

Lakes Blue Energy NL

Quarterly Activities Report
30 September 2026

ABN 62 004 247 214

Directors

Hugh Robertson, Chair (appointed 29 July 2026)
Richard Ash BEc, CA
Nicholas Mather B.Sc (Hons. Geology), MAusIMM
Boyd White B.Bus, MBA (resigned 29 July 2026)

Company Secretary

Elissa Hansen B.Com, Grad Dip Applied CorpGov, GAICD, FGIA

Chief Executive Officer

Richard Ash BEc. CA

EGM Operations & Technical

Michael McGowan CEng

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Stock Exchange

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Melbourne, Victoria 3000
ASX code: LKO

Auditors

William Buck
Level 20
181 William Street
Melbourne, Victoria 3000

Share Registry

BoardRoom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000

Lakes Blue Energy NL is a no-liability company incorporated in Australia. Unless otherwise stated references to "Lakes" or "the Company" or "the Group" refer to Lakes Blue Energy NL and its controlled entities as a whole. Lakes operates a web site which Directors encourage you to access for the most recent company information.

Quarterly Activities Report

For the period ended 30 September 2026

Key Highlights:

- As previously advised production testing has progressed in line with the staged program, with pressure build-up complete and additional enhancement activities, including a workover and propellant enhanced perforation program planned for next month.
- All regulatory approvals are now in place for perforation, stimulation and flow testing. The Company believes works will commence on site in mid-November.
- Gas shows observed during drilling from all three principal gas sand packages, confirming contribution from all zones and supporting progression toward the next phase of testing and well optimisation.
- Continued advancement of the Portland Energy Project toward planned drilling in H1 2027, subject to regulatory approvals.
- Ongoing evaluation of the Nangwarry CO₂ Project with an updated feasibility study for a 100 tonne per day project supporting continued commercial evaluation.

Lakes Blue Energy NL (ASX: LKO, Lakes) is pleased to report on its activities during the quarter ended 30 September 2026, including the progression of production testing at the Company's wholly owned Wombat Gas Field and ongoing advancement of its broader onshore gas portfolio.

Lakes Blue Energy Tenement Holdings and Potential Resources¹

Location	Licence	Interest (%)	Prospect	Petroleum fluid/ Units	Resource type	Low Estimate	Best Estimate	High Estimate	Chance of Success
Gippsland	PRL 2	100.0	Wombat	Gas (Bcf)	Contingent	258	329	628	
Gippsland	PRL 2	100.0	Trifon	Gas (Bcf)	Contingent	126	390	526	
Gippsland	PRL 2	100.0	Baragwanath	Gas (Bcf)	Prospective	156	701	2,523	0.15
Otway	PRL 249	50.0	Nangwarry	Gas (Bcf)	Contingent	4.5	12.9	32.2	
Otway	PEP 167 & 175	100.0	Portland	Gas (Bcf)	Prospective	3,943	11,469	25,477	0.15
*Otway	PEP 169	100.0	Multiple	Gas	Royalty		~4%		
Arrowie	PELAs	100.0	Multiple	Oil/Gas/Helium	Royalty		2.5-3.5%		

*Subject to Lakes Royalty Trust interests of 10%

¹ Refer to Notes section at the end of this report for sources, resource definitions and disclaimers.

OPERATIONS

PRL 2 Wombat Gas Project – Gippsland Basin, Victoria

The September 2026 quarter marked continued progress on the proposed perforation, stimulation and flow testing activities at the Wombat-5 appraisal well. This follows the transition from drilling and completion last year, including achieving final regulatory approval for the proposed testing program.

Production testing was undertaken from January to May 2026, with operations focused on assessing gas deliverability, pressure behaviour and reservoir characteristics across the three principal gas sand packages intersected by the well.

During testing in the March 2026 quarter, gas was observed to surface via the flare stack throughout the nitrogen-assisted clean-up operations, which confirms and supports the presence of gas as recorded during drilling operations. Pressure build-up analysis completed during the quarter provided additional information on reservoir behaviour and informed planning for the next phase of testing.

As at the date of this report, the Wombat-5 well is suspended with a wireline bridge plug placed in the well at 1,100 metres and inhibited brine placed from the top of the plug to surface.

Regulatory approval has now been achieved, and the Company intends to undertake a propellant enhanced perforation program to improve connectivity between the reservoir and the wellbore. Details of this were provided to the market on 9 June 2026 and again on 8 October 2026. The Company believes that works will commence on site in mid-November 2026.

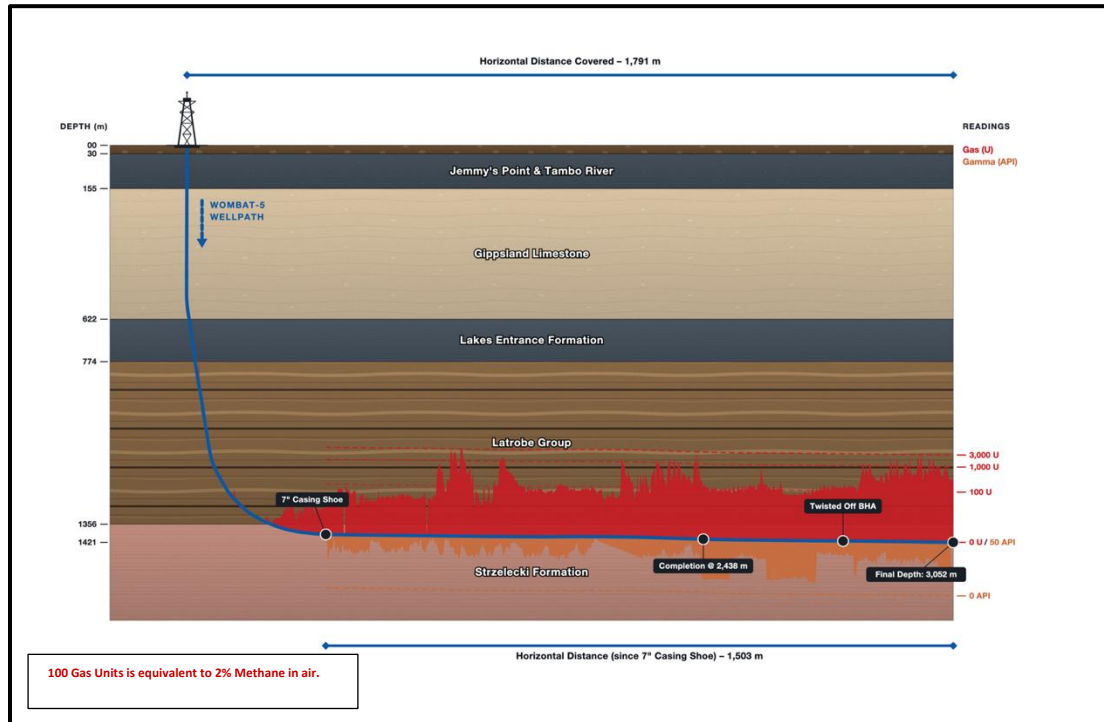


Figure 1: Schematic cross-section showing the Wombat-5 well path and significant gas shows to be evaluated during the production testing operations.



Figure 2: Gas flare from Wombat-5, 3 February 2026

Portland Energy Project (PEP 175 & PEP 167) – Otway Basin, Victoria

Lakes Blue Energy holds a 100% interest and operatorship in the Portland Energy Project, located in the onshore Otway Basin of south-west Victoria. The project is one of the largest undeveloped onshore gas systems within Victoria, primarily targeting the Eumeralla Formation, which independent consultant SRK Consulting (Australasia) has assessed as containing a significant prospective recoverable gas resource.

The project incorporates a number of prospective targets across the two permits, PEP 175 and PEP 167. The primary focus to date has been PEP 175 where the company has identified a number of opportunities to pursue conventional play types in addition to assessing the unconventional potential of the Eumeralla Formation.

During the quarter, the Company decided to only focus on PEP 175 with the aim of maturing two exploration prospects that would support a drilling programme commencing in H1 2027, subject to regulatory approvals and portfolio prioritisation. The timing and scope of any drilling activity will be dependent on regulatory approvals, technical considerations and drilling rig availability.

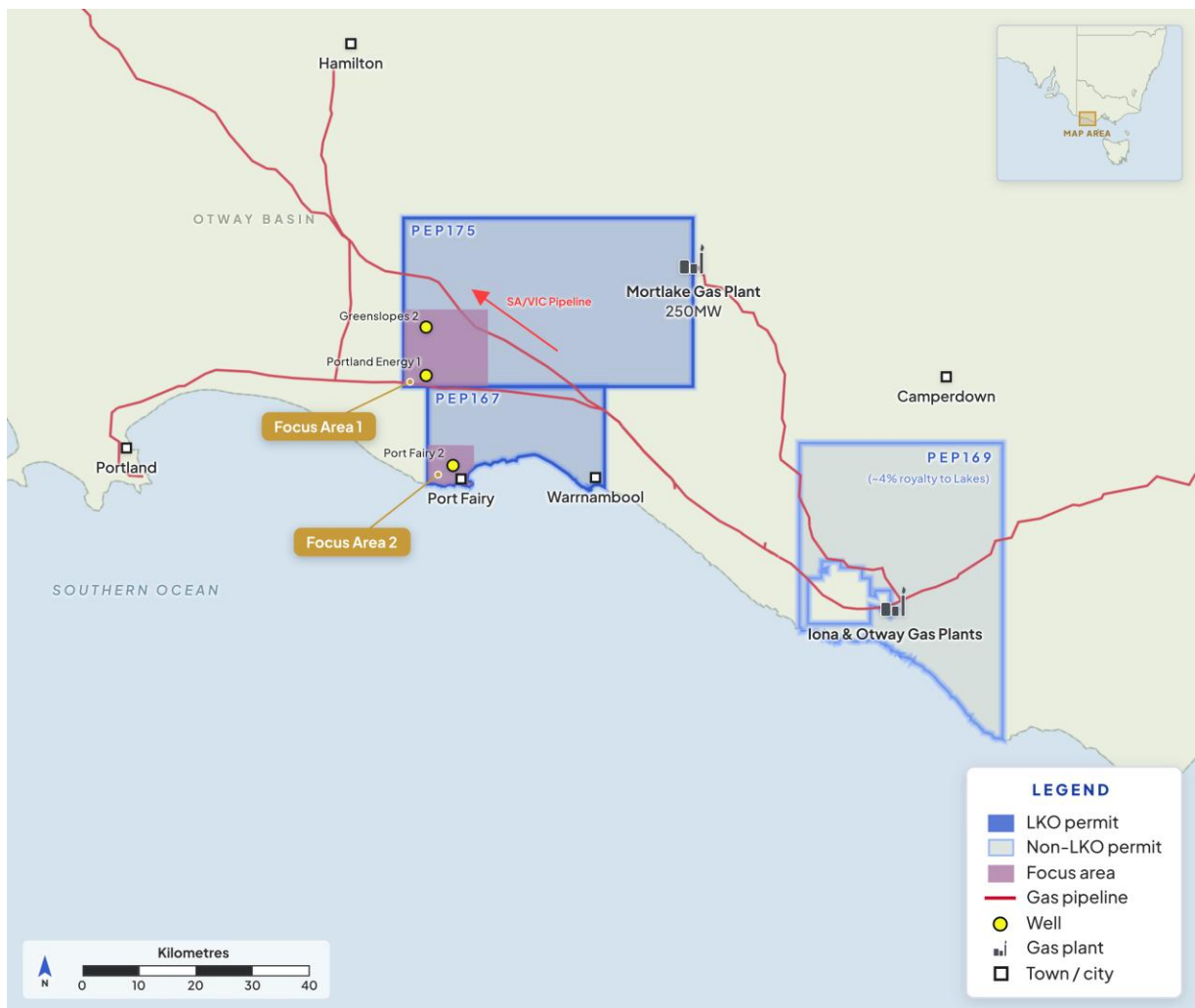


Figure 3: Location of Portland Energy Project, Otway Basin

Nangwarry CO₂ Project – Otway Basin, South Australia

The Nangwarry CO₂ Project remains an important part of Lakes Blue Energy's broader portfolio of onshore gas and industrial gas opportunities, providing exposure to a naturally occurring, high-purity CO₂ resource within the onshore Otway Basin.

During the quarter, the Company conducted further feasibility study on a 100 tonne per day plant to bring down OPEX and CAPEX costs for the project and improve the project's commerciality. Initial results, together with discussions with the South Australian Government, were sufficiently encouraging to support continued commercial evaluation of the project as a longer-term opportunity. Importantly Nangwarry's industrial gas focus offers exposure to markets distinct from the Company's Victorian natural gas assets. Lakes intends to advance its progression in appropriate alignment with the outcomes of ongoing studies and broader portfolio priorities.

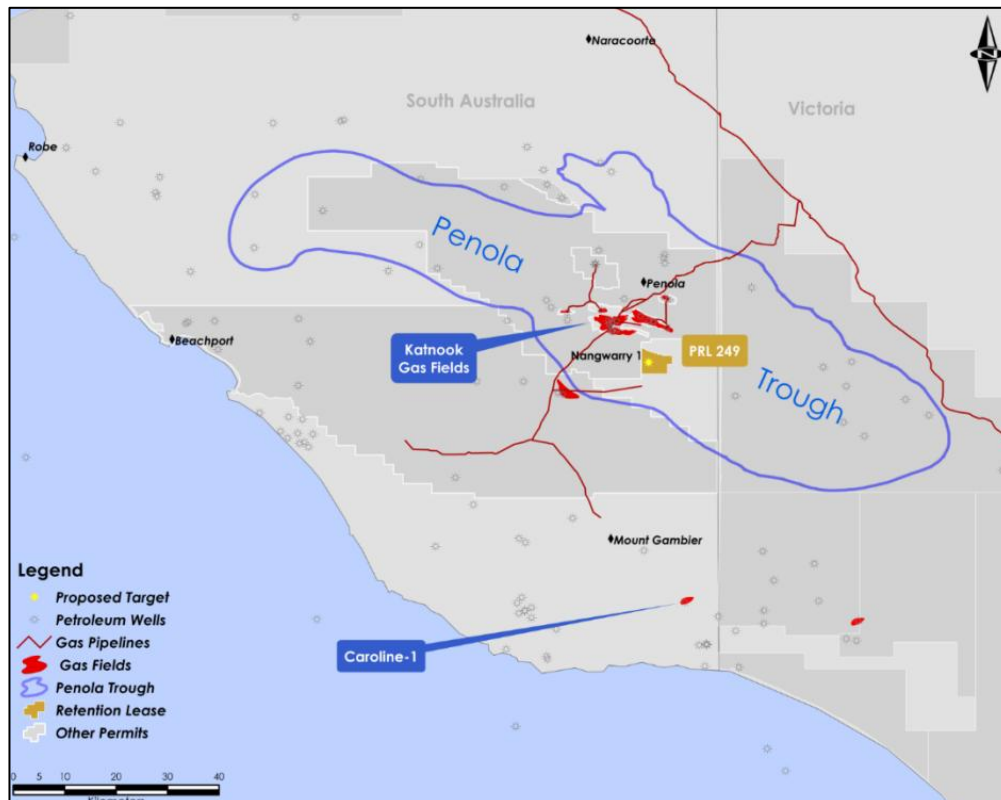


Figure 4: Location map of Nangwarry CO₂ Field

CORPORATE

Financial Summary

During the quarter, net cash used in operating activities was \$1.3m and \$1.2m was spent on exploration and evaluation (investing activities), the majority of which

related to deposits and preparatory costs for the Wombat-5 remediation and testing program. The cash balance at the end of the quarter was \$4.16m.

Payments to related parties and their associates of \$204k related to Directors' remuneration for services under existing agreements.

On 29 July 2026, the Company announced a capital raise of \$8.7m comprising a Placement of \$4.00 million and a partially underwritten entitlement offer of \$4.7 million. Please refer to the announcement of 29 July 2026, for the offer details, the Placement presentation and the Prospectus for the entitlement offer.

On 21 August 2026, the Company announced that the \$4.7 million partially underwritten entitlement offer had raised \$2.7 million, with \$1.9 million subscribed for, and an additional \$0.8 million being the partially underwritten shortfall balance. The Company has the right to place the remaining \$1.98 million on the same offer terms for 90 days after the close of the offer.

On 29 July 2026, Mr Hugh Walter Robertson was appointed as a non-executive Director and Mr Boyd White resigned from the Board to pursue personal interests in the green energy space. Mr Robertson was subsequently appointed Chair of the Board on 8 October 2026.

The Board thanks Mr White for his contribution to the Company and wishes him well in his future endeavours.

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

For enquiries regarding this release please contact:

Hugh Robertson
Chairman
Tel: +61 3 9629 1566

NOTES

[Wombat, Trifon-Gangell and Baragwanath 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.

[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.

[Nangwarry Energy Project](#)

Contingent Resource Estimation, ERCE Equipoise Pte. Ltd 2021 – ASX Announcement 12 July 2021.

[Definitions](#)

1 TJ per day is a Terajoule or 1000 GJ (giga joules) per day. A giga joule is the basis for quoted gas prices which typically range from \$12/ GJ (contract) to \$20/GJ on the recent spot market in Victoria. 1 million cubic feet is equal to 1GJ, and 1,000 Terajoules and 1,000,000GJ is equal to a Petajoule or 1 PJ.

[Cautionary Statement](#)

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.

Royalties

Any future production of hydrocarbons will be subject to both State Royalties (currently 10%) and in the case of the Victorian assets the Lakes Royalty Trust arrangements. Under those arrangements an over riding royalty of 10% is payable to third-party investors.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

LAKES BLUE ENERGY NL

ABN

62 004 247 214

Quarter ended ("current quarter")

30 September 2026

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(616)	(616)
	(e) administration and corporate costs	(881)	(881)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (GST refunds, other income)	196	196
1.9	Net cash from / (used in) operating activities	(1,300)	(1,300)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(1,178)	(1,178)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (deposits paid for rehabilitation bonds)	-	-
2.6	Net cash from / (used in) investing activities	(1,178)	(1,178)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	6,702	6,702
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(494)	(494)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	6,208	6,208

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	434	434
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,300)	(1,300)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,178)	(1,178)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,208	6,208

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,164	4,164

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,164	434
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (restricted or funds held in escrow)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,164	434

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	204
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,300)
8.2	Payments for exploration & evaluation classified as investing activities (item 2.1(d))	(1,178)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,478)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,164
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,164
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.68
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: No. Net cash outflows from operating and investing activities of \$2.48 million for the quarter included exploration and evaluation expenditure on the Wombat-5 remediation and testing program, together with the payment of trade creditors carried forward from 30 June 2026. The Company expects outflows in the December 2026 quarter to be at a broadly similar level while the Wombat-5 remediation program is completed. Following completion of that program, outflows are expected to reduce materially to corporate, staff and tenement holding costs, as any further exploration and evaluation expenditure is discretionary and will only be undertaken when funded.	

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. As announced on 29 July 2026, during the quarter the Company completed a \$4.0 million placement and a partially underwritten entitlement offer that raised approximately \$2.7 million, being approximately \$6.7 million in total before costs. Director participation in the placement was approved by shareholders on 23 September 2026. The funds raised are expected to be sufficient to complete the Wombat-5 remediation and testing program, with additional cash available for working capital. The entitlement offer shortfall of approximately \$2.0 million remains available for placement, and the Board will continue to assess further funding options, which may include equity raisings or farm-out arrangements, ahead of any subsequent work program. Given the Company's track record of successfully raising capital, including approximately \$19 million over the past 15 months, the Board considers it likely that further funds could be raised if required.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, on the basis that: (a) cash of \$4.16 million at 30 September 2026 is expected to fund completion of the Wombat-5 remediation and testing program, with additional cash available for working capital; (b) outflows are expected to reduce materially after the December 2026 quarter, with further exploration and evaluation expenditure being discretionary; (c) the Directors have identified operating costs that could be curtailed and have indicated their willingness to accept equity in lieu of cash for part of their remuneration if required; and (d) the Company has a demonstrated ability to raise capital, as outlined in 8.8.2.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2026

Authorised by: The Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.