



Lakes Blue Energy (ASX : LKO)

ASX Announcement

25 March 2022

Annual General Meeting

Chairman's Address and CEO Presentation

I think we can all agree that this is an exciting time to be a Lakes Blue Energy NL's (**Lakes**, or the **Company**; ASX:LKO) shareholder. In the last 12 months we have achieved a significant amount. The most significant of which is the re listing of Lakes earlier this year.

I would like to thank you, our shareholders and those new shareholders who joined us during the last fund raising, for your patience and support. We are aware for those of you that have been with us for some time that this has been a difficult period. We are aware that many of you have sent messages of support, either to us directly or on various forums and chat rooms, and we thank you for your faith and belief in the opportunity that Lakes offers its supporters.

I would also like to thank those who made a substantial contribution to the re-listing of Lakes in particular, CEO Roland Sleeman, Chief Operating Officer Tim O'Brien and our Company Secretary Elissa Hansen. In addition, I would also like to thank Nick Mather and the team at DGR for their support during the fund raising, as well as our underwriters for their continued belief in the Company. The above team and I spent hundreds of hours in planning the application to the Australian Stock Exchange (ASX), agreeing a plan with them, and then implementing that agreed plan. It was a significant task that dominated nine months.

The plan was required to meet two criteria for the Company to be re-quoted on the Stock Exchange, being ASX Listing Rule 12.1, Level of Operations and ASX Listing Rule 12.2, Financial Condition. The need to meet these two listing rules drove the fund raising, which was oversubscribed at \$5.3 million (against an ASX requirement of \$3.55 million) and drilling of the Wellesley-2 well. Drilling Wellesley-2 was a condition of re-listing as the ASX would not accept the previous work undertaken at Nangwarry, nor the future drilling of the Victorian assets, as the earliest possible drill date was the second half of this calendar year. While Wellesley-2 failed to discover gas, it confirmed the old adage that 'there is no such thing as an unsuccessful well'. It confirmed the presence of the target formation, albeit the silted sand channel banks expected to be present as charged reservoir, and the potential for future

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success. We will revisit Queensland after pursuit of our more significant Victorian opportunities.

The main game for Lakes has always been the development of its Victorian assets. After what has been a tortuous ten-year journey (not including the part where the Company was actually allowed to be active!) the Victorian government has seen reason and lifted its drilling ban. Unfortunately, the drilling approvals that were all but finalised in the lead up to 2013 require considerable reworking to fit with Government's new regulatory regime. We are pleased to advise however, that Lakes should be able to drill its first well at Wombat around the middle of 2022, regulatory processes permitting. Roland Sleeman will go into greater detail on the scale of this opportunity during his presentation, but it is fair to say that it is a company maker.

Beyond Victoria, the Company has a significant portfolio of quality assets, details of which have been provided to you in our annual reports and will be touched on by Roland Sleeman in his presentation. We have continued to make progress with all these assets in the last 12 months and, subject to the success of Wombat, the Company should be able to fund the exploration and development of these opportunities.

The board and senior management remain very excited about the opportunities that Lakes has, and we refer you to two pieces of independent research, Research As A Service and Lodge Partners, for their analyses of the significant upside shareholders could participate in with the development of the Lakes' portfolio. Both those pieces of research are available on the Company's web site. Whilst the last few years have been difficult there is no doubt the next few years have the possibility of generating significant value and significant multiples to the current share price. As we have noted at previous meetings the senior management and board are significant shareholders and closely aligned to you in this regard.

For further information contact:

Chairman, Richard Ash
lakes@lakesoil.net.au

CEO, Director, Roland Sleeman
Roland.sleemand@lakesoil.com.au

Executives:

Tim O'Brien - Chief Operating Officer
Elissa Hansen - Company Secretary

Directors:

Nick Mather - Non-executive Director

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Lakes Blue Energy

Presentation to Annual General Meeting

Roland Sleeman, CEO

25 March 2022

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This presentation has been prepared by Lakes Blue Energy ('Lakes Blue Energy NL' or 'Company'). By accessing this presentation you acknowledge that you have read and understood the following statement.

Cautionary Statement

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 moveable hydrocarbons.

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Year in Review



2020 AGM
(23 March 2021)

Corporate changes:
Sydney base

ASX sets out
conditions for
resumption of
trading of LKO
shares

Full-form
'Replacement
Prospectus';
\$5.5m raised;
+ \$1.6m committed

Wellesley-2 well
drilled in
Queensland

Nangwarry
extended
production testing:
Resource upgrade

Victorian
exploration ban
lifted
1 July 2021

Wellesley-2
earthworks
commenced

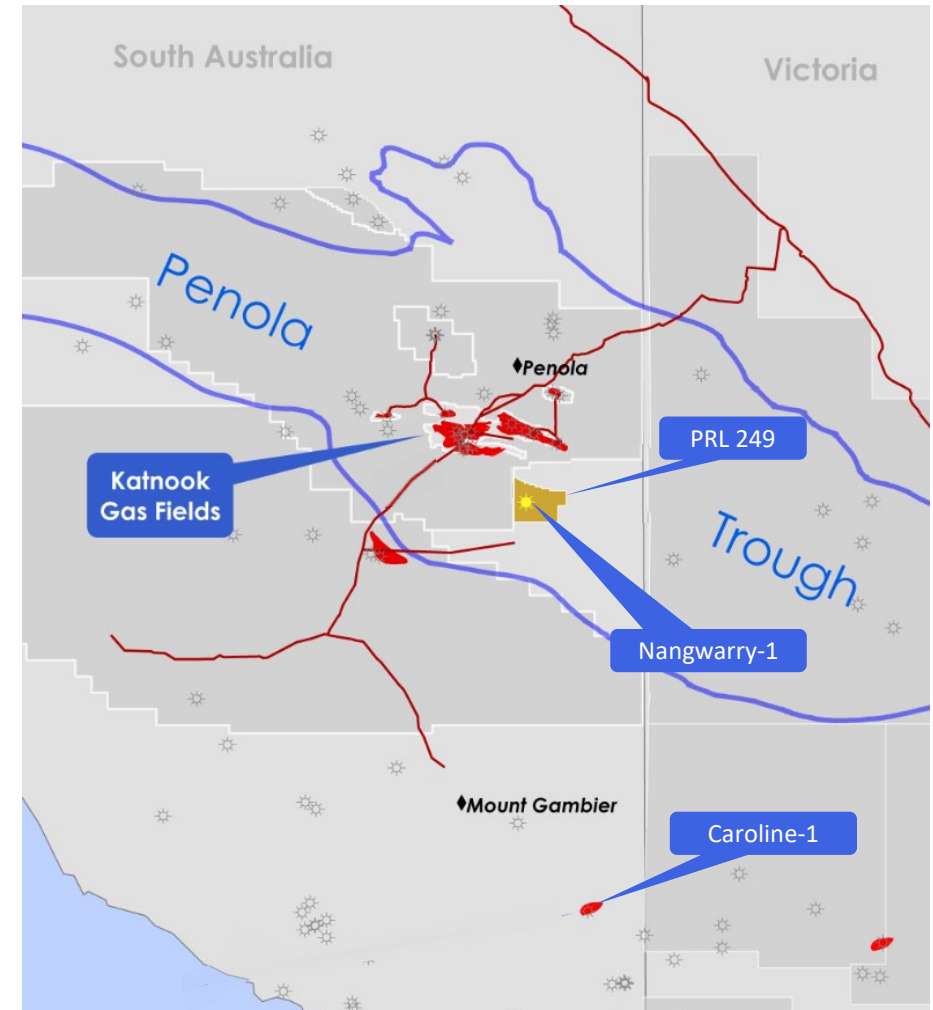
LKO Shares
reinstated to trading
7 February 2022

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Nangwarry Carbon Dioxide Project



- Petroleum Retention Lease 249 granted.
- 50:50 joint venture with Vintage Energy. Lakes is Operator.
- Independently certified saleable CO₂ resource of 25.9 Bcf (12.9 Bcf net to Lakes).
- Negotiating raw gas sales agreement with Supagas.
- Supagas to have responsibility for CO₂ purification and sale.
- Nangwarry well is already fully completed for production. Capable of flowing up to 18.6 MMcfd.
- CO₂ in increasingly short supply on Australian east coast.
- Nangwarry production envisaged to commence @ 1.5 MMcfd (75 T/d CO₂) growing to 3 MMcfd (150 T/d CO₂).



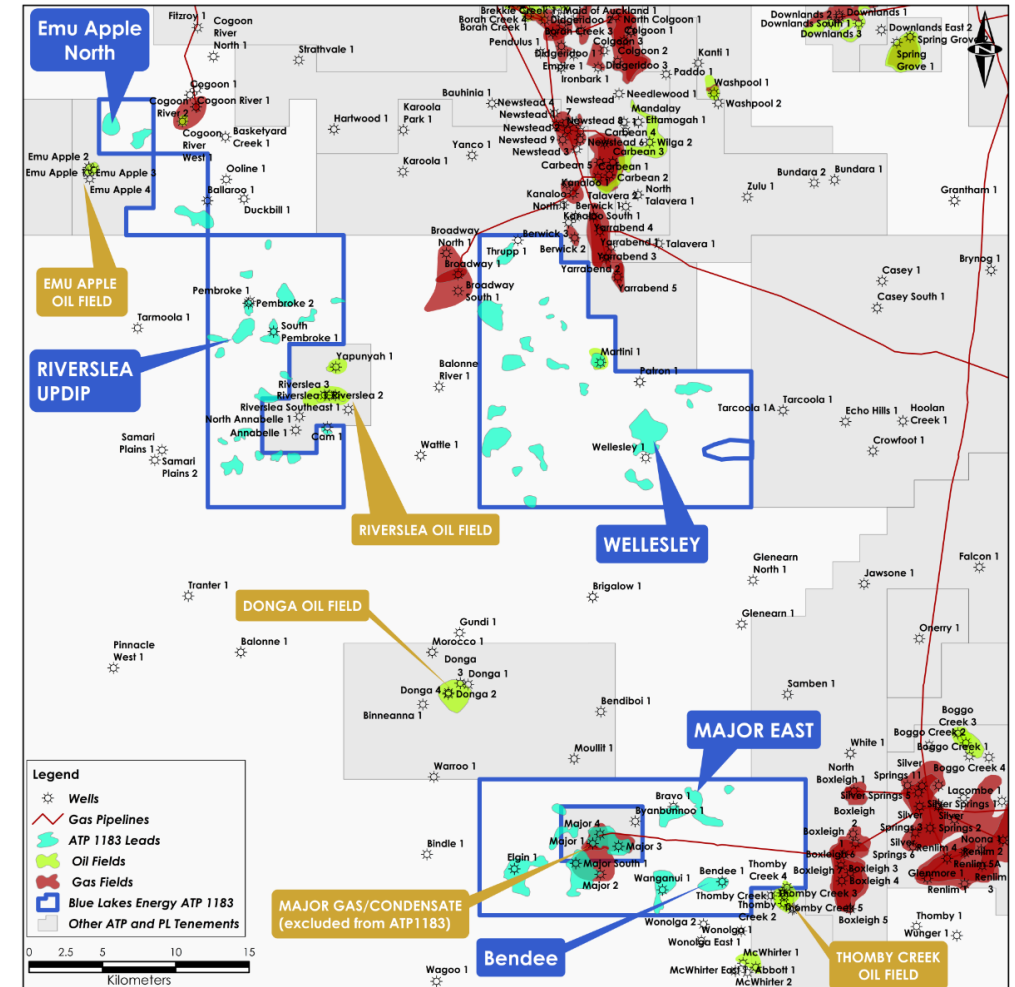
ATP 1183 and Wellesley-2



- Multiple exploration targets within ATP 1183, Queensland, in proximity to existing infrastructure:

Emu Apple North	5.3 MMBbl oil	<i>Best Estimates of Prospective In-place Resources</i>
Riverslea Updip	29.9 MMBbl oil	
Major East	10.6 Bcf gas	
Bendee	0.9 MMBbl oil	
Wellesley	123 Bcf gas	

- Wellesley-2:
 - Drilled to test Boxvale Sands within Wellesley Dome.
 - Satisfied ASX condition for share trading resumption.
 - Intersected non-productive periphery of Formation, but reaffirmed potential.
- Plan to acquire 3D seismic to better delineate Wellesley structure and allow selection of future drill site(s).

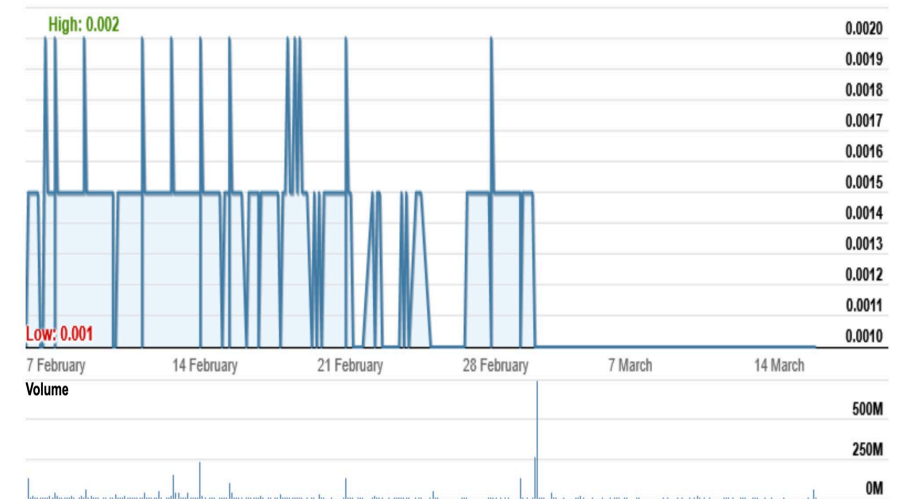


Successful 2022 Capital Raising



- February 2022 successful \$5.489m capital raise through:
 - \$1.146m advance (pre-Prospectus) placements.
 - \$0.800m commitment to subscribe under Prospectus.
 - \$3.543m fully subscribed Replacement Prospectus.
- Further \$1.659m committed (subject to AGM approval).
 - Gives total \$7.148m funds raised.
 - Company well placed to fund forward work program.
- Convertible Notes:
 - 2,085,409,946 already converted to ordinary shares.
 - 937,228,291 to be issued post AGM, in payment of interest.
- Royalty Units:
 - 6 million units available, of which 1 million retained by LKO.

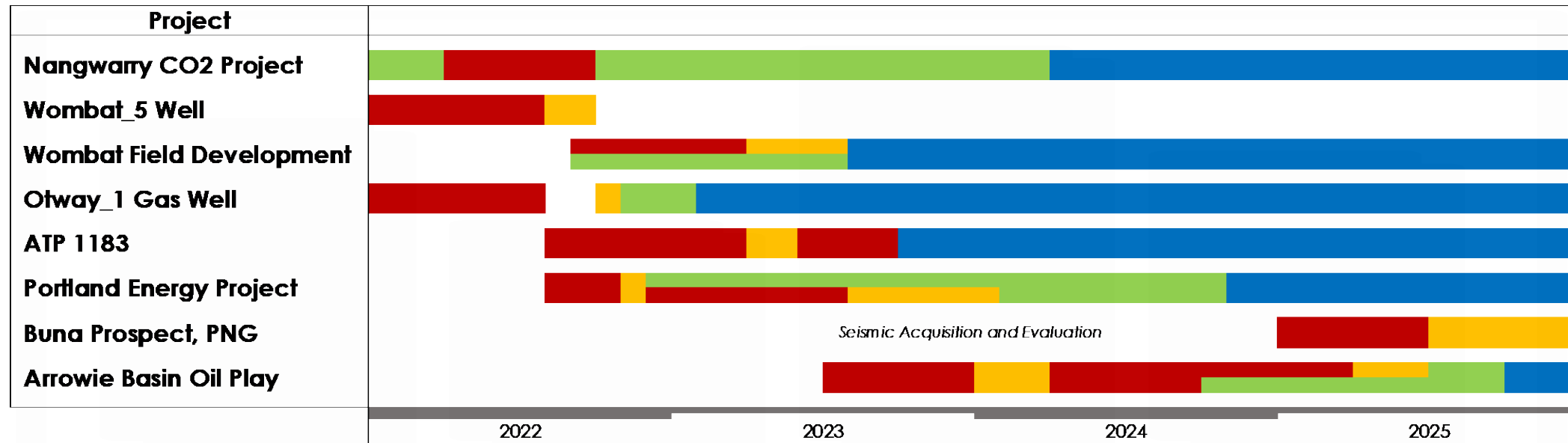
Item	On Issue
Shares	44,597,828,636
Convertible notes	8,705,975,535
Royalty Units	5,000,000



Strategy Update



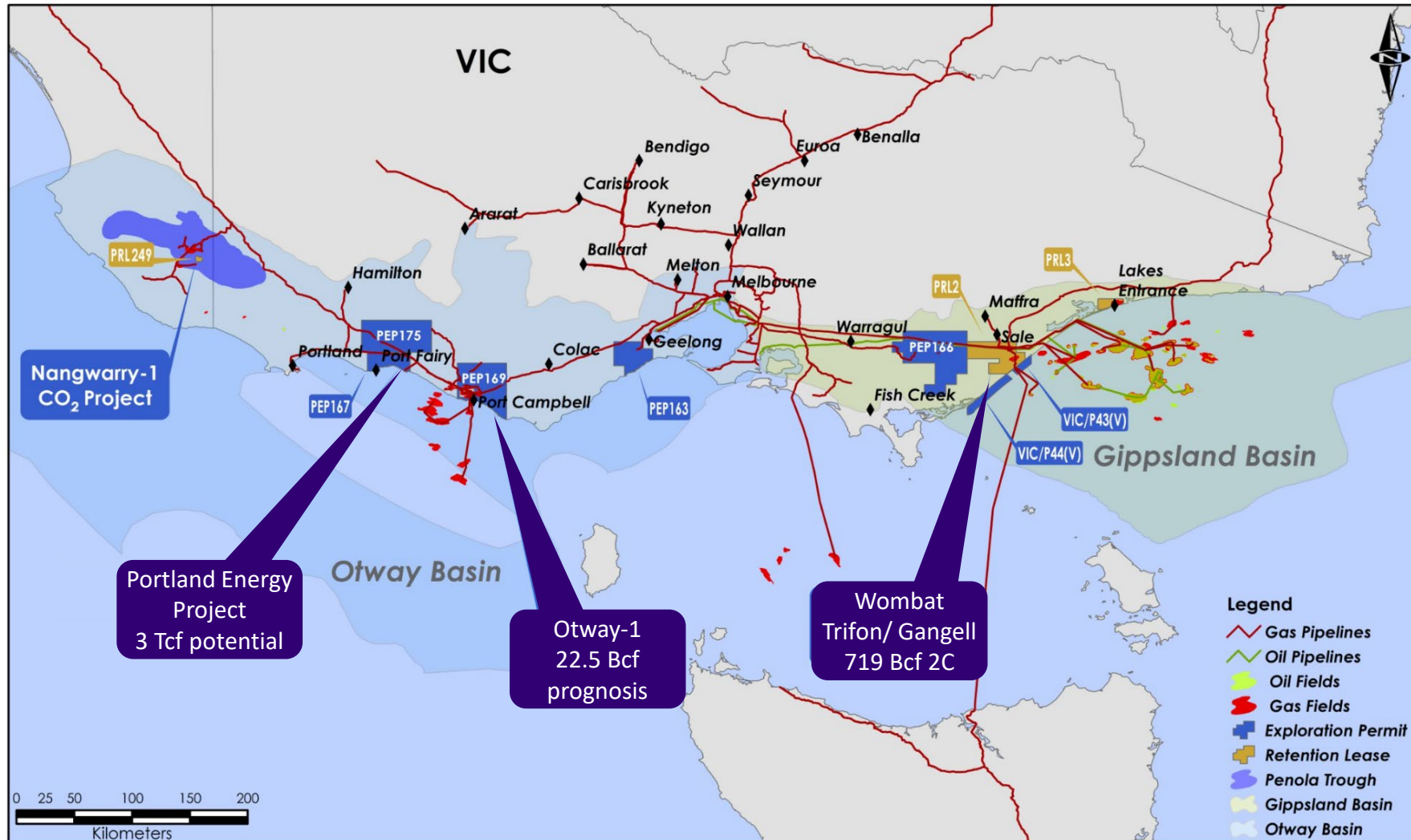
1. Achieve commercial production of gas
2. Leverage returns
3. Diversify into Sustainable Energy Initiatives



Legend: Planning / Approval (Red) Drilling/Testing (Yellow) Commercial / Infrastructure (Green) Income Producing (Blue)

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Near-term Focus Back on Victoria



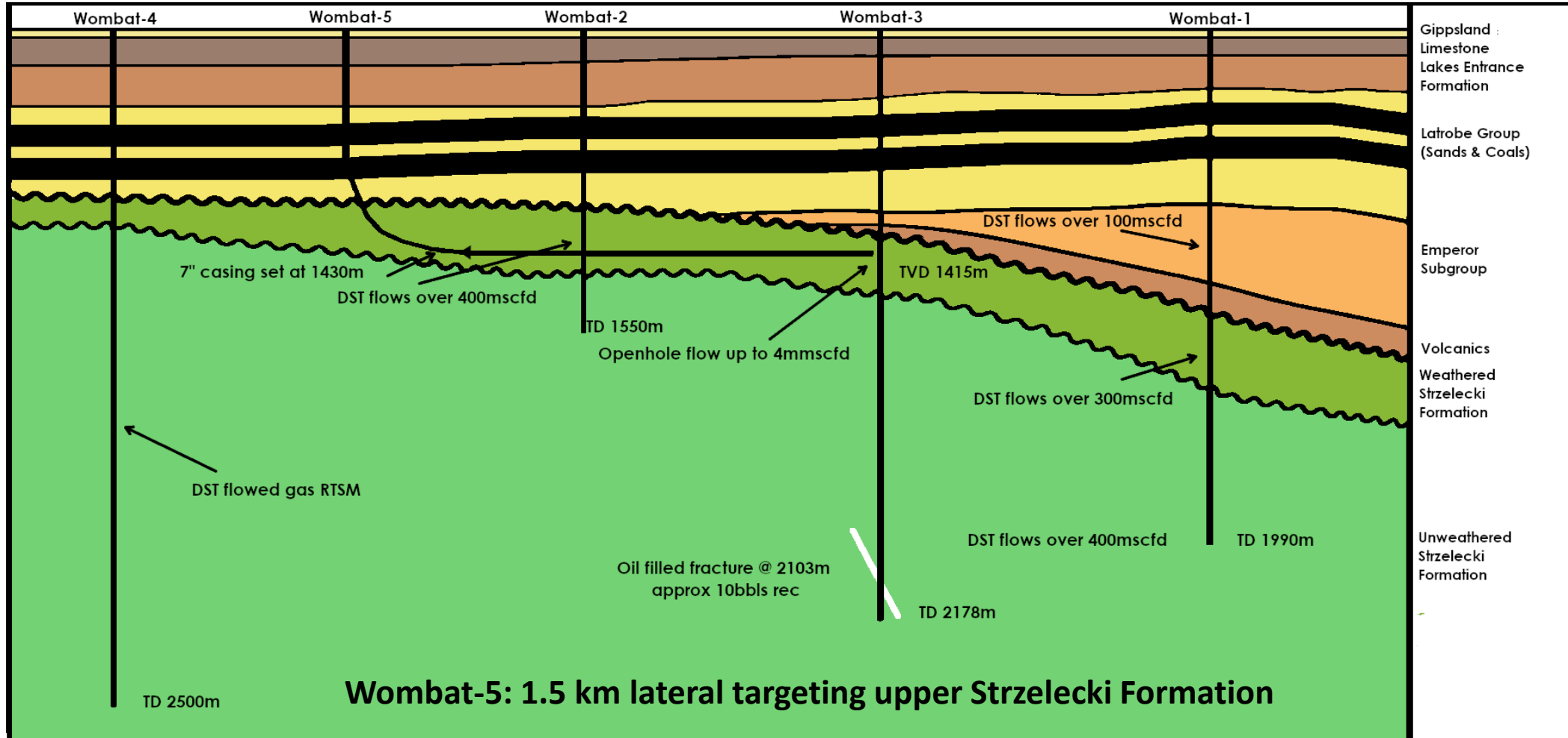
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Wombat Gas Field

- **Certified Contingent (2C) gas resources:**
 - Wombat field – 329 Bcf.
 - Trifon/Gangell field – 390 Bcf (223 Bcf net to LKO).
- **Wombat-5 well.**
 - Conventional, lateral gas well.
 - Estimated 10 TJ/d potential.
 - Proposed for mid-2022.
 - Approvals process underway.
- **Development concept:**
 - Integrated Wombat – Trifon/Gangell development.
 - Fields are close to existing infrastructure.
 - Target 20 PJ/a for 20 years (10% of Victorian demand).
 - Independent research points to LKO value uplift.



Wombat-5 Gas Well



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Otway-1 Gas Well

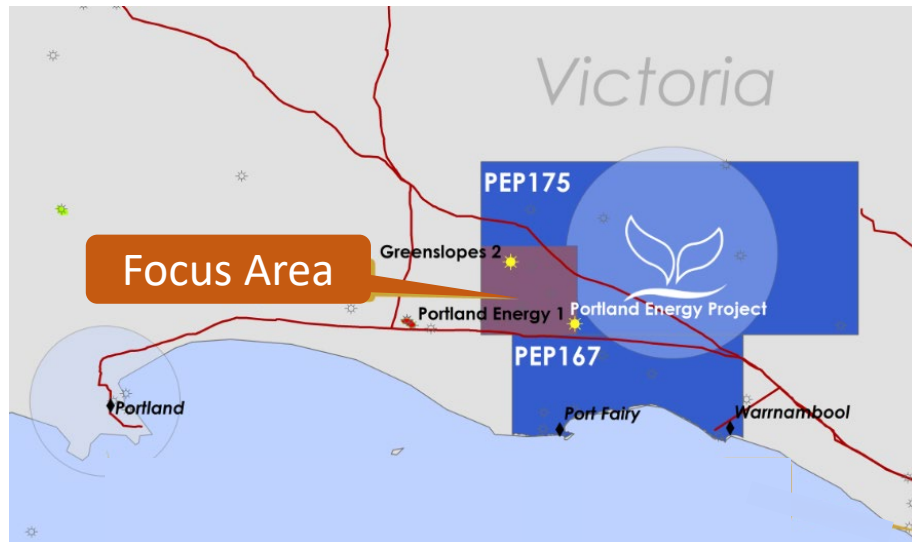
- Located within PEP 169 (49% LKO).
- Well proposed for 2022.
- Approval process underway.
- Conventional vertical well, adjacent to Iona Gas Storage.
- Targets 3 distinct reservoirs.
 - Pebble Point Sandstone, 0.37 MM Bbl oil
 - Waarre 'C' Sandstone, 5.3 Bcf
 - Eumeralla Formation, up to 50 Bcf.
- Eumeralla flowed up to 7.5 MMcfd at nearby Skull Creek-1.



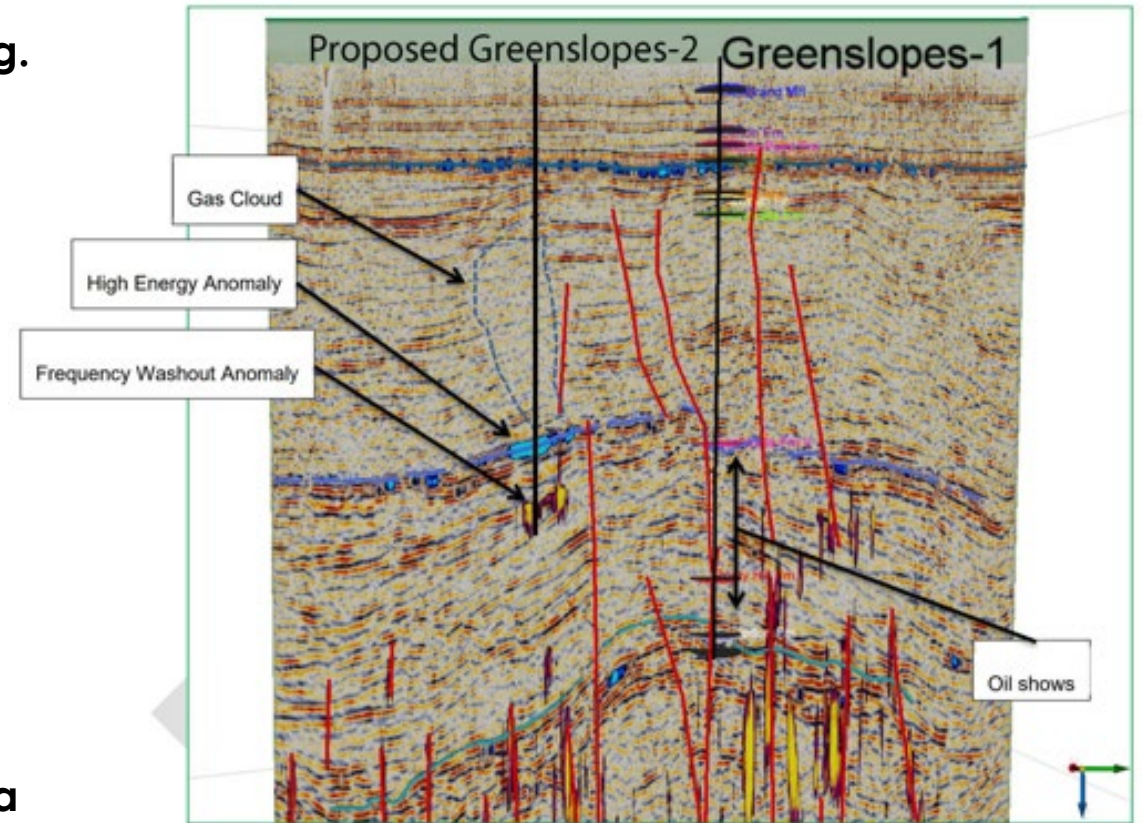
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Portland Energy Project

- Project 'Focus Area' in SW corner of PEP 175 (100% LKO)
- 3 Tcf conventional gas resource defined by SRK Consulting.

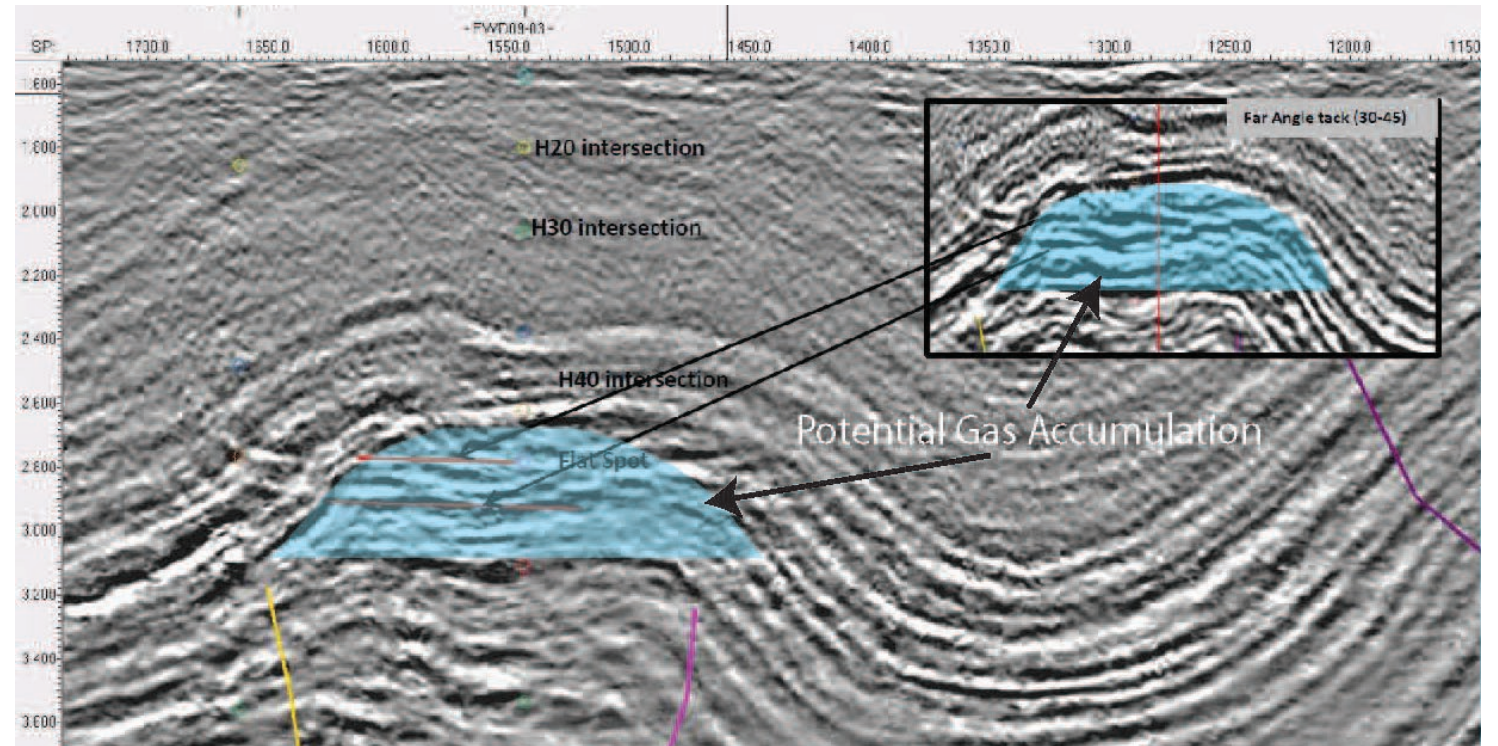
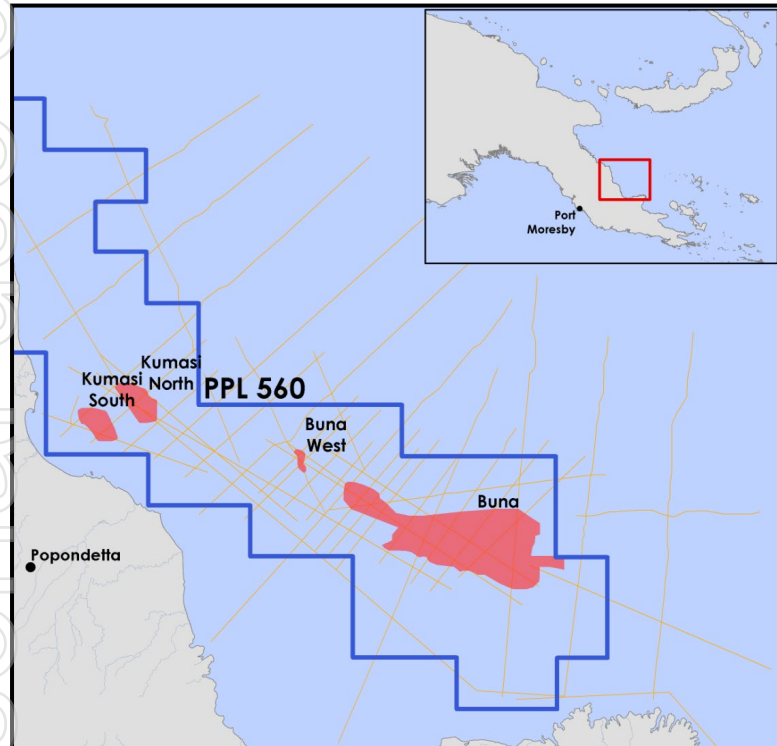


- Greenslopes-2 and Portland Energy-1 conventional wells proposed to confirm gas production potential of Eumeralla Formation.



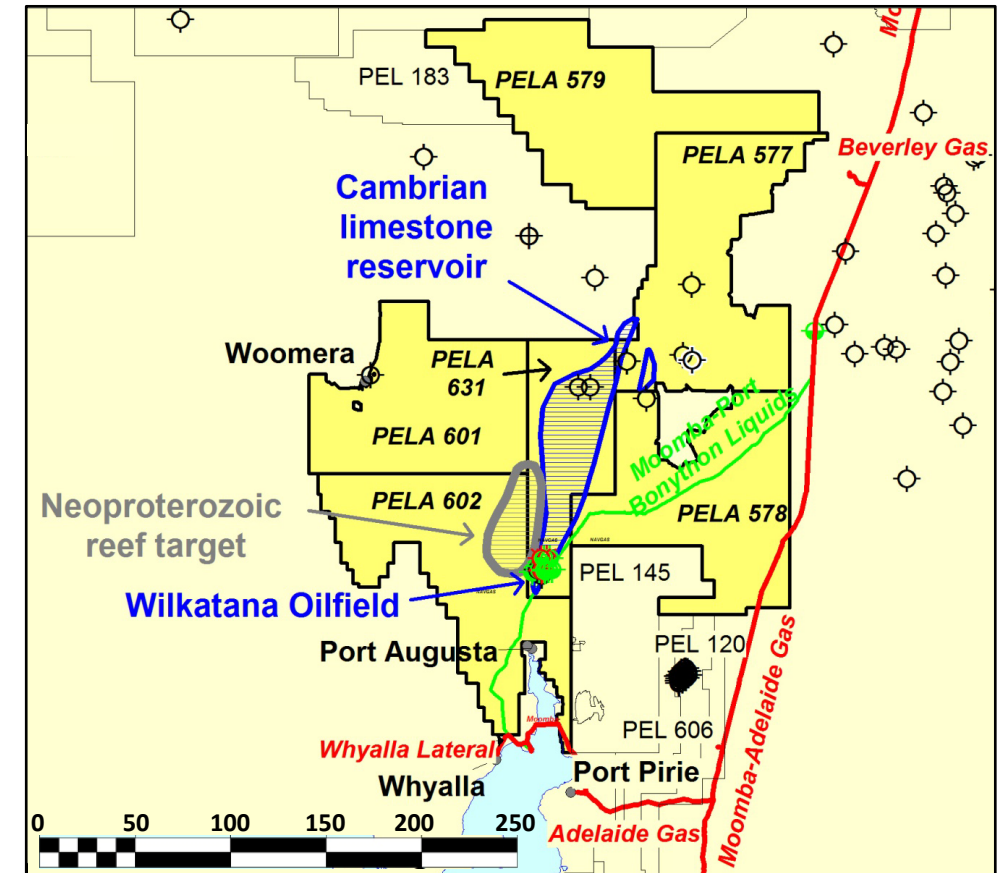
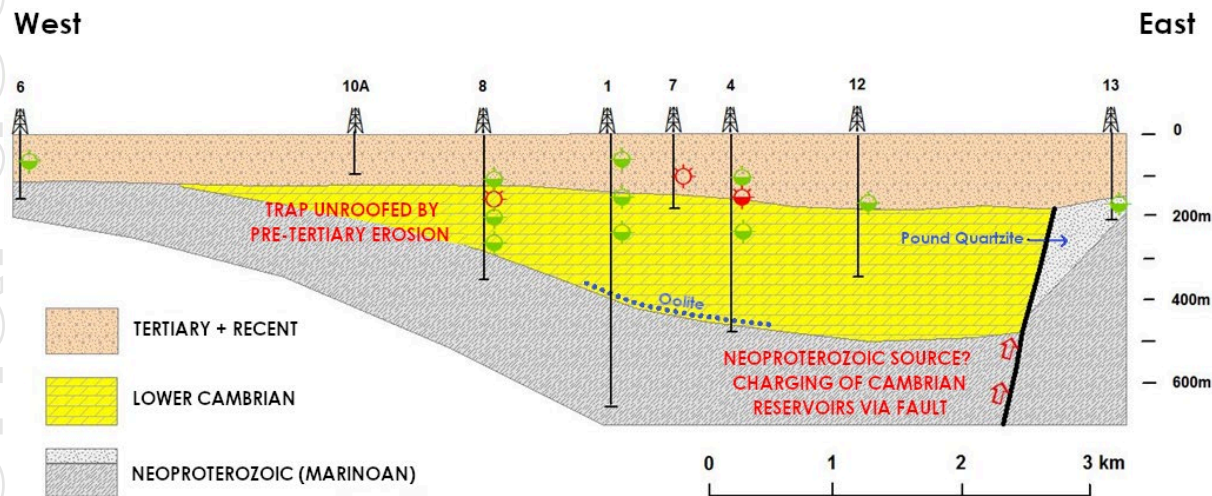
Leveraging Upside – PNG

- Buna Prospect (PPL 560) has 3.3 Tcf prognosis.
- Potential for farmout to Major, versus leveraging returns to advance project with 100% ownership retained.



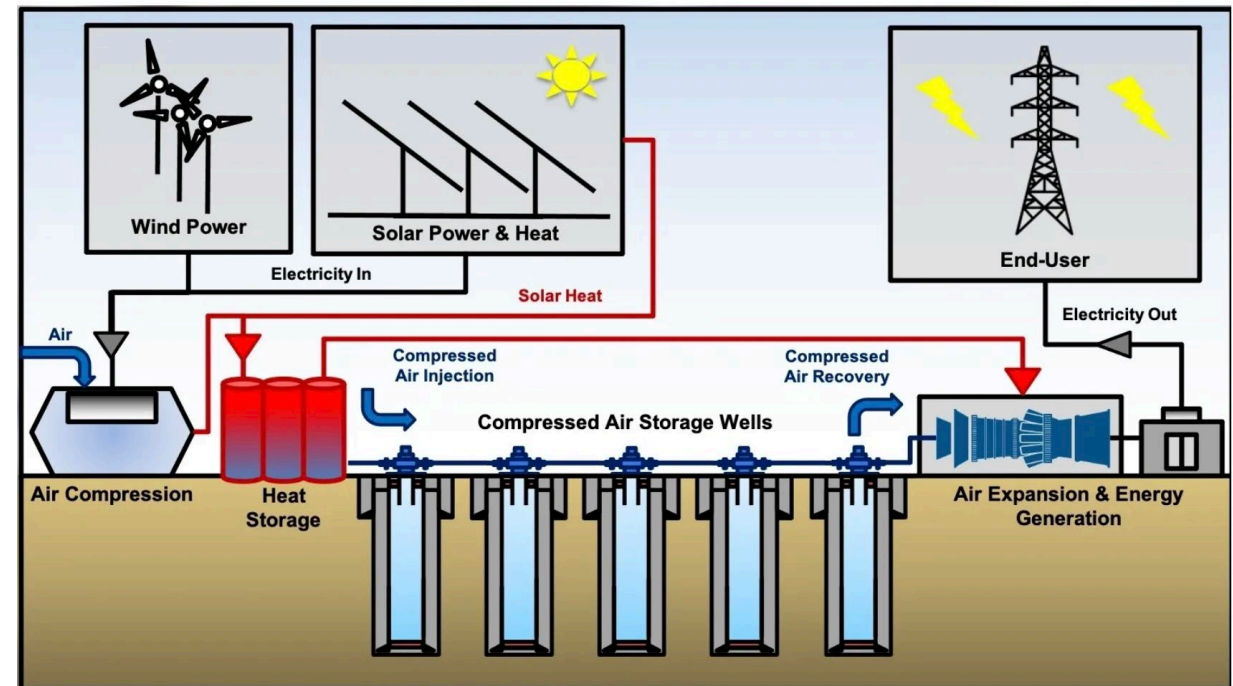
Leveraging Upside – Arrowie Basin

- Six 100% owned PEL applications covering 53,000 sq-km.
- Hydrocarbon potential confirmed by Santos at Wilkatana.
 - Oil is from Neoproterozoic source.
- Cambrian – Proterozoic mega field potential to be investigated



Diversification – Sustainable Energy Initiatives

- Objective: reliable, dispatchable, cost-competitive energy technologies.
- For example: Cased Wellbore Compressed Air Storage (CWCAS)
 - Wells 1,500 metre depth, 300 mm dia.
 - 50 MPa compressed air.
 - Estimate \$3m / 10 MWh storage.
- CWCAS advantages:
 - Utilises industry standard equipment.
 - Lower cost than batteries.
 - Longer life than batteries.
 - More environmentally friendly than batteries.
 - Complements renewable electricity.



Sources of Resource Estimates

Nangwarry

Independent estimate was prepared by ERC Equipoise Pte Ltd (ERCE) using a probabilistic methodology. Under the June 2018 Society of Engineers Petroleum Resources Management System, (PRMS), volumes of non-hydrocarbon by-products cannot be included in any Reserves or Resources classification. However, the method used by ERCE is consistent with that prescribed by the PRMS.

ERCE is an independent consultancy specialising in geoscience evaluation, engineering and economic assessment. ERCE has the relevant and appropriate qualifications, experience and technical knowledge to appraise professionally and independently the assets.

ERCE's work was supervised by Mr Adam Becis, Principal Reservoir Engineer at ERCE, who has over 14 years of experience in the oil and gas industry. He is a member of the Society of Petroleum Engineers and also a member of the Society of Petroleum Evaluation Engineers. Mr Becis has consented to the form and context in which the estimate of carbon dioxide sales gas is presented.

ATP 1183 (Queensland)

Best estimates prepared on a deterministic basis by Mr Peter Bubendorfer, Geotechnical Assessor, Armour Energy Limited. Mr Bubendorfer holds a BSc in Geology, is a member of AAPG, and has over 22 years of relevant experience in hydrocarbon exploration and production. He has consented to the use of the estimate in the form and context in which it appears in this report.

Wombat and Trifon / Gangell 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.

Sources of Resource Estimates

Otway-1

Eumeralla: In-house estimate prepared by Mr Tim O'Brien, MSc in Geology and Geophysics, member of PESA, SPE and AAPG.

Waarre and Pebble Point: probabilistic estimate independently prepared by Dr Greg Blackburn, BSc (hons), PhD, Terratek Petroleum Consultants Pty Ltd, February 2011

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.

Buna Prospect, PPL 560, PNG

Source of estimate: "Undiscovered Hydrocarbon Resources, Petroleum Prospecting Licence (PPL) Blocks 257 and 258, Papua New Guinea", 31 August 2010, Fekete Associates Inc.

Arrowie Basin

In-house volumetric estimate prepared by Mr Nick Mather, BSc (Hons Geology), member Australian Institute of Mining and Metallurgy.

Overriding Qualifications, applicable to all estimates

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