

Lakes Signs Agreement with Maison Group to Advance CO₂ Opportunity at Nangwarry, South Australia

HIGHLIGHTS:

- Lakes has signed a binding Heads of Agreement (HOA) with Beijing Maison Group to advance the Nangwarry CO₂ opportunity in South Australia
- Maison will undertake and fully-fund a bankable feasibility study evaluating development of a 150-200 T/day food and beverage-grade CO₂ plant
- Study will cover plant design, capital and operating costs, regulatory pathway, commercial terms and CO₂ market potential
- Nangwarry contains a certified resource of 26 Bcf of high-purity CO₂ - sufficient to support 20 years of production¹
- Expression of Interest (EOI) campaign to launch in coming weeks to engage prospective offtake partners
- Drilling at flagship Wombat Gas Project remains on track to commence 31 July 2025, targeting near-term gas supply into the Victorian market

Lakes Blue Energy NL (ASX: LKO) (Lakes or the Company) is pleased to announce it has signed a binding Heads of Agreement (HOA) with Beijing Maison Group (“Maison”) to progress the commercialisation of its high purity CO₂ discovery at Nangwarry, South Australia.

Under the agreement, Maison will undertake and fully fund a bankable feasibility study evaluating the development of a CO₂ liquefaction plant at Nangwarry, located 30 km north of Mount Gambier and approximately five hours’ drive from both Adelaide and Melbourne. The study will assess a plant producing food and beverage-grade CO₂, with broader applications including medical and industrial uses such as laser cutting.

The opportunity at Nangwarry is being progressed alongside Lakes' core focus on delivering near-term gas production from its flagship Wombat Gas Project in Victoria's Gippsland Basin, where preparations continue for the commencement of drilling at the Wombat-5 well. With the feasibility study at Nangwarry fully funded and led by Maison, the project offers additional portfolio value with minimal impact on Lakes' primary operational priorities.

Lakes is the Operator and 50% equity holder in the PRL-249 permit, alongside its joint venture partner Vintage Energy Limited (ASX: VEN). The Nangwarry CO₂ discovery has been independently certified at 26 billion cubic feet, sufficient to support production of up to 150-200 tonnes per day for an anticipated plant life of approximately 20 years.¹

Subject to favourable study outcomes, Maison intends to make a proposal to design, construct and finance a food and beverage grade CO₂ plant at Nangwarry. It is currently envisaged that a CO₂ plant could be operational by the first half of 2027.

Key areas to be addressed in the study include plant design and construction, capital and operating cost estimates, regulatory requirements, commercial terms and an assessment of the CO₂ market.

To support the CO₂ market assessment including potential revenue opportunities, Lakes will launch an expression of interest (EOI) campaign in coming weeks to engage potential offtake partners. The EOI will be published in a selection of national newspapers, industry journals, and online forums. Current market pricing varies substantially dependent on quantity of quality of CO₂ required and can vary from \$200 / tonne to 2,000 / tonne.

Domestic food and beverage grade CO₂ supply has been greatly impacted in recent years by a range of post-Covid logistics issues, including multiple end of life local plant closures. These factors, combined with the natural growth of the domestic CO₂ market have caused widespread industry shortages and increased costs to consumers.

Lakes and Maison believe the introduction of a new 200 T/day CO₂ source will greatly assist domestic market stabilisation through the establishment of a new and highly competitive source of supply.

Lakes Chairperson, Mr Roland Sleeman, commented: *"With regulatory approvals now in place and drilling at Wombat-5 just weeks away, our focus remains firmly on delivering near-term gas supply into the Victorian market and unlocking the significant resource we hold in the Gippsland Basin. Wombat represents a rare combination of scale, infrastructure proximity and development readiness, and success at the upcoming well could be transformational for Lakes.*

"The agreement with Maison offers a low-risk pathway to assess the commercial potential of Nangwarry, a certified, high-purity CO₂ resource with growing market

relevance. With Maison funding and leading the study, we're able to unlock potential value at Nangwarry while maintaining full momentum at Wombat, which we see as one of the most compelling near-term gas developments on the east coast."

This announcement was authorised by the Board of Lakes Blue Energy.

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¹ Refer to Vintage Energy (ASX: VEN) ASX announcement "Nangwarry Field Update", dated 12 July 2021, and Vintage Energy investor presentation dated 26 May 2025, for further detail on the certified resource and potential production rates. Lakes is not aware of any new information or data that materially affects the estimate and confirms that the material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.