# Lakes Blue Energy NL

## Quarterly Activities Report
## 30 June 2026

ABN 62 004 247 214

### *Directors*

**Nicholas Mather B.Sc (Hons. Geology), MAusIMM**
**Boyd White B.Bus, MBA** (resigned 29 July 2026)
**Richard Ash BEc, CA**
**Hugh Robertson** (appointed 29 July 2026)

### *Company Secretary*

**Elissa Hansen B.Com, Grad Dip Applied CorpGov, GAICD, FGIA**

### *Chief Executive Officer*

**Richard Ash BEc. CA**

### *EGM Operations & Technical*

**Michael McGowan CEng**

### *Registered Office*

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**Millers Point**
**NSW, 2000**

### *Address for Correspondence*

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**Collins Street West**
**Victoria, 8007**

*Telephone:* **(03) 9629 1566**
*Website:* **www.lakesblueenergy.com.au**

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### *Stock Exchange*

**Australian Securities Exchange Limited**
**Level 4, North Tower Rialto**
**525 Collins Street**
**Melbourne, Victoria 3000**
**ASX code: LKO**

### *Auditors*

**William Buck**
**Level 20**
**181 William Street**
**Melbourne, Victoria 3000**

### *Share Registry*

**BoardRoom Pty Limited**
**Level 8, 210 George Street**
**Sydney NSW 2000**

*Lakes Blue Energy NL is a no-liability company incorporated in Australia. Unless otherwise stated references to "Lakes" or "the Company" or "the Group" refer to Lakes Blue Energy NL and its controlled entities as a whole. Lakes operates a web site which Directors encourage you to access for the most recent company information.*

# Quarterly Activities Report

## For the period ended 30 June 2026

### Key Highlights:

- **Wombat-5 production testing advanced through initial flow, clean-up and fluid recovery into pressure build-up analysis, identifying a clear pathway for the next phase of well optimisation.**
- **Production testing progressed in line with the staged program, with pressure build-up complete and additional enhancement activities, including a workover and propellant enhanced perforation program planned.**
- **Gas shows observed during drilling from all three principal gas sand packages, confirming contribution from all zones and supporting progression toward the next phase of testing and well optimisation.**
- **Subject to regulatory approval, perforation, stimulation and flow testing are scheduled to commence in September 2026.**
- **Continued advancement of the Portland Energy Project toward planned drilling in H1 2027, subject to regulatory approvals.**
- **Ongoing evaluation of the Nangwarry $CO_2$ Project with an updated feasibility study for 100 tonnes per day project supporting continued commercial evaluation.**
- **Subsequent to quarter end, Lakes released a commercial update outlining the potential strategic role of the Wombat Gas Project in supporting Victoria's future energy security.**

**Lakes Blue Energy NL (ASX: LKO, Lakes)** is pleased to report on its activities during the quarter ended 30 June 2026, including the progression of production testing at the Company's wholly owned Wombat Gas Field and ongoing advancement of its broader onshore gas portfolio.

# Lakes Blue Energy Tenement Holdings and Potential Resources[1]

| Location | Licence | Interest (%) | Prospect | Petroleum fluid/ Units | Resource type | Low Estimate | Best Estimate | High Estimate | Chance of Success |
|---|---|---|---|---|---|---|---|---|---|
| Gippsland | PRL 2 | 100.0 | Wombat | Gas (Bcf) | Contingent | 258.0 | 329.0 | 628.0 | |
| Gippsland | PRL 2 | 100.0 | Trifon | Gas (Bcf) | Contingent | 126 | 390 | 526 | |
| Gippsland | PRL 2 | 100.0 | Baragwanath | Gas (Bcf) | Prospective | 156 | 701 | 2,523 | 0.15 |
| Otway | PRL 249 | 50.0 | Nangwarry | Gas (Bcf) | Contingent | 4.5 | 12.9 | 32.2 | |
| Otway | PEP 167 & 175 | 100.0 | Portland | Gas (Bcf) | Prospective | 3,943 | 11,469 | 25,477 | 0.15 |
| *Otway | PEP 169 | 100.0 | Multiple | Gas | Royalty | | ~4% | | |
| Arrowie | PELA's | 100.0 | Multiple | Oil/Gas/Helium | Royalty | | 2.5-3.5% | | |

*Subject to Lakes Royalty Trust interests of 10%

[1] *Refer to Notes section at the end of this report for sources, resource definitions and disclaimers.*

# OPERATIONS

## PRL 2 Wombat Gas Project – Gippsland Basin, Victoria

The June 2026 quarter marked continued progression and completion of production testing activities at the Wombat-5 appraisal well, following the transition from drilling and completion last year.

Production testing commenced in January 2026 and until May 2026, with operations focused on assessing gas deliverability, pressure behaviour and reservoir characteristics across the three principal gas sand packages intersected by the well.

During testing in the March 2026 quarter, gas was observed to surface via the flare stack throughout the nitrogen-assisted clean-up operations, which confirms and supports the presence of gas as recorded during drilling operations. Pressure build-up analysis completed during the quarter provided additional information on reservoir behaviour and informed planning for the next phase of testing.

As at the date of this report, the Wombat-5 well is suspended with a wireline bridge plug placed in the well at 1,100 metres and inhibited brine placed from the top of the plug to surface.

Subject to regulatory approval, the Company intends to undertake a propellent enhanced perforation program, to improve connectivity between the reservoir and the wellbore. Details of this were provided to the market on 9 June 2026.

Subsequent to quarter end, the Company released a commercial update outlining the potential strategic role of the Wombat Gas Project in supporting Victoria's future domestic gas supply and energy security. The announcement also included the results of a conceptual development assessment based on the Company's existing contingent resources, providing additional context regarding the potential commercial opportunity associated with the project.

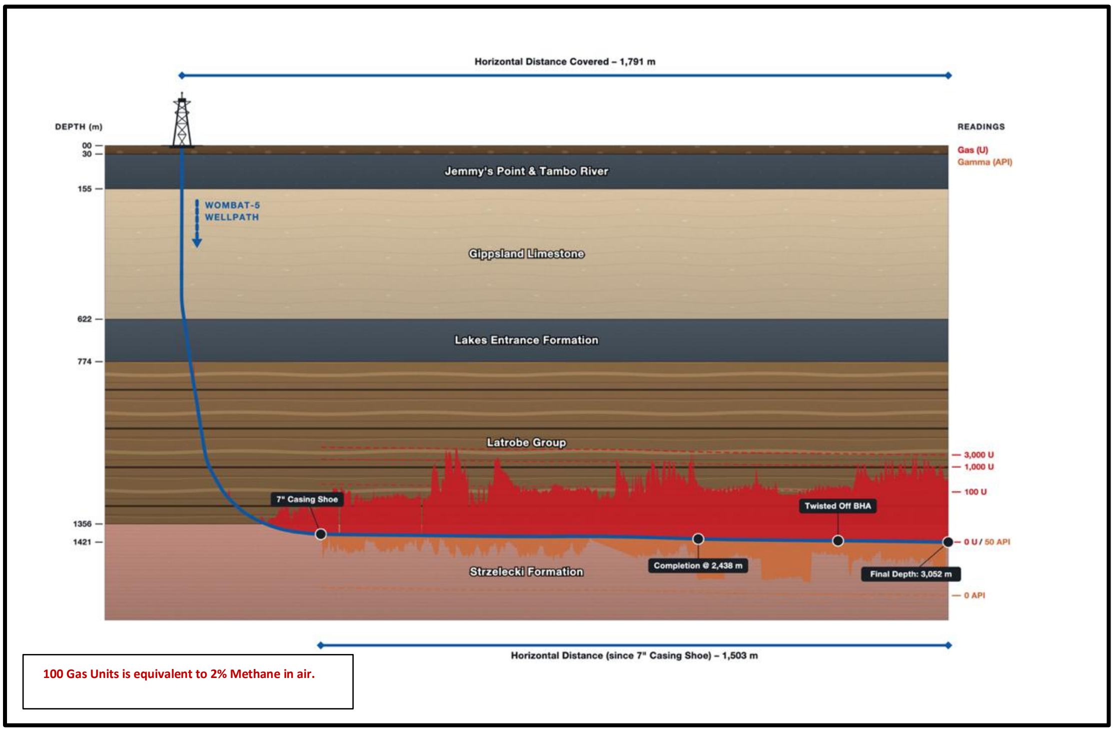


*Figure 1: Schematic cross-section showing the Wombat-5 well path and significant gas shows to be evaluated during the production testing operations.*

*Figure 2: Gas flare from Wombat-5, 3 February 2026*

## Portland Energy Project (PEP 175 & PEP 167) – Otway Basin, Victoria

Lakes Blue Energy holds a 100% interest and operatorship in the Portland Energy Project, located in the onshore Otway Basin of south-west Victoria. The project is one of the largest undeveloped onshore gas systems within Victoria, targeting the Eumeralla Formation, which which independent consultant SRK Consulting (Australasia) has assessed as containing a significant prospective recoverable gas resource.

The project incorporates a number of prospective targets across the two permits, PEP 175 and PEP 167. The primary focus to date has been on the Eurmeralla Formation, which is prospective for unconventional gas development, with additional opportunities also identified within the Waarre Sandstone Formation, a conventional oil and gas reservoir.

During the quarter, the Company continued to progress prospect development activities in support of a 2027 drilling program. The Company has outlined a potential drilling program at Portland designed to evaluate the mobility and deliverability of gas within the permits. The Company is currently reprocessing some of the 2D seismic lines over the potential drilling prospects to further refine the well locations.

The Company is advancing staged planning for proof-of-concept drilling, with up to two wells planned for the first half of the 2027 calendar year, subject to regulatory approvals and portfolio prioritisation. The timing and scope of any drilling activity will be informed by regulatory outcomes, technical considerations and drilling rig availability.

The Portland Energy Project remains a key longer-term growth opportunity within the Company's Victorian onshore gas portfolio, providing exposure to a large, under-explored gas system. Independent consultant SRK Consulting (Australasia) has assessed the project as containing approximately 50 Tcf of gas in place (P50), the majority of which is associated with the Eumeralla tight gas play, together with conventional reservoirs opportunities. The associated P50 recoverable gas resources is independently estimated to be approximately 11 Tcf of gas.

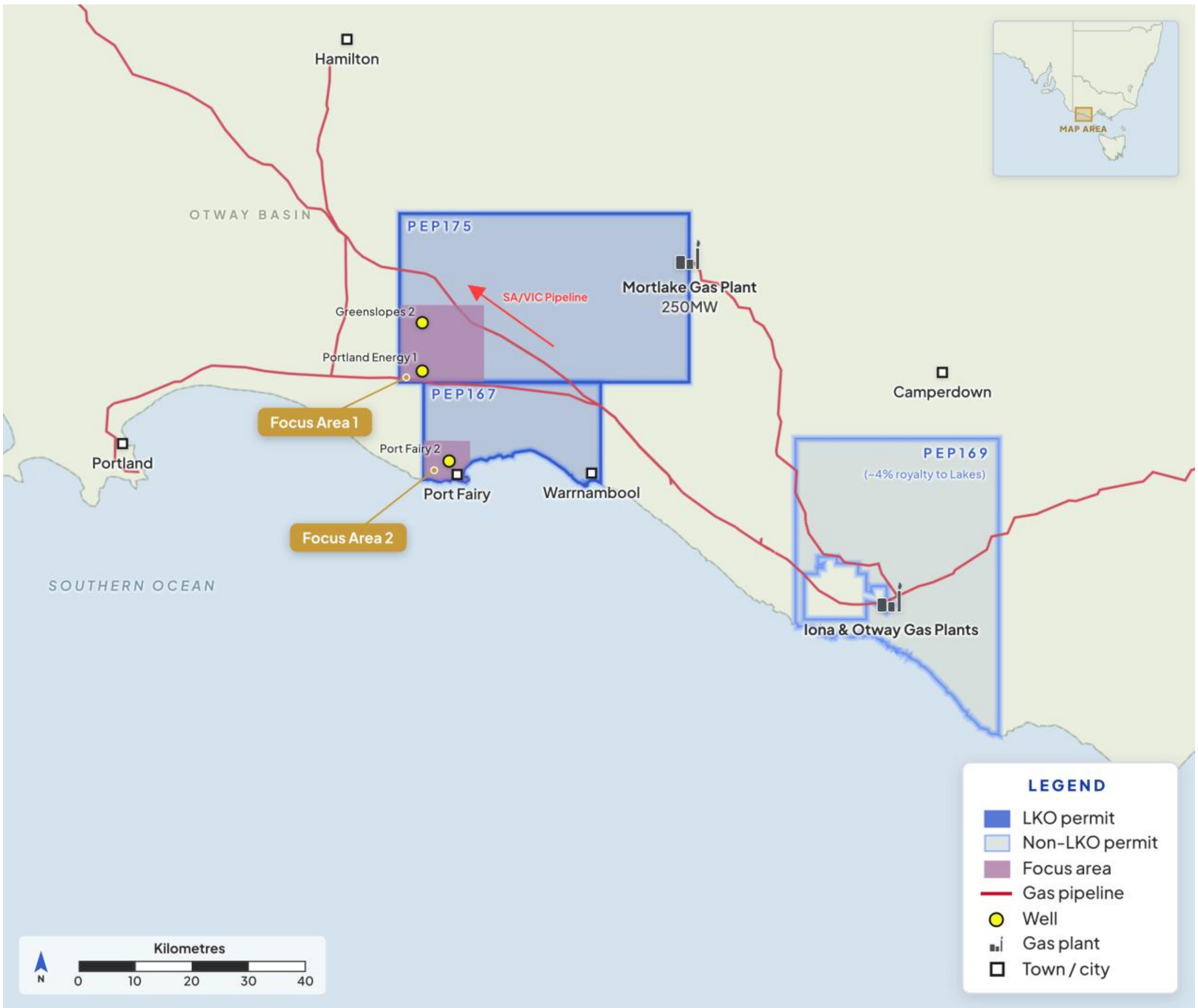


*Figure 3: Location of Portland Energy Project, Otway Basin*

## Nangwarry $CO_2$ Project – Otway Basin, South Australia

The Nangwarry $CO_2$ Project remains an important part of Lakes Blue Energy's broader portfolio of onshore gas and industrial gas opportunities, providing exposure to a naturally occurring, high-purity $CO_2$ resource within the onshore Otway Basin.

During the quarter, the Company conducted further feasibility study on a 100T/day plant to bring down OPEX and CAPEX costs for the project and improve the projects commerciality. Initial results, together with discussions with the South Australian Government, were sufficiently encouraging to support continued commercial evaluation of the project as a longer-term opportunity. Importantly Nangwarry's industrial gas focus offers exposure to markets distinct from the Company's Victorian natural gas assets. Lakes intends to advance its progression in appropriate alignment with the outcomes of ongoing studies and broader portfolio priorities.

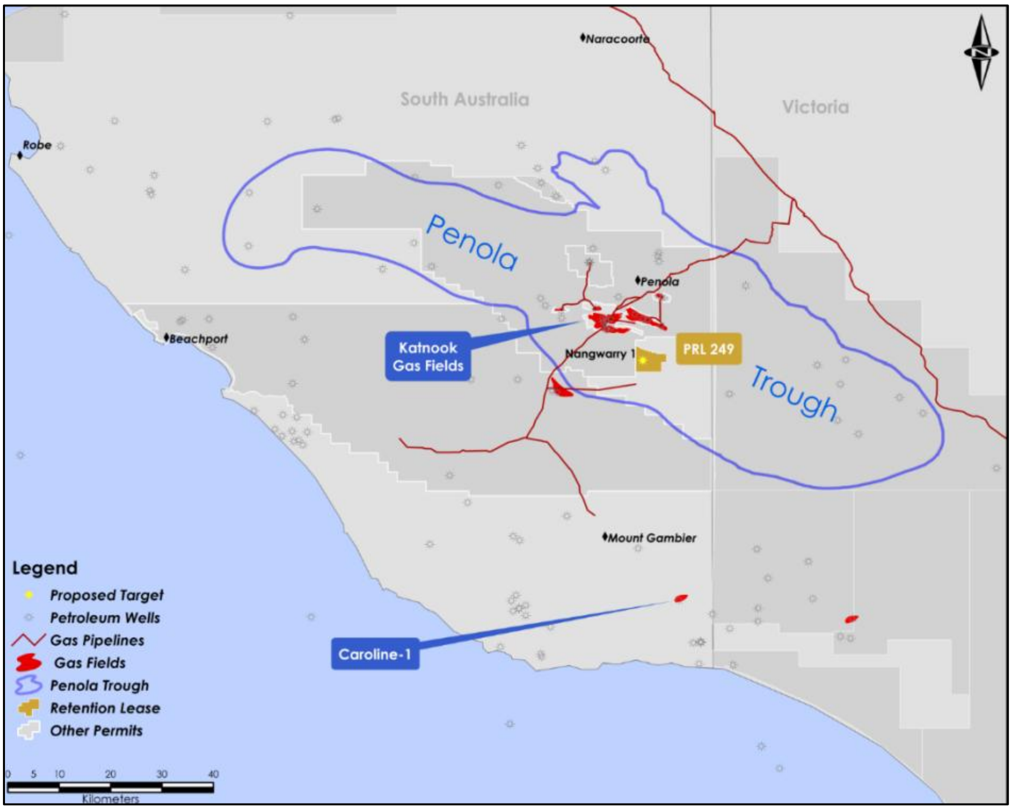


*Figure 4: Location map of Nangwarry $CO_2$ Field*

# CORPORATE

## Financial Summary

During the quarter $3.45m was expended on operating activities, including $2.61m on exploration and evaluation. Staff costs increased by 88% to $0.48m reflecting increased headcount to support the Company's strategic objectives and operational execution. The cash balance at the end of the quarter was $0.50m. During the quarter, $110k was paid to Directors, and all related to remuneration for services under existing agreements.

On 29 July 2026, the Company announced a capital raise of $8.7m comprising of a Placement of $4.00 million and a partially underwritten entitlement offer of $4.7 million. Please refer to the announcement of 29 July 2026, for the offer details, the Placement presentation and the Prospectus for the entitlement offer.

At the end of the Quarter, Mr Roland Sleeman retired from the Board of the Company after a decade with Lakes's including roles as Chair and CEO. The Board thanks Mr Sleeman for his efforts.

Subsequent to the end of the Quarter, on 29 July 2026, Mr Hugh Walter Robertson was appointed as a non-executive Director and Mr Boyd White resigned from the Board to pursue personal interests in the green energy space. The Board thanks Mr. White for his contribution to the Company and wishes him well in his future endeavours.

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

*For enquiries regarding this release please contact:*

**Richard Ash**
**Executive Director and CEO**
**Tel: +61 3 9629 1566**

**NOTES**

**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.

**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.

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

**Definitions**
1 TJ per day is a Terajoule or 1000 GJ (giga joules) per day. A giga joule is the basis for quoted gas prices which typically range from $12/ GJ (contract) to $20/GJ on the recent spot market in Victoria. 1 million cubic feet Is equal to 1GJ, and 1,000 Terajoules and 1,000,000GJ Is equal to a Petajoule or 1 PJ.

**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 moveable hydrocarbons.

**Royalties**
Any future production of hydrocarbons will be subject to both State Royalties (currently 10%) and in the case of the Victorian assets the Lakes Royalty Trust arrangements. Under those arrangements an over riding royalty of 10% is payable to third party investor.

# Appendix 5B

# Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Name of entity | |
|---|---|
| LAKES BLUE ENERGY NL | |
| **ABN** | **Quarter ended ("current quarter")** |
| 62 004 247 214 | 30 June 2026 |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (12 months) $A'000 |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (2,607) | (11,432) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (484) | (1,300) |
| | (e) administration and corporate costs | (513) | (1,745) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 36 | 44 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (GST refunds, other income) | 119 | 1,452 |
| **1.9** | **Net cash from / (used in) operating activities** | **(3,449)** | **(12,981)** |

| | | | |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) exploration & evaluation | - | - |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (12 months) $A'000** |
|---|---|---|---|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | 350 |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (deposits paid for rehabilitation bonds) | - | (899) |
| **2.6** | **Net cash from / (used in) investing activities** | **-** | **(549)** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 12,298 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | (893) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other | - | - |
| **3.10** | **Net cash from / (used in) financing activities** | **-** | **11,405** |

| | | | |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 3,953 | 2,629 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (3,449) | (12,981) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | (549) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 11,405 |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (12 months) $A'000 |
|---|---|---|---|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| **4.6** | **Cash and cash equivalents at end of period** | **504** | **504** |

| **5.** | **Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | **Current quarter $A'000** | **Previous quarter $A'000** |
|---|---|---|---|
| 5.1 | Bank balances | 433 | 3,882 |
| 5.2 | Call deposits | 71 | 71 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (restricted or funds held in escrow) | - | - |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **504** | **3,953** |

| **6.** | **Payments to related parties of the entity and their associates** | **Current quarter $A'000** |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 110 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 7.1 | Loan facilities | - | - |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (loan from related party and unrelated entity) | - | - |
| 7.4 | **Total financing facilities** | - | - |
| 7.5 | **Unused financing facilities available at quarter end** | | - |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| | N/A | | |

| 8. | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (3,449) |
| 8.2 | Payments for exploration & evaluation classified as investing activities (item 2.1(d)) | - |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (3,449) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 504 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 504 |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)** | 0.15 |

*Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.*

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. As announced on 29 July 2026, Lakes Blue Energy has successfully completed a $4.0 million placement, and launched a partially underwritten entitlement offer of $4.7 million.

| | |
|---|---|
| 8.8.3 | Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? |
| Answer: | Yes. Following completion of the $4.0 million placement and the launch of the partially underwritten $4.7 million entitlement offer announced on 29 July 2026, the Company expects to have sufficient funds to continue its operations and meet its business objectives. |

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2026

Authorised by: The Board of Directors

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.