using air or nitrogen to drill the gas bearing zones and determine if gas flows can be achieved.
- Other "non fraccing" stimulation technology is also being evaluated inline with Wombat 5.

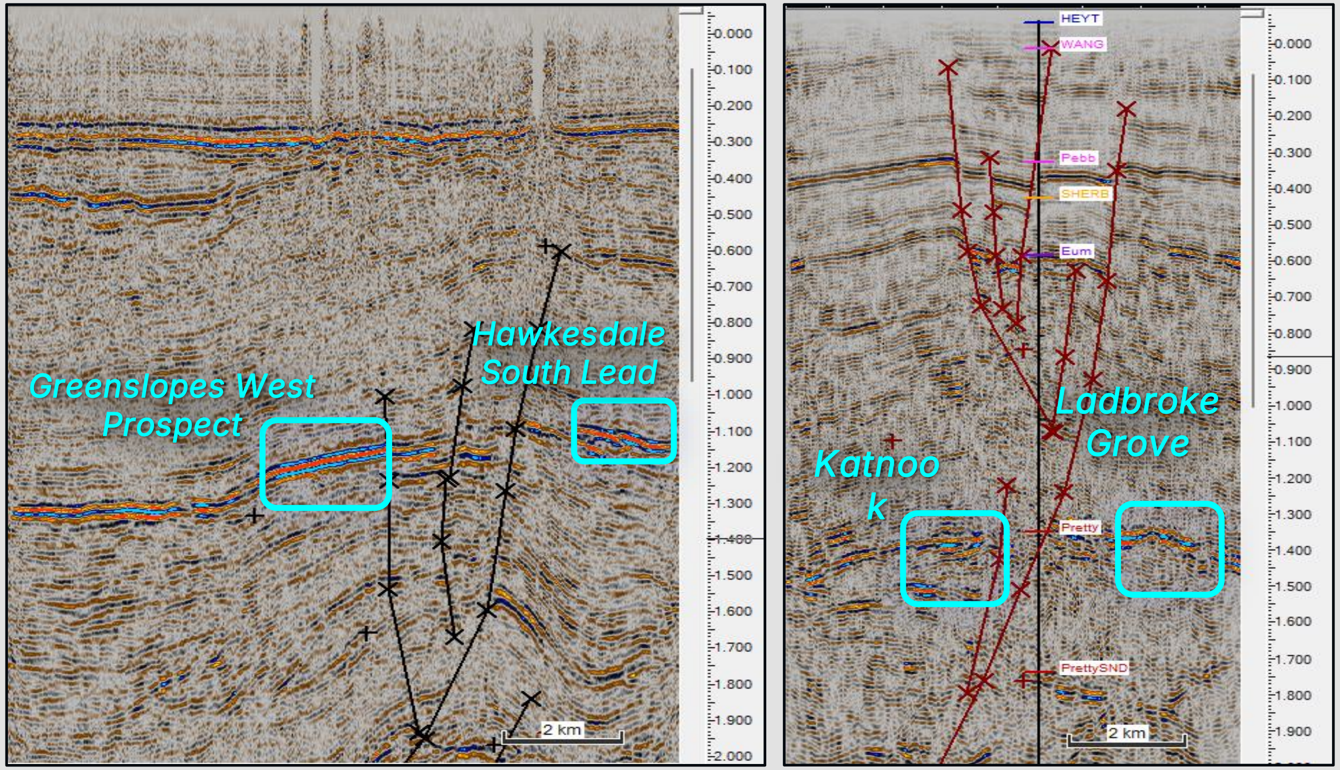


Portland Energy Project – Context Map

(1) *The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.*

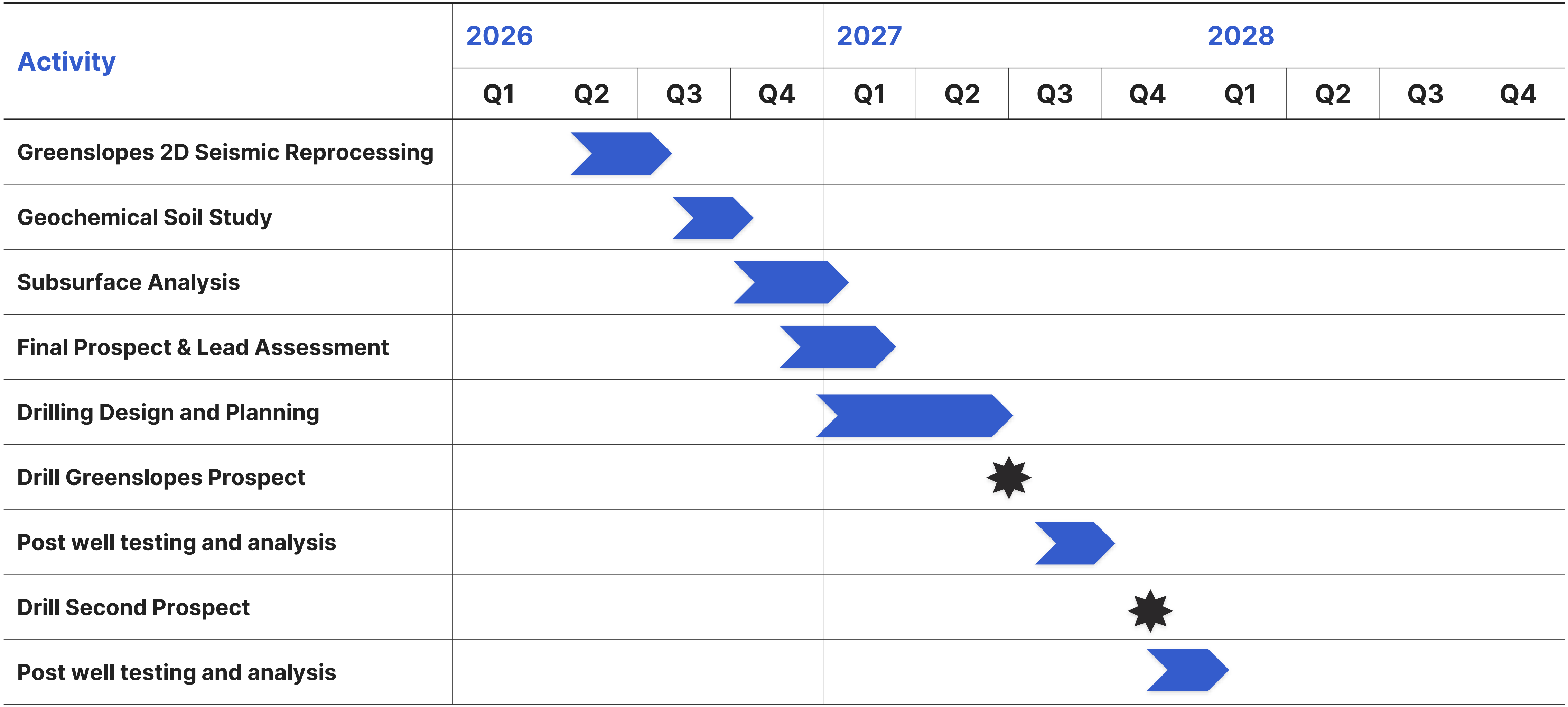
PORTLAND ENERGY PROJECT PROSPECTS & LEADS

- Currently working on 6 Prospects and Leads.
- Greenslopes West Prospect and Hawkesdale South Lead are the priorities both at ~1400m in the Windermere Sandstone.
- These are analogous to the Katnook and Ladbroke Grove discoveries in South Australia.
- Katnook produced 17 Bcf, Ladbroke Grove produced 49 Bcf.
- We are currently reprocessing the dataset to improve prospect definition results expected by Aug 2026.
- Post processing workflow similar to the Wombat 3D workflow to include:
    - AVO/AVA anomaly evaluation.
    - Spectral Decomposition & Attributes analysis.
    - Inversion Studies.



Portland Energy Project – Prospects & Leads

PORTLAND ENERGY EXPLORATION PROJECT TIMELINE



Note: Schedule is forward looking and depends on regulatory approvals, imports, long-lead equipment, contractor availability and board approval.

Equity Raising

EQUITY RAISING OVERVIEW

OFFER STRUCTURE AND SIZE	▪ A non-underwritten placement of $4.0 million comprising: ▪ A non-underwritten placement of fully paid ordinary shares to professional and sophisticated investors ("Institutional Placement Tranche 1") to raise approximately $3.3 million via the issue of approximately 10.9 million new fully paid ordinary shares in LKO ("***New Shares***") within the Company's Listing Rule 7.1 placement capacity; and ▪ A non-underwritten placement of $0.7 million, to be placed to institutional and sophisticated investors who have committed to participate in the Offer, subject to shareholder approval at an Extraordinary General Meeting ("***EGM***") ("***Institutional Placement Tranche 2***"). ▪ A partially underwritten 1 for 4.7 non-renounceable entitlement offer ("***Entitlement Offer***") to eligible shareholders of LKO to raise $4.7 million. ▪ New Shares issued in the Institutional Placement and Entitlement Offer will be approximately 36.1% of current issued capital. ▪ Participants in the Institutional Placement and Entitlement Offer will receive one (1) free attaching option for every one (1) New Shares allocated, with an exercise price of $0.36, expiring five (5) years after the date of the issue, ("***Attaching Options***"). The issuance of Attaching Options pursuant to the Institutional Placement will be conditional on shareholder approval at an EGM ("***Placement Attaching Options***"). The issuance of Attaching Options pursuant to the Entitlement Offer will not require shareholder approval ("***Entitlement Offer Attaching Options***"). The Attaching Options will be unlisted.
OFFER PRICE	Equity Raising is priced at $0.30 per new share, representing: ▪ 36.2% discount to the last close price on Friday, 24 July 2026 of $0.470; ▪ 39.1% discount to the 5-day VWAP of $0.493; and ▪ 29.4% discount to the theoretical ex-rights price ("***TERP***") of $0.425 (based on the last close price on the ASX of A$0.470 on Friday, 24 July 2026 and reflecting the issue of all New Shares under the Offer).
USE OF FUNDS	Funds raised will be used for: ▪ Further advancement of LKO's Wombat Project to target near-term cash flow opportunities; and ▪ Costs of the equity raising and working capital.
INSTITUTIONAL PLACEMENT	▪ The Institutional Placement was conducted on Monday, 27 July 2026 ("***Institutional Placement***"). ▪ The Company reserves the right to accept oversubscriptions on the Institutional Placement subject to shareholder approval at an Extraordinary General Meeting ("***EGM***").
ENTITLEMENT OFFER	▪ The Entitlement Offer will open on Friday, 7 August 2026 and will close at 5.00pm on Tuesday, 18 August 2026 ("***Entitlement Offer***") ▪ Only eligible shareholders of LKO with an address on the LKO share register in Australia or New Zealand may participate in the Entitlement Offer
RECORD DATE	▪ 7.00pm (Sydney time) on Tuesday, 4 August 2026.
RANKING	▪ All New Shares issued under the Offer will rank equally with existing shares on issue as at their date of issue.
JOINT LEAD MANAGERS	▪ Morgans Corporate Limited ("***Morgans***") and Alpine Capital Pty Ltd ("***Alpine***") are acting as the Joint Lead Managers and Underwriters to the Offer.

USES OF FUNDS

WOMBAT-5 PRODUCTION TESTING PROGRAM

INITIATIVE	TOTAL A$
Wombat 5 workover, propellant enhanced perforate & well test	3,700,000
Working capital and costs of the Offer, including brokers commission	2,500,000
Regulatory, Exploration & Development expenses	800,000
Wombat-2 propellant treatment planning	700,000
Portland Exploration well planning	500,000
Wombat 3D Seismic Planning	500,000
TOTAL	**8,700,000**

USES OF FUNDS AND CURRENT CAPITAL STRUCTURE

SOURCES	A$M
Cash and cash equivalents as at 30 June 2026	$0.4
Institutional Placement and Entitlement Offer - Gross proceeds	$8.7
TOTAL SOURCES	***$9.1***

USES	A$M
Wombat 5 workover, propellant enhanced perforate & well test	$3.7[1]
Working capital and costs of the Offer, including brokers commission	$2.5
Regulatory, Exploration & Development expenses, Wombat 2 and other	$2.5
TOTAL USES	***$8.7***

FULLY PAID ORDINARY SHARES	EXISTING SHARES	% PRE-OFFER
Tenstar Trading Limited	5.2m	7.1%
DGR Global Limited	3.8m	5.2%
NewPeak Metals Limited	3.5m	4.8%
Hancock Prospecting Pty Ltd	2.7m	3.7%
Other Investors	58.1m	79.3%
TOTAL SHARES ON ISSUE	**73.3m**	**100.0%**

Cash and cash equivalents ($m)	As at 30 June 2026	Pro forma adj[1]	Pro forma 30 June 2026
Cash and cash equivalents	$0.4	$8.1[1]	$8.5

(1) Pro forma adjustments calculated as net proceeds from the raising of $8.1m (includes total costs of the Offer and commissions of $0.6m).

OFFER TIMETABLE

INDICATIVE SUMMARY OF KEY EVENTS	DATE
Trading halt announced and placement bookbuild commenced	Monday, 27 July 2026
Trading halt lifted and announcement of completion of placement and proposed Entitlement Offer	Wednesday, 29 July 2026
Entitlement Offer Prospectus lodged with ASIC. Investor Deck and Prospectus lodged on ASX	Wednesday, 29 July 2026
Ex Date	Monday, 3 August 2026
Record Date for Entitlement Offer (7:00pm Sydney time)	Tuesday, 4 August 2026
Settlement of Shares under the Placement	Wednesday, 5 August 2026
Allotment and quotation of Shares under the Placement	Thursday, 6 August 2026
Entitlement Offer documentation dispatched and Entitlement Offer opening date	Friday, 7 August 2026
Last day to extend the Entitlement Offer close date	Thursday, 13 August 2026
Entitlement Offer close date (5:00pm Sydney)	Tuesday, 18 August 2026
Shares quoted on deferred settlement basis	Wednesday, 19 August 2026
Settle Entitlement Offer and Announce results of Entitlement Offer	Friday, 21 August 2026

LAKES BLUE ENERGY BOARD & EXECUTIVE MANAGEMENT

Richard Ash
Executive Director and Chief Executive Officer

Richard has focused on investing in and working with ESG related companies across a broad spectrum of industries focusing particularly on decarbonisation. Richard has previously worked in Europe, the Asia Pacific for KPMG, Macquarie Bank, Westpac and Nomura.

Nick Mather
Non-Executive Director

Nick's special expertise is generation of and entry into undervalued or unrecognised resource exploration opportunities. Nick has been pivotal in generating $5.7Bn cash for shareholders including as Arrow Energy Co-Founder, sold 2010 to Shell Petro-China $3.5Bn, Bow Energy, sold 2012 to Arrow Energy $550M, Waratah Coal, sold 2009 to Mineralogy $130M, Northern Energy, sold 2011 to New Hope $250M and BeMaX Resources, sold 2003 to Cristal $350M. Nick was founder & CEO of SolGold Plc until 2020 presiding over the discovery of world class Cascabel gold project in Ecuador. Nick is Executive Director & CEO of DGR Global Ltd.

Hugh W. Robertson
Non-Executive Director

(Effective upon completion of placement)

Hugh Robertson is a seasoned finance and governance expert with over 40 years of experience in the stockbroking industry. He is a senior investment adviser at Morgans Financial and has held roles at Bell Potter, Falkiners, Investor First, and Wilson HTM – developing particular expertise in small-cap industrial stocks. Outside the company, he holds multiple board and chair positions across listed and private organizations. Hugh brings deep capital markets insight and governance acumen to LKO, supporting its oversight and strategic growth.

Elissa Hansen
Company Secretary

Elissa has over 20 years' experience advising Boards and Management on Corporate Governance, compliance, investor relations and other corporate related issues. She has worked with the Board and management of a range of ASX listed companies and assisted companies through the IPO process. Elissa is a Chartered Secretary who brings best practice governance advice, ensuring compliance with the Listing Rules, Corporations Act and other relevant legislation.

Mike McGowan
EGM Operations & Technical

Mike is a Chartered Engineer with over 35 years of experience in the international upstream oil and gas industry. Mike has held technical, operational and management roles with BP, Santos and Oil Search as well as executive leadership roles with Rig Design Services Ltd, Eaglewood Energy and most recently with Arran Energy a company he founded in 2019 and sold in 2022 with a certified contingent resource base of 350 mmboe. Mike has extensive experience in drilling, well operations and gas project developments.

LAKES BLUE ENERGY TECHNICAL & OPERATIONS TEAM

Mike McGowan
EGM Operations & Technical

Mike is a Chartered Engineer with over 35 years of experience in the international upstream oil and gas industry. Mike has held technical, operational and management roles with BP, Santos and Oil Search as well as executive leadership roles with Rig Design Services Ltd, Eaglewood Energy and most recently with Arran Energy a company he founded in 2019 and sold in 2022 with a certified contingent resource base of 350 mmboe. Mike has extensive experience in drilling, well operations and gas project developments.

John Mackintosh
Reservoir Engineering

John has 25 years of reservoir engineering, production technology and operations experience in multiple basins worldwide with a variety of international operators and consulting firms. He has an extensive background in exploration, greenfield field developments, reservoir exploitation and brownfields reinvigoration. John has previously held roles in Santos (Australia/Houston), Halliburton Consulting (Russia), Wintershall (Norway), Apache (Egypt) and Armour Energy (Australia).

Mike Dow
Drilling & Completions

Mike is a senior engineer and superintendent with over 35 years' global experience across Australia, Papua New Guinea, the Middle East, Asia and the North Sea. He has expertise in well design, drilling operations, drilling optimization, completions, and well testing, with extensive platform experience in the Gippsland Basin. Mike has held senior engineering positions with ExxonMobil, Repsol, Oil Search, Halliburton Consulting and Baker Hughes. Mike holds an MEng in Petroleum Engineering and BSc in Geology.

Lucas McLean-Hodgson
Geoscience

Lucas' past work includes exploration and development for multiple small and mid-cap companies with SRK consulting working in over 20 basins onshore and offshore from Southeast Asia to the prolific Pre-Caspian Basin. With Armour Energy, Lucas was heavily involved in Bowen Basin, Otway Basin and Albertine Graben exploration, appraisal and development. Lucas has demonstrated outstanding subsurface understanding significantly contributing to the discovery of new hydrocarbon plays and developing exploration prospects and discoveries in multiple basins.

Tim O'Brien
Development Planning

Tim has a wealth of on-ground experience in onshore Victorian petroleum exploration. Tim has overseen all of Lakes' exploration activities for over 20 years, having joined the Company as a Petroleum Geologist after completing a MSc at Monash University. Notably Tim has been instrumental in the development of the Gippsland Basin projects for Lakes including all technical aspects and regulatory interactions. Currently, Tim is Treasurer of the Vic/Tas branch of Petroleum Exploration Society of Australasia (PESA) having served as President for ten years.

Appendix

KEY RISKS

1. Company specific risks

a. Additional funding risk
LKO may need to raise additional funds in the future. There is no assurance that LKO will be able to secure additional funding, if required, whether by way of debt, equity or otherwise.
If LKO is able to secure additional funding there is no assurance that such funding will be on terms which are acceptable to LKO or its shareholders.
Additional equity funding will dilute the holdings of existing shareholders.

b. Development risk
LKO's major assets include the wholly-owned wells situated in the Wombat and Trifon/Gangell Gas Fields within PRL 2, and a royalty on net wellhead revenue from any future petroleum production in PEP 169. LKO also has a number of other assets which are described in this presentation, which may be developed in the medium to long term.
Each of these assets will require further development to be commercially exploitable and LKO can make no representations that such further development will be successful. Successful development of these assets is reliant, at least in part, on third parties performing necessary services, the support of state and federal governments and global economic conditions (each of which are discussed further in this Key Risks section). Further, the development and production of oil and gas projects may be subject to less than expected realised reserves or production, production stoppage, costs overruns, mechanical or technical failure, or other unforeseen events.
Even if LKO recovers commercial quantities of oil and gas, there is no guarantee that a profit can be generated.

c. Economic condition risk
Economic conditions, inflation rates, interest rates, currency exchange rates, government policy may have an adverse effect on the exploration, development and value of LKO's assets, and LKO's ability to finance its activities on its tenements. These factors, as well as investor sentiment may also impact the performance of LKO's securities on ASX or any other securities exchange where LKO's securities may be quoted from time to time.

d. Royalty risk
LKO's revenue from its wellhead royalty interest in PEP 169 is dependent on the production of petroleum from wells operated by third parties. Accordingly, the performance of the operator of the petroleum wells on PEP 169 from time to time, as well as the volume of petroleum production from these wells, economic conditions, operational disruptions, performance issues, regulatory constraints, and delays in development on PEP 169 will have a direct impact on the financial performance of LKO.
This may also have indirect impacts on LKO's development of its wholly-owned wells situated on PRL 2 given that it is the intention of LKO to attribute proceeds from its royalty over PEP 169 to the development of these projects.

KEY RISKS

1. Company specific risks

e. New opportunity risk
LKO may seek, or be approached to participate in, new business opportunities from time to time. While the directors of LKO will approach new opportunities with care and diligence, there is no guarantee that LKO will execute formal documentation in relation to any new opportunity on terms acceptable to LKO. If LKO is able to pursue a new opportunity there can be no assurance that such opportunity will be successful, and it is possible that LKO may divert cash or other resources from existing assets to the development of new opportunities, which may hinder the development of the existing assets.

f. Gas shortfall expectation
Part of LKO's internal financial modelling relies on an expectation that the company will secure gas sales contracts for up to 20PJ of gas sales per annum. There can be no assurance that LKO's expectations will prove to be correct.

g. Climate change risk
LKO recognises that climate change is a shared global challenge and that global and local policies in response to climate change may affect the Company.
LKO identifies climate change and climate change regulation as strategic risks that ultimately may affect LKO's future operating and financial performance.
These risks include, but are not limited to, unpredictable weather conditions which may have direct or indirect adverse impacts on LKO's operations (such as exploration, drilling or production), or customer markets, including capital markets.
LKO remains alert to scenarios around global megatrends impacted by climate change, such as globalisation, digitalisation and automation, and how these will impact the Company's future activities.

h. Litigation risk
As previously announced to the market, LKO has been the subject of two major pieces of litigation with respect to its drilling program at Wombat 5. As announced to the market on 9 June 2026, LKO has settled one of the two litigations, with one remaining outstanding for approximately $2.2m. LKO sought to resolve this second matter prior to the commencement of court proceedings and was not successful, the company is now preparing for court proceedings. There is a risk that judgement is made against LKO together with an order for costs. If that were to be the case, then LKO would need to source significant additional funds (whether through debt, equity, or the sale of assets) to meet such judgement, which it may not be able to source on favourable terms, or at all.

i. Exploration risk
Exploration is a speculative activity and carries a risk that it may not result in the discovery of oil and gas, or where there is a discovery, in commercial quantities. If LKO is unsuccessful in discovering and developing quantities of oil and gas that are commercially viable, it may have an adverse effect on the future business, operations, financial position, and value of LKO.
These factors, as well as investor sentiment may also impact the performance of LKO's securities on ASX or any other securities exchange where LKO's securities may be quoted from time to time.

KEY RISKS

1. Company specific risks

j. Rehabilitation risk
LKO will be liable for rehabilitation costs at each of its wells/sites. The Company will be required to place a remediation bond with the Victorian regulator to cover these abandonment costs. The regulator estimates the value of the bond should be 8 million dollars, with the assistance of external experts the Company believes the value of the bond should be no more than 2.6 million dollars.
The matter has been referred to the Supreme Court in Victoria, with the date for judicial review set for 25 May 2027. Rehabilitation works will not be undertaken in the near term, and the proceeds of the Offer will not be applied toward meeting the cost of these works.

k. Shareholder Approval Risk
The issue of Tranche 2 of the Placement, and the Attaching Options to participants in the Placement under the Placement Option Offer is subject to Shareholder Approval being obtained at an extraordinary general meeting of the Company expected to be held in early September 2026. There is a risk that Shareholder Approval may not be obtained. If Shareholder Approval is not obtained, the Tranche 2 Placement Shares and the Attaching Options relating to the Placement may not be issued until the Company has sufficient placement capacity under ASX Listing Rule 7.1 and participants in the Placement may not receive their Shares and Attaching Options to which they would otherwise have been entitled as planned, or at all. Participants in Tranche 1 of the Placement will still receive their Shares issued under the Placement regardless of whether Shareholder Approval for the Attaching Options is obtained.

KEY RISKS

2. Industry specific risks

a. Exploration company risk
As LKO is an exploration company, the market's perception of the value of its shares can alter significantly from time to time, causing fluctuations in LKO's share price. Fluctuations may also occur as a result of factors influencing the price of shares in exploration companies or share prices generally, as well as drilling activities by other parties in the same general region. The price of shares rises and falls and many factors affect the price of shares including local and international stock markets, movements in interest rates, economic and political conditions and investor and consumer sentiment. The stock markets generally remain volatile.
While LKO's exploration portfolio exhibits limited geological and geopolitical diversity (that is, the diversity of structures to be explored and political regimes within which operations are carried out), such diversity does not overcome all of the abovementioned risks. For example, some of LKO's South Australian interests are held in the form of licence applications which need to convert into exploration licences and then in due course production licences before petroleum can be produced, which carries with it various regulatory and process risks.

b. Operating risk
Industry operating risks include the risk of fire, explosions, blow-outs, equipment failures, pipe failure, contractor failure, loss of well, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures or discharges of toxic gasses, the occurrence of any of which could result in substantial losses to LKO due to injury or loss of life, severe damage to, or destruction of property, natural resources and equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation and penalties and suspension of operations. Damages occurring as a result of such risks may give rise to claims against LKO. The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and results of operations of LKO.

c. Government and regulatory risk
The impact of actions by governments, the ASX, ASIC or other regulatory bodies may affect LKO's operations including matters such as necessary approvals, land access, sovereign risk, additional or increased taxation or regulation, or royalties which are payable on the proceeds of the sale of any successful exploration. Further, the approval of contractual arrangements in relation to exploration permits as well as the renewal of exploration permits is each a matter of governmental discretion and no guarantee can be given in this regard.
A failure to obtain any approval would mean that the ability of LKO to participate in or develop any project may be limited or restricted either in part or absolutely. Such initiatives will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as LKO. Such further work may require LKO to meet or commit to financing obligations for which it may not have planned.
Industry profitability can be affected by changes in tax policies and the interpretation and application thereof.

KEY RISKS

2. Industry specific risks

d. Reserve and resource estimate risk
Hydrocarbon reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice of independent experts. In addition, such estimates are necessarily imprecise and depend to a significant extent on interpretations, which may prove inaccurate. The calculation of any possible volume of hydrocarbons in a prospect may be proved incorrect by future exploration, production, mapping and/or drilling activity. The Victorian Government's historic onshore exploration ban has delayed LKO's necessary exploration/appraisal work from being carried out to refine LKO's assessments of its potential Victorian petroleum resources.

e. Impairment of non-financial assets risk
LKO's assets are tested semi-annually for impairment in accordance with accounting standards to assess whether the carrying values may exceed recoverable amounts. An impairment loss may be triggered if capitalised exploration expenditure, evaluation and development costs do not meet the requirements under the accounting standards (AASB 6 - Exploration for and Evaluation of Mineral Resources).

f. Market demand and pricing risk
Investors should consider the impacts of supply and demand for commodities (especially oil and gas), fluctuations in the prices of those commodities, exchange rates, Australia's inflation rates, taxation laws and interest rates. All of these factors have a bearing on operating costs, potential revenue and share prices. Energy prices are volatile and cannot be controlled. Energy prices have fluctuated widely in recent years, and if the price of hydrocarbons falls significantly and remains depressed, this could affect the financial viability of any reserves discovered.

There is no assurance that, even if significant quantities of hydrocarbon products are discovered, a profitable market may exist for their sale. The marketability of hydrocarbons is also affected by numerous other factors beyond the control of LKO, including government regulations relating to royalties, allowable production and importing and exporting of oil and gas and petroleum products, the effect of which cannot be accurately predicted.

g. Environment risk
In relation to the exploration permits held by LKO, issues can arise from time to time with respect to abandonment costs, consequential clean-up costs and environmental concerns. LKO could become subject to liability if, for example, there is environmental pollution and consequential clean-up costs at a later point in time. It is not possible to quantify any such contingent liability or any changes to environmental legislation that could lead to future liabilities. Further, the law governing environmental protection is constantly evolving. Future laws and regulations may be more onerous, resulting in an increase to the costs of LKO's operations.

h. Personnel risk
LKO's success depends in part on the core competencies of the Directors and management and the ability of LKO to retain key personnel. Loss of key personnel could have an adverse impact on LKO's performance.

KEY RISKS

2. Industry specific risks

i. Native title risk
Native title rights could adversely impact on some of the Company's other operations. If the Company's ability to conduct future exploration and/or development and production activities is adversely affected, this may have a material adverse effect on the Company's performance and the price at which its shares are traded.

j. Industry nature risk
Oil and gas exploration activity, especially drilling, is considered by its nature to be high-risk and is affected by numerous factors. Where exploration is successful, drilling operations can be affected by breakdowns, adverse weather conditions, site and geographical conditions, operational risks, shortage or delays in the delivery of rigs and/or other equipment, industrial disputes, government regulations, environmental issues and unanticipated costs. Hazards incident to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures or other factors are inherent in drilling and operating wells and may be encountered by LKO. Exploration may be unsuccessful. Exploration may prove to be more costly than expected or the proposed timing of exploration may not be achieved, thus potentially putting strains on LKO's financial position.

k. Contractual dispute risk
Contractual disputes with joint venture partners, operators and contractors can arise from time to time. Some of LKO's projects are conducted as joint ventures. Where a venture partner does not satisfy its financial or other commitments or act in the best commercial interest of the project, it could have a material adverse effect on the interests of LKO. LKO is unable to predict the risk of financial failure, non-compliance with obligations or default by a participant in any venture to which it is, or may become, a party, or insolvency or managerial failure by any of contractors used by LKO in its exploration activities. Given that LKO has entered into joint venture, farmout agreements and royalty, the inability of those joint venturers, farminees and royalty payers to meet contracted obligations could adversely affect LKO's capacity to carry out its own activities.

KEY RISKS

3. General risks

a. Investment risk
Holders of shares have no right to a repayment of their investment. Investors should appreciate that an investment in shares carries risks. The shares may not be tradeable at, or above, their offer price, and liquidity may be thin. LKO's shares are not redeemable in any circumstance and, in the event of external administration or liquidation (i.e., insolvency), are likely to be of minimal value.

b. Investing in securities and market conditions
Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

1. general economic outlook;
2. interest rates and inflation rates;
3. changes in investor sentiment toward particular market sectors;
4. the demand for, and supply of, capital; and
5. terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for securities in general and resource exploration securities in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

c. Epidemic or other global risk
LKO's operations are dependent upon the availability of suitable qualified and experienced personnel and equipment, such as drilling rigs.
Local or widespread epidemics (pandemics) or conflict can adversely impact the availability of, or ability to mobilise, personnel and equipment.

d. Competition risks
The industry in which LKO operates is subject to domestic and global competition. Although LKO will undertake all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the projects and business of LKO.
LKO's competitiveness on the domestic and global scale may be further impacted by government policy (both foreign and domestic) on matters such as energy, climate change, environment. Any tariffs imposed on the import and export of oil and gas may also impact LKO's overall competitiveness.

e. Bushfire risk
LKO's operations may be carried out in bush fire prone areas. This can require special measures to be taken when performing, or impact the timing of, LKO's field activities. Alternatively, the outbreak of bushfire may mean activities have to be suspended and additional costs (such as stand-by or replacement costs) incurred.

f. Changes to Regulation
Changes in relevant legal and administration regimes, accounting practices and government policies may adversely affect the financial performance of the Company.

KEY RISKS

3. General risks

g. Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of receiving New Shares or receiving Attaching Options under this Prospectus.

h. Integration risk

The Company may pursue mergers and acquisitions, or enter into strategic partnerships, in order to realise benefits including complementary revenue streams and future platforms for growth. The identification, evaluation and negotiation of these opportunities may require significant time and effort from key management and employees and may result in disruptions to the business.
There is also a risk that the Company is unsuccessful in integrating new businesses or assets into its existing operations in a timely manner, or that the new business or assets do not result in the benefits anticipated. This may include the potential challenges in integrating various operations as a result of different practices and processes being employed. The Company cannot guarantee that every acquisition or partnership that it makes or enters into will result in favourable outcomes for the business. The Company may also implement aspects of the acquired business or products to enhance its existing business.

There is also a risk that the process of integrating new businesses requires significantly more financial and management resources, or time to complete, than originally planned. This may occur due to a variety of factors, including poor market conditions, poor integration of staff, staff losses, customers losses, technology impacts or other integration barriers.

i. Further risks

The current and future operations of the Company, including exploration, appraisal and production activities, may be affected by a range of factors, including:

- Unanticipated operational and technical difficulties;
- Mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;
- Unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and
- Uninsured losses or liabilities.

LKO will seek to mitigate these risks to the extent it is possible. However, there is no guarantee that all risks posed can be avoided

SUMMARY OF LKO'S PROSPECTIVE AND CONTINGENT RESOURCES

Location	Licence	Interest (%)	Prospect	Petroleum fluid/ Units	Resource type	Low Estimate	Best Estimate	High Estimate	COS
Otway	PRL 249	50.0	Nangwarry	CO_2 (Bcf)	Contingent	4.5	12.9	32.2	
Otway	PEP 175	100.0	Portland	Gas (Bcf)	Prospective	3,943	11,469	25,477	0.15
Gippsland	PRL 2	100.0	Wombat field	Gas (Bcf)	Contingent	258.0	329.0	628.0	
Gippsland	PRL 2 (Trifon)	100.0	Trifon	Gas (Bcf)	Contingent	126	390	526	
Gippsland	PRL 2	100.0	Baragwanath	Gas (Bcf)	Prospective	156	701	2,523	0.45

Notes: COS = Chance of Success

Wombat, Trifon-Gangell and Baragwanath Gas Fields
Source of Contingent Resources estimate: "Technical GIIP and EUR Estimate Update Post Wombat #4: Wombat Field", June 2010, Gaffney, Cline and Associates.
Source of Wombat-5 gas production potential: "Production Forecast for the Proposed Lakes Oil Wombat 5", September 2013, Stimulation Petrophysics Consulting LLC. Subject to a 12% royalty.

Portland Energy Project
From "Estimated Unconventional Gas Potential for a Defined Prospect Area in PEP 175, Otway Basin, Victoria", May 2015, SRK Consulting (Australasia) Pty Ltd. Subject to a 12% royalty.

Nangwarry CO_2 Project
Contingent Resource Estimation, ERCE Equipoise Pte. Ltd 2021 – ASX Announcement 12 July 2021.

Cautionary Statement
The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.