

10 January 2022

**ASX Release
Capital Raising Initiated**

Highlights

- *Full-form Prospectus lodged with ASIC and ASX on 7 January 2022*
- *General public and Institutional offers to be made for shares at an issue price of \$0.0008 per share*
- *Offers to open **14 January 2022** and close **24 January 2022***
- *Maximum of \$4.342m to be raised, with \$2.404m assured through advance subscription commitments of \$0.800m and underwriting of \$1.604m*
- *Together with \$1.146m of share placements already completed, Lakes Blue Energy is assured of raising \$3.550m in satisfaction of ASX specified condition for resumption of trading of the Company's shares*

The Directors of Lakes Blue Energy NL (the **Company**; ASX:LKO) are pleased to advise that the Company lodged a full-form Prospectus with the Australian Securities and Investment Corporation (**ASIC**) and the Australian Stock Exchange (**ASX**) on 7 January 2022. A copy of the Chairman's letter, as incorporated in the Prospectus, is attached for information of prospective investors.

Issue of a full-form Prospectus, incorporating the independent financial, resource and tenement reports, was a one of three key requirements of the ASX for resumption of trading of the Company's shares.

The Prospectus provides for both general public and institutional offers of shares at an issue price of \$0.0008 (0.08 cent) per share to raise up to a maximum of \$4,341,810 (before costs).

Importantly, the Prospectus is underwritten to the amount of \$1,604,000 by Bizzell Capital Partners Pty Ltd, with the underwriting being in addition to firm advance subscription commitment of \$800,000.

Together with \$1,146,000 of firm commitments received by the Company, the advance subscription and the underwriting commitment will ensure that an overall minimum of \$3.55m is raised by the Company. This will satisfy a second key ASX specified condition for resumption of trading of the Company's shares.

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It should be noted that all funds to be raised under the Prospectus or through the advance placements will be held in escrow pending receipt of ASX confirmation that trading of the Company's shares can resume.

The Prospectus is subject to a seven day exposure period following which the offers will open on **14 January 2022**. Once open, investors will be able to apply for shares under the Offer at <https://lakesblueenergyshareoffer.thereachagency.com>. The Offer will close on 24 January 2022. The tight offer timetable is necessary to ensure that the Prospectus offer will close, and offer results announced, prior to 1 February 2022 deadline for satisfaction of the ASX conditions for resumption of trading of the Company's shares.

Should the offers be oversubscribed, priority of allocation of new shares will be afforded to existing shareholders.

As announced on 5 January 2022, the third of the ASX's key conditions for resumption of trading of the Company's shares, namely commencement of site works for drilling of the Wellesely-2 well in Queensland, has already been satisfied.

This announcement has been authorised and approved by the Board of Lakes Blue Energy NL for lodgement with ASX.

For more information, please contact:

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Dear Investor,

On behalf of the Board, I am delighted to offer you the opportunity to participate in this capital raising initiative and, subsequently, in reinvention of Lakes Blue Energy NL (Lakes or the Company).

Lakes is at a water-shed in terms of its development. Having endured eight tough years, during which onshore exploration in Victoria was banned, the Company is now poised to drill the Wellesley-2 well in Queensland and to see a reinstatement of the Company's shares to official quotation on the ASX platform.

The Company's vision, subject to drilling success at Wellesley, is to use revenue from Wellesley to fund commercialisation of the Wombat field in Victoria and, then, to explore further income generating opportunities in Victoria and PNG, and to participate in new, sustainable energy initiatives to help meet the nation's changing energy environment.

Through this Prospectus, Lakes is inviting investors to subscribe for Shares at an Offer Price of \$0.0008 per new Share.

The Company already has firm commitments from investors to raise \$1.146m, by way of the issue of 1,423,500,000 Shares at \$0.0008 per Share, subject to receipt of ASX approval for the resumption of trading of the Company's Shares. These firm advance commitments, together with the \$1.604m underwriting of this Offer, mean that the Company is assured of raising the \$3.550m Minimum Subscription required to satisfy ASX requirements for reinstatement of trading.

The funds raised by the Offer will be used to:

- fund drilling of the Wellesley-2 well, within the Roma Shelf Project in Queensland;
- fund preparation works for resumption of exploration within Victoria;
- meet ongoing corporate costs and for working capital; and
- meet the costs of the Offer.

On the basis of the above the Company has been formally advised by the ASX that the Company's Shares will be reinstated to official quotation, subject to the satisfaction of certain conditions.

This Prospectus contains detailed information about Lakes' operations, financial performance, experienced management team and future plans. It also outlines the potential risks associated with the Offer and investment in Lakes. I encourage you to read this Prospectus carefully before making your investment decision, noting that investors should regard an investment in Lakes as speculative and a long-term proposition.

Investors should be aware that the Company will, in the near-term, be implementing a program to 'mop-up' unmarketable parcels of Shares. Over 50% of the Company's Shareholders hold parcels of shares with a value less than \$500. While such parcels are not marketable on the ASX platform, the Company incurs considerable costs in their administration and management. The Company will therefore, in accordance with its Constitution, be taking action to liquidate these shareholdings. I encourage all shareholders, especially those with unmarketable parcels, to take this opportunity to apply for sufficient New Shares under the Offer to ensure they have marketable parcels and, therefore, participate in the Company's promising future.

On behalf of the Board, I look forward to the ongoing support of existing and new Shareholders and to successful pursuit of the Company's present transformational opportunity.

Yours sincerely

A handwritten signature in black ink, appearing to read "Richard Ash".

Richard Ash
Chairman, Lakes Blue Energy NL

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