

21 October 2024

**ASX Release**  
**PEP 169 Sale Completed and First \$3m Proceeds Received**

**Highlights:**

- *Preconditions for Completion of the sale of Lakes' 49% interest in Petroleum Exploration Permit 169 were fulfilled by 4 October 2024.*
- *The sales transaction was Completed on 9 October, and the first \$3m of funds received by Lakes.*
- *A further \$3.5m is receivable when registration of transfer of the title is finalised and Lakes will also receive a royalty on future production of petroleum.*

Lakes Blue Energy NL (**Lakes**, or the **Company**; ASX:LKO) is pleased to advise that the first A\$3.0 million in proceeds from the sale of Lakes' 49% interest in Victorian Petroleum Exploration Permit 169 (**PEP 169**), has now been received. Completion of the sale took place on 9 October, following satisfaction of all preconditions by 4 October 2024.

A further A\$3.5m, representing the balance of the sale proceeds, will be received following registration by the Victorian Department of Energy, Environment and Climate Action (DEECA) of the transfer to ADZ Energy Pty Ltd of ownership of PEP 169. Transfer documentation was lodged with DEECA on Friday 13 September.

As announced on 3 September 2024, the terms of the sale of Lakes' interest in PEP 169 also provide for ongoing royalty payments by Armour Energy (Victoria) Pty Ltd (**AEV**). The Royalties will be calculated on the same basis as those paid to the Victorian Government pursuant to the Victorian *Petroleum Act 1998*. Overall, Lakes will receive approximately 4% of the wellhead value of any petroleum produced from within PEP 169.

Commenting on the deal with AEV, Lakes' Chairman, Mr Richard Ash, said "Lakes is glad to have entered this agreement. With the first \$3.0m of the overall \$6.5m consideration now received, Lakes will seek to have trading of its shares reinstated. And, looking to the future, the royalty arrangement provides meaningful upside from petroleum production without any exposure to exploration, development or production costs."

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As announced on 3 September 2024, liability for payment of the pre-existing royalty over Lakes 49% ownership of PEP 169 was transferred from Lakes' subsidiary, Mirboo Ridge Pty Ltd, to AEV (as the new owner of that interest).

The bulk of the proceeds from the PEP 169 sale will be utilised by Lakes to commercialise the Company's 100% owned Wombat and Trifon/Gangell fields, in which Contingent Resources totalling 719 billion cubic feet of gas have been independently certified.

Lakes is advancing plans for drilling of the Wombat-5 well. An Operations Plan for drilling of the well is being finalised for imminent submission to the Victorian Department of Energy, Environment and Climate Action, with drilling of the well targeted for mid 2025.

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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