

13 January 2025

ASX Release
PEP 169 Sale second and final payment of \$3.5m 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 was received by Lakes on 10 October 2024.*
- *The further, final payment of \$3.5m has been received on 10 January 2025 bringing the total funds received to \$6.5 million.*
- *Lakes will also receive an additional royalty on future production of petroleum of approximately 4% of the wellhead value.*

Lakes Blue Energy NL (**Lakes**, or the **Company**; ASX:LKO) is pleased to advise that the final A\$3.5 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, with the total A\$6.5m of sale proceeds now received by Lakes.

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' Chairperson, Mr Roland Sleeman, said "Lakes is delighted to have received the full \$6.5m of sales proceeds. The Company is now fully focussed on drilling the Wombat-5 well in PRL2, while the royalty arrangement provides meaningful upside from any petroleum production from PEP 169 without any exposure to exploration, development, or production costs."

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 majority of the proceeds from the PEP 169 sale will be used by Lakes to commercialise the Company's 100% owned, Wombat and Trifon/Gangell fields in PRL 2 in the Gippsland Basin, in which Contingent Resources totalling 719 billion cubic feet of gas have been independently certified*.

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Lakes is advancing plans for drilling of the Wombat-5 well, including negotiating with drilling rig operators and responding to the State Government on its request for further information on the Wombat-5 Operation Plan that was submitted last year.

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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*Note - Source of Contingent Resources estimate: "Technical GIIP and EUR Estimate Update Post Wombat #4: Wombat Field", June 2010, Gaffney, Cline and Associates.