

13 January 2022

Dear Shareholder,

I am writing to you as a shareholder of Lakes Blue Energy NL (**Lakes** or the **Company**) to firstly thank you for your patience to date and secondly to ensure you are aware of the opportunity to subscribe for additional shares at a discounted price, and to participate in the upside that may be realised from the Company's initiatives.

Lakes has reached agreement with the Australian Stock Exchange (**ASX**) for the resumption of trading of the Company's shares subject to the satisfaction of certain conditions. The Company's ASX release of 10 January provides an update of those matters. The Company has released a Prospectus to raise additional capital at \$0.0008 per share, a 20% discount to the minimum trade price allowable on the ASX.

The Prospectus outlines initiatives to develop the Company's portfolio of quality projects including, in the short term, drilling of the Wellesley-2 well in Queensland and monetisation of the opportunity at Nangwarry in South Australia. The Company's vision is to use proceeds from these projects to fund commercialisation of the Wombat field in Victoria, where exploration activity is once again allowed.

In addition, there is potential, with further capital support, for significant oil and gas discoveries and future production from the Buna Project in PNG and the Arrowie Basin oil project in SA. The upside potential from these projects is significant and together with the Victorian Gas projects in the Gippsland Basin at Wombat Trifon and Gangel and the Portland Energy project in SA, provide the potential to re-rate Lakes into a significant petroleum production company.

All of these plans and initiatives, along with details of Lakes' financial performance and management team, are set out in the Prospectus, a copy of which is available at <https://www.lakesblueenergy.com.au>. The Prospectus also sets out how applications for new shares can be made, with an online option being available at <https://lakesblueenergyshareoffer.thereachagency.com>, when the Offer opens on **14 January 2022**. Please note the Offer closes on **24 January 2022**. I encourage you to read the Prospectus carefully before making an investment decision noting that, despite the Board's confidence that its vision will be realised, an investment in Lakes is nonetheless speculative and a long-term proposition.

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

Yours sincerely

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

Richard Ash
Chairman, Lakes Blue Energy NL

Lakes Blue Energy N.L. ACN: 004 247 214

Level 3, 35 Lime Street, Sydney, New South Wales, Australia, 2000

T: +61 3 9629 1566 W: <https://lakesblueenergy.com.au>

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Dear Shareholder,

As you may be aware Lakes Blue Energy NL (**Lakes** or the **Company**) has been very active in recent months and is on the verge of having its shares reinstated to trading on the Australian Stock Exchange (**ASX**). As a key step both toward reinstatement and to fund exploration activity, on 7 January the Company released a Prospectus to raise capital at a share price of \$0.0008 (a 20% discount to the minimum possible sale price on the ASX) (Offer). A copy of the Prospectus will be available at <https://www.lakesblueenergy.com.au>.

Whilst the board is very excited by the opportunities being pursued by the Company, we note that your shareholding in the Company is presently unmarketable, meaning its value is below the ASX's minimum \$500 threshold. The present Prospectus offer provides an opportunity for shareholders such as yourself to increase their shareholding on very attractive terms. I encourage you to take this opportunity to apply for sufficient shares under the Offer, to ensure you have a marketable parcel and so that you may continue to participate in the Company's promising future.

The Prospectus outlines initiatives to develop the Company's portfolio of quality projects including, in the short term, drilling of the Wellesley-2 well in Queensland and monetisation of the opportunity at Nangwarry in South Australia. The Company's vision is to use proceeds from these projects to fund commercialisation of the Wombat field in Victoria, where exploration activity is once again allowed.

Given the timing requirements to satisfy the ASX conditions for resumption of trading of the Company's shares, the Offers under the Prospectus will only be open until **24 January 2022**; hence the need to alert you of this opportunity. Go to <https://lakesblueenergyshareoffer.thereachagency.com> to apply for shares online **from 14 January 2022**.

I encourage you to read the Prospectus carefully before making an investment decision noting that, despite the Board's confidence that its vision will be realised, an investment in Lakes is nonetheless speculative and a long-term proposition.

On behalf of the Board, I look forward to your continued ongoing support and delivering the opportunities available to the Company.

Yours sincerely

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

Richard Ash
Chairman, Lakes Blue Energy NL

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