Lakes Blue Energy NL
ACN 004 247 214

Prospectus

For a non-renounceable entitlement offer of 1 New Share for every 4.7 Shares registered as being held by Eligible Shareholders, as at the Record Date, at an issue price of $0.30 per New Share to raise up to approximately $4.69 million (before expenses), with no minimum subscription, and the issue of 1 Attaching Option for every 1 New Share issued (for nil additional consideration) (**Entitlement Offer**).

This Prospectus has also been prepared for the offer of Attaching Options to participants in the Placement (for nil additional consideration), subject to Shareholder Approval being obtained, so that the relief provided under *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2026/94* with respect to the on-sale provisions of section 707 of the Corporations Act is available.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus, you have any questions about the Shares or Attaching Options being offered pursuant to this Prospectus or any other matter, then you should consult with your stockbroker, accountant or other professional adviser.

Neither ASIC nor ASX, nor any of their respective officers or employees, take any responsibility for this Prospectus or the merits of the investment to which this Prospectus relates.

The Shares and Attaching Options offered in accordance with this Prospectus should be considered as a speculative investment.

IMPORTANT NOTICES

This Prospectus is a replacement prospectus dated 29 July 2026 and was lodged with ASIC on that date. It replaces a prospectus that was lodged with ASIC on 29 July 2026. ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares and Attaching Options the subject of this Prospectus should be considered speculative.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and options to acquire continuously quoted securities and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making the representations contained in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters can reasonably be expected to be known to investors and professional advisers whom they may consult.

No exposure period applies to this Prospectus by operation of the Corporations Act (in respect of the New Shares) and *ASIC Corporations (Exposure Period) Instrument 2026/90* (in respect of the Attaching Options).

No Shares or Attaching Options will be issued pursuant to this Prospectus after the date that is 13 months after the date of this Prospectus.

Electronic Prospectus

Shareholders can obtain a copy of this Prospectus from the Company's website at https://lakesblueenergy.com.au/. The electronic version of this Prospectus on the Company's website will not include an Application Form. Eligible Shareholders will only be entitled to subscribe for Shares and Attaching Options under the Entitlement Offer in accordance with the instructions in the personalised Application Form which accompanies a paper copy of this Prospectus. Applicants under the Placement Option Offer who are not Shareholders and Applicants under the Public Shortfall Offer will only be entitled to subscribe for Shares and Attaching Options in accordance with the instructions in the Application Form accompanying a copy of this Prospectus that is provided to them by the Company or the Underwriters.

Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and do not believe that they have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The pro-forma financial information provided in this Prospectus is for illustrative purposes only and is not represented as being indicative of the Company's view on its future financial condition or performance.

Privacy

By submitting an Application, you will be providing personal information to the Company (directly or via the Company's Share Registry). The Company collects, holds and will use that information to assess your Application, service your needs as a holder of Shares and/or Attaching Options and facilitate the distribution of payments and corporate communications to you as a Shareholder.

The information may also be used and disclosed to persons inspecting the Company's register, bidders for your Shares in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its Share Registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Forward Looking Statements

Some of the statements appearing in this Prospectus may be in the nature of forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. These may be identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', or 'intends' and other similar such words that involve risks or uncertainties.

You should be aware that such statements are not statements of fact or guarantees and there can be no certainty of outcome in relation to the matters to which the statements relate. Forward looking statements are subject to many inherent risks and uncertainties before actual outcomes are achieved.

To the maximum extent permitted by law, none of the Company or any person named in this Prospectus or any person involved in the preparation of this Prospectus makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any intentions or outcomes expressed or implied in any forward looking statement and disclaim all responsibility and liability for such forward looking statements (including, without limitation, liability for negligence). The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law. You are cautioned not to place undue reliance on any forward looking statement having regard to the fact that the outcome may not be achieved. For further information, please see the Company's past announcements released to ASX.

Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus.

Foreign Shareholders

The offer of New Shares and Attaching Options pursuant to this Prospectus does not, and is not intended to, constitute an offer, invitation or issue in any place in which, or to any person to whom, it would be unlawful to make such an offer, invitation or issue. This Prospectus has not been, nor will it be, lodged, filed or registered with any regulatory authority in the securities laws of any country.

No action has been taken to register or qualify the offer of the New Shares or the Attaching Options or otherwise to permit an offering of the New Shares or Attaching Options in any jurisdiction outside Australia.

The distribution of this Prospectus and the accompanying Application Form outside of Australia or New Zealand may be restricted by law and persons who come into possession of the Prospectus and the accompanying Application Form should seek advice on and observe those restrictions.

Any failure to comply with those restrictions may constitute a violation of applicable securities laws. The Company reserves the right to treat as invalid any Application which does not comply with the requirements of this Prospectus or the Application Form or which the Company believes has been sent for, or on the account of, a person located in a jurisdiction to whom it would be illegal to make the offer of New Shares and Attaching Options pursuant to this Prospectus.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your application for New Shares and/ or Attaching Options is subject to all requisite authorities and clearances being obtained for the Company to lawfully receive your application monies.

New Zealand

The New Shares and Attaching Options are not being offered to the public within New Zealand other than to Eligible Shareholders with registered addresses in New Zealand to whom the offer of New Shares and Attaching Options is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand)*.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority in accordance with the *Financial Markets Conduct Act 2013 (New Zealand)*. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

None of the information in this Prospectus, or the Application Form that will accompany this Prospectus when it is despatched to Eligible Shareholders, constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Prospectus (or any part of it), nor the Application Form when that is to be made available, may be released or distributed directly or indirectly, to persons in the United States.

The New Shares and Attaching Options have not been, and will not be, registered pursuant to the *United States Securities Act of 1933* (as amended) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States.

Notice to Nominees and Custodians

Eligible Shareholders that are recorded in the Company's Share register as having an address in Australia or New Zealand that hold Shares on behalf of persons who are resident in jurisdictions outside of Australia and New Zealand are responsible for ensuring that subscribing for that Entitlement in accordance with the Entitlement Offer does not breach regulations in the relevant overseas jurisdiction. The return of a duly completed Application will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Public Shortfall Offer and Placement Option Offer

The offer of Shares and Attaching Options pursuant to the Public Shortfall Offer and Placement Option Offer is only being extended to persons who are Australian residents and other persons to whom the Board is satisfied, in its sole discretion, that it would not be unlawful to offer Shares or Attaching Options to, with or without any such conditions as the Board sees fit (in its sole discretion), based on the local laws of the country in which an Applicant may reside.

Capitalised Terms

Capitalised terms used in this Prospectus have the same meaning as those given in the Glossary contained in section 9 of this Prospectus.

Contents

1. Key Offer Information and Timetable

1.1 Summary of Offer Details

ITEM	VALUE
Issue Price	$0.30
Ratio	1 New Share for every 4.7 existing Shares
Total number of New Shares offered under this Prospectus	15,622,528 Shares
Total number of New Shares to be issued under the Placement (Tranche 1 and Tranche 2)	13,316,724 Shares
Total number of Attaching Options offered under this Prospectus	28,939,252 Attaching Options
Total number of Shares on issue following the Capital Raising (assuming the Entitlement Offer is fully subscribed before the exercise of any Attaching Options)	102,365,135 Shares
Total amount that may be raised under the Capital Raising (assuming the Entitlement Offer is fully subscribed before the exercise of any Attaching Options)	~$8.68 million
Total number of Shares on issue following the Capital Raising (assuming the Entitlement Offer is fully subscribed if all Attaching Options and existing are exercised)	135,254,387 Shares
Amount to be raised if all available Attaching Options are issued and exercised	~$10.42 million
Market capitalisation following Capital Raise at the issue price (assuming the Entitlement Offer is fully subscribed before the exercise of any Attaching Options)	~$30.71 million

The number of New Shares and Attaching Options offered under this Prospectus, and the amount to be raised under the Entitlement Offer and exercise of Attaching Options, is subject to rounding of fractional Entitlements. Fractional Entitlements will be rounded up to the nearest Share.

1.2 Timetable

KEY EVENT	DATE
Trading halt announced and placement bookbuild commenced	Monday, 27 July 2026
Trading halt lifted and announcement of completion of placement and proposed Entitlement Offer	Wednesday, 29 July 2026
Entitlement Offer Prospectus lodged with ASIC. Investor Deck and Prospectus lodged on ASX	Wednesday, 29 July 2026
Ex Date	Monday, 3 August 2026
Record Date for Entitlement Offer (7:00pm Sydney time)	Tuesday, 4 August 2026
Settlement of Shares under the Placement	Wednesday, 5 August 2026
Allotment and quotation of Shares under the Placement	Thursday, 6 August 2026
Entitlement Offer documentation dispatched and Entitlement Offer opening date	Friday, 7 August 2026
Last day to extend the Entitlement Offer close date	Thursday, 13 August 2026
Entitlement Offer close date (5:00pm Sydney)	Tuesday, 18 August 2026
Shares quoted on deferred settlement basis	Wednesday, 19 August 2026
Settle Entitlement Offer and Announce results of Entitlement Offer	Friday, 21 August 2026
EGM to approve issue of Placement Attaching Options	Around early September
Allotment of Placement Attaching Options	Around early September

This timetable is indicative only and subject to change.

All references to time are to Australian Eastern Standard Time (AEST), unless the context otherwise requires.

The Company, in conjunction with the Underwriters, reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws to withdraw or vary the dates of the Entitlement Offer without notice. In particular, the Company reserves the right to extend the closing date of the Entitlement Offer or accept late applications, either generally or in particular cases, without prior notice.

You cannot withdraw an Application once it has been accepted. No cooling-off rights apply to the offers made pursuant to this Prospectus. The commencement of Quotation of New Shares and Attaching Options is subject to confirmation from ASX.

2. Letter from the Board

Dear Shareholder,

As valued Shareholders, the Board is pleased to offer all Eligible Shareholders the opportunity to acquire 1 Share for every 4.7 Shares held by Eligible Shareholders as at the Record Date, being 7:00 pm (AEST) on 4 August 2026, at an issue price of $0.30 per Share, together with 1 Attaching Option for every 1 New Share issued, for no additional consideration (**Entitlement Offer**). The Attaching Options have an exercise price of $0.36 and are exercisable at any time prior to 5:00 pm (AEDT) on the date that is 5 years after the date of issue of Attaching Options under the Entitlement Offer.

In parallel with the Entitlement Offer, the Company has undertaken a two tranche placement to sophisticated and professional investors to raise approximately $4 million (before expenses) (**Placement**), at the same issue price of $0.30 per Share as the Entitlement Offer. Tranche 2 of the Placement comprises approximately $728,000 and is subject to Shareholder Approval being obtained. Subject to Shareholder Approval being obtained, participants in the Placement may also apply for 1 Attaching Option for every 1 Share issued under the Placement, for nil additional consideration, under this Prospectus.

Eligible Shareholders are also entitled to subscribe for any New Shares and Attaching Options not subscribed for by other Eligible Shareholders in accordance with the Retail Entitlement Offer (**Top-Up Offer**).

The Entitlement Offer is partially underwritten up to the Underwritten Amount. Accordingly, any New Shares and Attaching Options not subscribed for under the Entitlement Offer will be subscribed for by the Underwriters or their nominee up to the Underwritten Amount.

The Entitlement Offer will raise approximately $4.69 million (on the basis it is fully subscribed and before expenses). The funds raised pursuant to the Entitlement Offer and Placement (after expenses) are planned to be used for general working capital purposes.

As the Entitlement Offer is non-renounceable, your Entitlements will not be tradeable on the ASX or otherwise transferable. Eligible Shareholders who do not take up their Entitlements in full will not receive any value for those Entitlements that they do not take up, and these Entitlements will either be taken up under the Top-Up Offer or be allocated to the Underwriters or their nominees up to the Underwritten Amount.

Applicants for New Shares and Attaching Options pursuant to this Prospectus should be aware that there are various risks associated with an investment in New Shares and Attaching Options and the Company, including those risks summarised in section 7 of this Prospectus. Accordingly, any potential investors should consult with their professional advisers before deciding whether to apply for any New Shares and Attaching Options pursuant to this Prospectus.

The Board thanks all Shareholders for their continuing support for the Company and recommends the Entitlement Offer.

Yours sincerely,

Board of Directors
Lakes Blue Energy NL

3. Investment Overview

3.1 Introduction

The Entitlement Offer is being undertaken as a partially underwritten non-renounceable entitlement offer of 1 Share for every 4.7 Shares held by Eligible Shareholders registered as at the Record Date, being 7:00 pm (AEST) on 4 August 2026, at an issue price of $0.30 per Share (**New Share**), together with 1 Attaching Option for every 1 New Share issued (for nil additional consideration). The Attaching Options have an exercise price of $0.36 and are exercisable at any time prior to 5:00 pm (AEDT) on the date that is 5 years after the date of issue of Attaching Options under the Entitlement Offer.

Fractional entitlements to New Shares will be rounded up to the nearest whole number.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX nor can they be sold, transferred or otherwise disposed of.

Eligible Shareholders may also participate in the Top-Up Offer.

The purpose of the Entitlement Offer is to provide the Company funds for general working capital purposes.

The Company intends to offer any New Shares not taken up in accordance with the Entitlement Offer and Top-Up Offer in accordance with the Public Shortfall Offer. The Entitlement Offer is partially underwritten up to the Underwritten Amount. Accordingly, any New Shares not taken up under the Public Shortfall Offer will be placed to the Underwriter or its nominees up to the Underwritten Amount.

All of the New Shares issued pursuant to this Prospectus will rank equally with the existing Shares on issue as at the date of allotment. The rights and liabilities attaching to the New Shares are contained in section 5 of this Prospectus. Further details regarding the rights and liabilities attaching to the Attaching Options are contained in section 6 of this Prospectus.

Based on the capital structure of the Company as at the date of this Prospectus, up to approximately 15,622,528.00 New Shares will be issued pursuant to this Prospectus to raise up to approximately $4.69 million (before expenses).

3.2 Entitlement Offer

Eligible Shareholders are being offered the opportunity to subscribe for 1 New Share for every 4.7 Shares held as at the Record Date, at an issue price of $0.30 per New Share, together with 1 Attaching Option for every 1 New Share issued (for nil additional consideration).

Eligible Shareholders who wish to accept the Entitlement Offer can do so in accordance with the instructions contained in section 4 of this Prospectus.

Eligible Shareholders will receive a personalised Application Form setting out their Entitlement which will accompany a copy of this Prospectus. In calculating each Eligible Shareholder's Entitlement, fractional entitlements to New Shares have been rounded up to the nearest whole number of New Shares. The Company reserves the right to round the Entitlement of any Eligible Shareholder down so as to negate the effect of any intentional shareholding splitting or division which, in the Company's reasonable opinion, was conducted in an attempt to gain an advantage by reference to the rounding provided for in the calculation of Entitlements.

There is no minimum subscription for the Entitlement Offer. Eligible Shareholders may subscribe for all or part of their Entitlement.

3.3 Top-Up Offer

In addition to their entitlement, Eligible Shareholders may apply to receive any New Shares not taken up by other Shareholders under the Entitlement Offer (**Top-Up Shares**) by participating in the Top-Up Offer.

The issue price of Top-Up Shares offered in accordance with the Top-Up Offer is the same as the Entitlement Offer, being $0.30 per Share and successful Applicants will also receive 1 Attaching Option for every 1 New Share issued (for nil additional consideration).

Eligible Shareholders who wish to apply for Top-Up Shares can do so in accordance with the instructions contained in section 4 of this Prospectus.

Shares will only be offered in accordance with the Top-Up Offer if the Entitlement Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions received in accordance with the Entitlement Offer.

It is possible that, depending on the extent to which Eligible Shareholders participate in the Entitlement Offer or Top-Up Offer, one or more Eligible Shareholders could increase their Shareholding significantly by participating in the Retail Entitlement Offer and Top-Up Offer.

The control effect of the Entitlement Offer and Top-Up Offer is set out in sections 3.12 and 3.13 of this Prospectus.

3.4 Public Shortfall Offer

The Directors reserve the right to offer and place the shortfall of any New Shares not subscribed for pursuant to the Entitlement Offer, at their discretion, together with 1 Attaching Option for every 1 New Share placed (for no additional consideration), at any time within three months of the Closing Date, with such Shares, in no circumstances, to be issued at an issue price of less than $0.30 (**Public Shortfall Offer**).

Any investors who are not currently Eligible Shareholders wishing to participate in the Public Shortfall Offer must submit an Application Form that accompanies this Prospectus and follow the instructions given to them by the Company and/or the Underwriters. The Directors retain their discretion to refuse to accept applications under the Public Shortfall Offer (in whole or in part).

The Public Shortfall Offer, which is a separate offer to the Entitlement Offer, is made under this Prospectus and will remain open for three months following the Closing Date. The New Shares and Attaching Options issued in accordance with the Public Shortfall Offer will rank equally with the New Shares and Attaching Options issued pursuant to the Entitlement Offer.

The Directors reserve the right to pay a commission of up to 6% (exclusive of GST) of any amounts subscribed under the Public Shortfall Offer through any licensed securities dealers or Australian financial services licensee in respect of any Applications lodged and accepted by the Company.

3.5 Underwriting

The Entitlement Offer is partially underwritten by the Underwriters. Accordingly, any New Shares and Attaching Options not taken up under the Entitlement Offer or Public Shortfall Offer by the Closing Date will be taken up by the Underwriters or its nominees up to the Underwritten Amount.

The Company has agreed to pay an underwriting fee of 6% to the Underwriters on all amounts raised under the Entitlement Offer and Placement (including gross funds raised by the Company from the exercise of the Attaching Options before their expiry date), other than in respect of amounts raised from Directors and their related bodies corporate or associates.

The terms of the Underwriting Agreement are summarised at section 3.18.

3.6 Placement Option Offer

(a) **Introduction**

The Entitlement Offer has been supplemented by the Placement that was announced to the market on 29 July 2026, which raised approximately $4 million (before expenses), at an issue price of $0.30 per Share, being the same issue price as the Shares offered pursuant to the Entitlement Offer.

The Shares issued in accordance with the Placement will rank equally with the existing Shares of the Company, but will be issued after the Record Date and will not be eligible to participate in the Entitlement Offer.

Subject to Shareholder Approval being obtained, participants in the Placement are also entitled to apply for 1 Attaching Option for every 1 Share issued under the Placement (for nil additional consideration) (**Placement Option Offer**), by submitting an Application Form accompanying a copy of this Prospectus in accordance with the instructions provided to them by the Company or the Underwriters.

The offer of the Attaching Options to be issued to participants in the Placement is subject to shareholder approval and is expected to occur around early September 2026.

This Prospectus has also been prepared for the offer of Attaching Options under the Placement Option Offer so that the relief provided *under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2026/94*, with respect to the on-sale provisions of Section 707 of the Corporations Act, is available. Specifically, if the Attaching Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the Attaching Options can be on-sold within 12 months of their issue without a disclosure document being required for that on-sale, as the Attaching Options are issued with disclosure and the exercise of the Attaching Option does not involve any further offer.

(b) **Conditional Offer**

The Placement Option Offer is conditional upon Shareholder Approval being obtained. If Shareholder Approval is not obtained, the Attaching Options relating to the Placement will not be issued. Participants in Tranche 1 of the Placement will still receive their Shares issued under the Placement regardless of whether Shareholder Approval for the Attaching Options is obtained.

(c) **Shareholder Approval**

Shareholder Approval is required under ASX Listing Rule 7.1 for the issue Shares under Tranche 2 of the Placement and of Attaching Options to participants in the Placement (**Shareholder Approval**). The Company intends to seek Shareholder Approval at an extraordinary general meeting of the Company to be held in early September 2026. A notice of meeting will be despatched to Shareholders in due course.

Participants in the Placement and their associates will be excluded from voting on the resolution seeking Shareholder Approval in accordance with the ASX Listing Rules.

3.7 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to raise up to approximately $4.69 million (before expenses).

As noted in section 2 of this Prospectus, the funds raised pursuant to the Capital Raising are planned to be used for general working capital purposes.

Please refer to section 3.15 for further details relating to the estimated expenses of the Entitlement Offer.

3.8 Key Risks

There are various risk factors associated with an investment in the New Shares, Attaching Options and the Company. Some, but not all, of these risks are summarised in section 7 of this Prospectus. These risks, and others not specifically referred to in section 7, have the potential to materially affect the financial performance and prospects of the Company and the value of the New Shares and Attaching Options offered under this Prospectus.

Accordingly, potential investors should consider that an investment in the Company is speculative and should consult with their professional advisers before deciding whether to apply for any New Shares and Attaching Options pursuant to this Prospectus.

3.9 Principal Effect of the Entitlement Offer and Placement

The principal effect of the Entitlement Offer, assuming that it is fully subscribed and that no options are exercised prior to the Record Date, will be to:

(a) increase the Company's cash position by up to $4.69 million (before expenses) immediately after Completion of the Entitlement Offer; and

(b) increase the number of Shares on issue by up to 15,622,528.

Together with the Placement, the effect of the Entitlement Offer, assuming that it is fully subscribed and that no options are exercised prior to the Record Date, will be to:

(c) increase the Company's cash position by up to $8.68 million (before expenses) immediately after Completion of the Entitlement Offer; and

(d) increase the number of Shares on issue by 28,939,252 to 102,365,135.

3.10 Effect of Entitlement Offer and Placement on Capital Structure

The effect of the Entitlement Offer and Placement on the Company's capital structure, assuming that the Entitlement Offer is fully subscribed and that no options are exercised prior to the Record Date, is set out below:

<u>Shares</u>

DESCRIPTION	NUMBER
Shares currently on issue	73,425,883
Shares to be issued pursuant to the Placement	13,316,724
New Shares offered pursuant to the Entitlement Offer	15,622,528
Total Shares on issue after Completion	**102,365,135**

<u>Options</u>

DESCRIPTION	NUMBER
Existing Options on issue as at the date of this Prospectus	3,950,000
Attaching Options to be issued pursuant to the Placement Option Offer (subject to Shareholder Approval)	13,316,724
Attaching Options offered pursuant to the Entitlement Offer	15,622,528
Total Options on issue after Completion	**32,889,252**

A further 32,889,252 Shares may also be issued in the event that all of the Attaching Options issued under this Prospectus and Existing Options are subsequently exercised, in which case, the Company will also receive a further ~$16.34 million on the exercise of those options.

The precise effect of the Capital Raising on the Company's capital structure is subject to rounding of fractional Entitlements to New Shares under the Entitlement Offer. Fractional Entitlements will be rounded up to the nearest Share.

3.11 Dilution of Eligible Shareholders that do not accept their Entitlement

As the Entitlement Offer is an offer of 1 New Share for every 4.7 Shares held by Eligible Shareholders, the maximum dilution that will be experienced by any Eligible Shareholder as a result of the Entitlement Offer, if that Eligible Shareholder fails to subscribe for any Entitlement, is approximately 17.54% of its existing Shareholding.

Further, all Shareholders that do not participate in the Placement will have their shareholding diluted by 15.35% as a result of the Placement.

The maximum dilution that will be experienced by an Eligible Shareholder, if that shareholder does not participate in either of the Placement and Entitlement Offer, is approximately 28.27% of its existing shareholding, as a result of the Placement and Entitlement Offer together.

Eligible Shareholders should note that if they do not accept their Entitlements in full (and they do not participate in the Placement), their Shareholdings are likely to be diluted as follows as a result of the Placement and Entitlement Offer, assuming the Entitlement Offer is fully subscribed:

Example Shareholder	Holding as at Record Date	Voting Power	Entitlement	Holding if full Entitlement taken up	Voting Power	Holding if Entitlement not taken up	Voting Power
Shareholder 1	1,000,000	1.36%	212,766	1,212,766	1.18%	1,000,000	0.98%
Shareholder 2	2,500,000	3.40%	531,915	3,031,915	2.96%	2,500,000	2.44%
Shareholder 3	5,000,000	6.81%	1,063,830	6,063,830	5.92%	5,000,000	4.88%
Shareholder 4	10,000,000	13.62%	2,127,660	12,127,660	11.85%	10,000,000	9.77%

Further, Eligible Shareholders should note that if they do not accept their Entitlements in full (and they do not participate in the Placement), their Shareholdings are likely to be diluted as follows as a result of the Placement and Entitlement Offer being subscribed up to the Underwritten Amount:

Example Shareholder	Holding as at Record Date	Voting Power	Entitlement	Holding if full Entitlement taken up	Voting Power	Holding if Entitlement not taken up	Voting Power
Shareholder 1	1,000,000	1.36%	212,766	1,212,766	1.27%	1,000,000	1.04%
Shareholder 2	2,500,000	3.40%	531,915	3,031,915	3.17%	2,500,000	2.61%
Shareholder 3	5,000,000	6.81%	1,063,830	6,063,830	6.33%	5,000,000	5.22%
Shareholder 4	10,000,000	13.62%	2,127,660	12,127,660	12.66%	10,000,000	10.44%

3.12 Effect on relevant interest of substantial security holders

As at 27 July 2026 and before the Placement, the following persons were believed to have a relevant interest in 5% or more of the Company's Shares:

Holder of Relevant Interest	Shares	Voting Power (%)
Tenstar Trading Limited	5,233,109	7.13%
DGR Global Limited	3,767,701	5.13%

Following completion of Tranche 1 of the Placement, the persons believed to have a relevant interest in 5% or more of the Company's Shares are expected to have the voting power set out in the table below:

Holder of Relevant Interest	Shares	Voting Power (%)
Tenstar Trading Limited	5,233,109	6.21%

As at the date of this Prospectus, the Company has not received any commitment from any of its substantial shareholders as to whether they intend to subscribe for their Entitlement under the Entitlement Offer.

If each of the above Shareholders subscribe for their full Entitlement, and the Entitlement Offer is fully subscribed, there will be no change to their voting power in the Company as a result of the Entitlement Offer. However, their shareholding will be diluted, together with other shareholders as a result of the issue of Shares under the Placement, even if the Entitlement offer is only subscribed for up to the Underwritten Amount.

If the above Shareholders take up their full Entitlement and further participate in the Public Shortfall Offer, then they may increase their voting power in the Company. The extent to which any of the above Shareholders may increase their respective voting power in the Company is dependent upon the number of Shares available under the Public Shortfall Offer and the extent of any participation in the Public Shortfall Offer.

3.13 Effect of Entitlement Offer on Voting Power in the Company

As the Entitlement Offer and Public Shortfall Offer do not satisfy the requirements of exception 10 of section 611 of the Corporations Act, no person shall be entitled to acquire Shares or Attaching Options pursuant to the Entitlement Offer or Public Shortfall Offer if to do so would result in their, or another person's, Voting Power increasing from 20% or below to more than 20%, or from a starting point above 20% to below 90%, unless a separate exception to the restrictions contained in section 606 of the Corporations Act applies.

The only such exception that may apply is exception 9 of section 611 of the Corporations Act (i.e. the "3% creep" exception).

Given the current Voting Power of each of the three largest Shareholders and the fact that the Entitlement Offer is partially underwritten, the Entitlement Offer and Public Shortfall Offer are not expected to have any material effect on the control of the Company.

For illustrative purposes, the tables below set out the effect of the Entitlement Offer on the voting power of the Underwriters and the three largest Shareholders of the Company based on the following scenarios:

(a) the effect of the Entitlement Offer (including New Shares issued under the Placement) on the Underwriters voting power (assuming, for illustrative purposes, that only of the

Underwriters takes up the New Shares up to the Underwritten Amount) in the Company where:

(1) no Eligible Shareholders participate in the Entitlement Offer and there is no participation in the Public Shortfall Offer;

(2) 50% of the New Shares offered under the Entitlement Offer are issued to Eligible Shareholders or participants in the Public Shortfall Offer; and

(3) 100% of the New Shares offered under the Entitlement Offer are issued to Eligible Shareholders or participants in the Public Shortfall Offer;

(b) the effect of the Entitlement Offer (including New Shares issued under the Placement) on the top three shareholders' voting power in the Company where:

(1) the Entitlement Offer is fully subscribed by Eligible Shareholders, and any Entitlements not taken up Eligible Shareholders is taken up under the Public Shortfall Offer;

(2) the top three shareholders each take up none of their Entitlement under the Entitlement Offer;

(3) the top three shareholders each take up 50% of their Entitlement under the Entitlement Offer; and

(4) the top three shareholders each take up their full Entitlement under the Entitlement Offer;

(c) the effect of the Entitlement Offer (including New Shares issued under the Placement) on the top three shareholders' voting power in the Company where:

(1) the Entitlement Offer is subscribed up to the Underwritten Amount only;

(2) the top three shareholders each take up none of their Entitlement under the Entitlement Offer;

(3) the top three shareholders each take up 50% of their Entitlement under the Entitlement Offer; and

(4) the top three shareholders each take up their full Entitlement under the Entitlement Offer;

(d) the dilutionary effect that the exercise of the Attaching Options and existing Options will have on a Shareholder's voting power in the Company where the Shareholder does not participate in the Entitlement Offer and:

(1) the Entitlement Offer is fully subscribed by Eligible Shareholders, and any Entitlements not taken up Eligible Shareholders is taken up under the Public Shortfall Offer;

(2) none of the Attaching Options or Existing Options are exercised;

(3) 50% of the Attaching Options and Existing Options are exercised; and

(4) 100% of the Attaching Options and Existing Options are exercised.

(e) the dilutionary effect that the exercise of the Attaching Options and existing Options will have on a Shareholder's voting power in the Company where the Shareholder does not participate in the Entitlement Offer and:

(1) the Entitlement Offer is subscribed up to the Underwritten Amount only;

(2) none of the Attaching Options or Existing Options are exercised;

(3) 50% of the Attaching Options and Existing Options are exercised; and

(4) 100% of the Attaching Options and Existing Options are exercised.

Effect of Entitlement Offer on Underwriter's Voting Power								
	Current		**No Takeup**		**50% Takeup**		**100% Takeup**	
Shareholder	**Shares**	**Voting Power**	**Shares**	**Voting Power**	**Shares**	**Voting Power**	**Shares**	**Voting Power**
Underwriters	-	-	9,017,332	9.42%	1,206,068	1.26%	-	0.00%
Placement Shareholders	-	-	13,316,724	13.91%	13,316,724	13.91%	13,316,724	13.01%
Remaining Shareholders	73,425,883	100%	73,425,883	76.68%	81,237,147	84.83%	89,048,411	86.99%
Total	**73,425,883**	**100%**	95,759,939	100%	95,759,939	100%	102,365,135	100%

Effect of Entitlement Offer on Top Three Shareholders' Voting Power if Entitlement Offer is fully subscribed								
	Current		**No Takeup**		**50% Takeup**		**100% Takeup**	
Shareholder	**Shares**	**Voting Power**	**Shares**	**Voting Power**	**Shares**	**Voting Power**	**Shares**	**Voting Power**
Tenstar Trading Limited	5,233,109	7.13%	5,233,109	5.11%	5,632,436	5.50%	6,092,707	5.95%
DGR Global Limited	3,767,701	5.13%	3,767,701	3.68%	4,055,206	3.96%	4,386,589	4.29%
Newpeak Metals Limited	3,541,302	4.82%	3,541,302	3.46%	3,811,531	3.72%	4,123,002	4.03%
Remaining Shareholders (including Underwriters)	60,883,771	82.92%	89,823,023	87.75%	88,865,961	86.81%	87,762,837	85.74%
Total	**73,425,883**	**100%**	102,365,135	100%	102,365,135	100%	102,365,135	100%

Effect of Entitlement Offer on Top Three Shareholders' Voting Power if Entitlement Offer is subscribed up to the Underwritten Amount only								
	Current		**No Takeup**		**50% Takeup**		**100% Takeup**	
Shareholder	**Shares**	**Voting Power**	**Shares**	**Voting Power**	**Shares**	**Voting Power**	**Shares**	**Voting Power**
Tenstar Trading Limited	5,233,109	7.13%	5,233,109	5.46%	5,659,981	5.91%	6,156,493	6.43%
DGR Global Limited	3,767,701	5.13%	3,767,701	3.93%	4,075,037	4.26%	4,432,513	4.63%
Newpeak Metals Limited	3,541,302	4.82%	3,541,302	3.70%	3,830,171	4.00%	4,166,166	4.35%
Remaining Shareholders (including Underwriters)	60,883,771	82.92%	89,823,023	86.90%	82,194,750	85.83%	81,004,767	84.59%
Total	**73,425,883**	**100%**	102,365,135	100%	95,759,939	100%	95,759,939	100%

Effect of Exercise of Options on Voting Power if Entitlement Offer is fully subscribed								
	Current		None Exercised		50% Exercised		100% Exercised	
Shareholder	Shares	Voting Power	Shares	Voting Power	Shares	Voting Power	Shares	Voting Power
Shareholder 1	1,000,000	1.36%	1,000,000	0.98%	1,000,000	0.84%	1,000,000	0.74%
Shareholder 2	2,500,000	3.40%	2,500,000	2.44%	2,500,000	2.10%	2,500,000	1.85%
Shareholder 3	5,000,000	6.81%	5,000,000	4.88%	5,000,000	4.21%	5,000,000	3.70%
Shareholder 4	10,000,000	13.62%	10,000,000	9.77%	10,000,000	8.42%	10,000,000	7.39%
Total	**73,425,883**	-	**100,641,627**	-	**116,224,499**	-	**131,807,371**	-

Effect of Exercise of Options on Voting Power if Entitlement Offer is subscribed up to the Underwritten Amount only								
	Current		None Exercised		50% Exercised		100% Exercised	
Shareholder	Shares	Voting Power	Shares	Voting Power	Shares	Voting Power	Shares	Voting Power
Shareholder 1	1,000,000	1.36%	1,000,000	1.04%	1,000,000	0.92%	1,000,000	0.82%
Shareholder 2	2,500,000	3.40%	2,500,000	2.61%	2,500,000	2.30%	2,500,000	2.05%
Shareholder 3	5,000,000	6.81%	5,000,000	5.22%	5,000,000	4.59%	5,000,000	4.10%
Shareholder 4	10,000,000	13.62%	10,000,000	10.44%	10,000,000	9.18%	10,000,000	8.19%
Total	**73,425,883**	-	**100,641,627**	-	**116,224,499**	-	**131,807,371**	-

3.14 Changes to the Company's Board

The Company has appointed Mr Hugh Walter Robertson to the Board as a Non-Executive Director. Mr Boyd White has also resigned from the Company's board to pursue his personal interests in green energy projects. A summary of Mr Hugh Walter Robertson's relevant qualifications and experience are set out below.

Mr Hugh Walter Robertson – New Non-Executive Director

Hugh Robertson is a seasoned finance and governance expert with over 40 years of experience in the stockbroking industry. He is a senior investment adviser at Morgans Financial and has held roles at Bell Potter, Falkiners, Investor First, and Wilson HTM – developing particular expertise in small-cap industrial stocks. Outside the company, he holds multiple board and chair positions across listed and private organizations. Hugh brings deep capital markets insight and governance acumen to LKO, supporting its oversight and strategic growth.

Hugh Robertson has a relevant interest in 329,170 Shares as at the date of this Prospectus.

Accordingly, the Company's board now comprises:

(a) Mr Richard Ash (Executive Director and CEO);

(b) Mr Nicholas Mather (Non-Executive Director); and

(c) Mr Hugh Walter Robertson (Non-Executive Director).

3.15 Expenses of the Capital Raising

The total expenses of the Capital Raising are estimated to be approximately $631,000 (excluding GST), which are expected to be applied towards the items set out in the table below:

Expense	Amount ($)
Underwriting Fees	$522,000
ASIC Fees	$3,000
ASX Fees	$26,000
Legal Fees	$50,000
Printing, registry and distribution	$30,000
Total	**$631,000**

3.16 Financial Information

The un-audited Pro-forma Statement of Financial Position for the Company and its controlled entities as at 30 June 2026 is set out below:

		Consolidated Group (Unaudited)	Pro-Forma Adjustments	Pro-Forma Consolidated Group (Unaudited)
		30 June 2026		**30 June 2026**
	Note	**$'000's**	**$'000's**	**$'000's**
ASSETS				
Current Assets				
Cash and cash equivalents	1.1	434	8,069	8,503
Other financial assets		24	-	24
Prepayments		53	-	53
Total Current Assets		**511**	**8,069**	**8,580**

		Consolidated Group (Unaudited)	Pro-Forma Adjustments	Pro-Forma Consolidated Group (Unaudited)
Non-Current Assets				
Property plant and equipment		675	-	675
Exploration and evaluation		25,612	-	25,612
Security deposits		1,410	-	1,410
Total Non-Current Assets		**27,697**	**-**	**27,697**
Total Assets		**28,208**	**8,069**	**36,277**
LIABILITIES				
Current Liabilities				
Trade and other payables		1,596	-	1,596
Provisions		264	-	264
Total Current Liabilities		**1,860**	**-**	**1,860**
Non-Current Liabilities				
Provisions		300	-	300
Total Non-Current Liabilities		**300**	**-**	**300**
Total Liabilities		**2,160**	**-**	**2,160**
Net Assets		**26,048**	**8,069**	**34,117**
EQUITY				
Share capital (net of costs)	1.1	165,520	8,069	173,589
Reserves		2,303	-	2,303
Accumulated losses		(141,841)	-	(141,841)
Equity attributable to the owners of Lakes Blue Energy NL		**25,982**	**8,069**	**34,051**
Non-controlling interest		66	-	66
Total equity		**26,048**	**8,069**	**34,051**

Notes to the Pro-forma Statement of Financial Position:

The Pro Forma Consolidated Financial Information give effect to the placement of $8,700,000 in Share Capital raised by way of the Institutional Placement and Entitlement Offer, as if they had occurred on the date being presented, being 30 June 2026. Unless specifically described, the Pro Forma Historical Consolidated Financial Information does not include adjustments for business occurring after 30 June 2026 that do not relate to the Placement contemplated. The pro forma adjustments are as follows:

1. Pro-Forma Adjustments for Capital Raising

1.1. Anticipated increase in cash position from the capital raising is as follows:

	$
Placement proceeds	4,000,000
Entitlement Offer proceeds	4,700,000
Less: Anticipated costs of issuing capital	(631,000)
Net increase in Cash and Cash Equivalents from Capital Raising, before Exploration Expenditure	**8,069,000**

2. Basis of preparation of pro-forma statement of financial position

The above pro-forma statement has been prepared in accordance with ASIC Regulatory Guide 230 Disclosing non-IFRS Financial Information issued in December 2011.

The pro-forma statement of financial position is based on the Group's unaudited accounts to 30 June 2026. It has been prepared to provide shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company following completion of the capital raising assuming all securities offered are issued. The pro-forma financial information is presented in abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards application to financial statements.

All amounts are shown in Australian dollars and are exclusive of GST.

3.17 Foreign Investors

The offer of New Shares and Attaching Options pursuant to this Prospectus does not, and is not intended to, constitute an offer or invitation in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

It is not reasonable for the Company to comply with the securities laws of all foreign jurisdictions in which Shareholders are resident having regard to the number of foreign Shareholders and the number and value of Shares these Shareholders would be offered and the cost of complying with the regulatory requirements in each relevant jurisdiction.

The Entitlement Offer is not being extended to Shareholders that are recorded in the Company's share register as having an address that is outside Australia and New Zealand.

Where the Placement Option Offer or the Public Shortfall Offer is extended to non-Shareholders, it will only be extended to persons who are Australian residents and other persons to whom the Board is satisfied, in its sole discretion, that it would not be unlawful to offer Shares or Attaching Options to, with or without any such conditions as the Board sees fit (in its sole discretion), based on the local laws of the country in which an Applicant may reside.

This Prospectus is prepared under Australian law and is not a product disclosure statement prepared under New Zealand law. New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision.

No New Zealand product disclosure statement is being prepared and the offer of New Shares and Attaching Options is being extended to Eligible Shareholders that were recorded in the Company's share register as having an address in New Zealand in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand)*.

As a result, Eligible Shareholders that were recorded in the Company's share register as having an address in New Zealand may not be given all the information usually required under New Zealand law and will also have fewer other legal protections for this investment.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Entitlement Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

Any amounts paid on the financial products will be in Australian dollars and not New Zealand dollars. You may incur significant fees in having any such Australian dollar funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. The financial products are not currently traded on any financial product market in New Zealand. The way in which any financial product trading market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from the financial product trading markets that operate in New Zealand.

Eligible Shareholders that are resident in Australia and New Zealand that hold Shares on behalf of persons who are resident in jurisdictions other than Australia and New Zealand are responsible for ensuring that taking up any Entitlement pursuant to the Entitlement Offer does not breach regulations in the relevant overseas jurisdiction. The return of a duly completed Application will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Furthermore, the offer of Shares and Attaching Options pursuant to the Placement Option Offer and Public Shortfall Offer is only being extended to persons who are Australian residents and other persons to whom the Board (in consultation with the Underwriters) is satisfied, in its sole discretion, that it would not be unlawful (with or without such conditions as the Board sees fit) based on the local laws of the country in which an Applicant may reside to offer Shares or Attaching Options.

3.18 Underwriting

The Company and the Underwriters have entered into an Underwriting Agreement under which the Underwriters have agreed to act as joint lead managers and bookrunners of the Capital Raising, and to further partially underwrite the Entitlement Offer up to the Underwritten Amount.

The obligation of the Underwriters to underwrite the Capital Raising are subject to certain conditions precedent, including but not limited to:

(a) due diligence investigations being undertaken and completed by 8:00 am on 29 July 2026, and related deliverables being provided to the Underwriters;

(b) all relevant ASX waivers, approvals and confirmations being obtained by 8:00 am on 29 July 2026;

(c) the Company entering into trading halt on or before 27 July 2026;

(d) lodgement of the Prospectus with ASIC on 29 July 2026;

(e) all relevant lodgements and announcements with ASX and ASIC being made within the required timeframes; and

(f) no communication of any regulatory investigation or inquiry into the Company being received as at 8:00 am on 29 July 2026.

If the conditions precedent are not satisfied, the Underwriters may terminate the Underwriting Agreement, which would result in the Company being unable to raise the Underwritten Amount from the Underwriters.

Other events which may result in termination of the Underwriting Agreement include (but are not limited to):

(a) a statement contained in:

    (1) the announcement of the Capital Raise;

    (2) the investor presentation in respect of the Placement;

    (3) the Prospectus; and

    (4) other materials issued to the market in respect of the Capital Raise (including public information in relation to the Company),

    becoming misleading or deceptive (including by omission);

(b) the information supplied by the Company to the Underwriters for the purposes of the due diligence investigations, offer materials, or the offer becoming materially false, misleading or deceptive;

(c) any person whose consent to the issue of the Prospectus is required withdrawing such consent;

(d) the Company lodging a Supplementary Prospectus without the consent of the Underwriters or failing to lodge a required Supplementary Prospectus;

(e) any material adverse change or development occurring which has or is likely to have a material adverse effect on the Company;

(f) the ASX/S&P 300 Index falling by 10% or more at any time from its level at market close on the Business Day immediately preceding the date of the Underwriting Agreement, being 29 July 2026;

(g) any estimate, opinion, forecast or statement relating to future matters in any of the material described in paragraph (a) above becoming incapable of being met, or in the reasonable opinion of the Underwriters unlikely to be met, in the projected timeframe;

(h) introduction of a new law or policy that may prohibit or adversely affect the Capital Raise or adversely affect the taxation treatment of the Shares and Options issued under the Capital Raise;

(i) the Company being prevented from conducting or completing the Capital Raise by ASX, ASIC, any applicable laws or a court order;

(j) the Company ceasing to be admitted to the official list of ASX, or the Securities being suspended from quotation on ASX;

(k) ASIC making an application for an order under Part 9.5 of the Corporations Act in relation to the Offer Materials or commencing an investigation or prosecution against the Company;

(l) the Company engaging in conduct that is misleading or deceptive in connection with making the Capital Raise, or withdrawing or indicating that it does not intend to proceed with the Capital Raise;

(m) a general moratorium on commercial banking activities being declared in Australia or certain other key jurisdictions, or material disruption to securities settlement or clearance services;

(n) a major act of terrorism, outbreak of hostilities, declaration of war or national emergency, or pandemic (including COVID-19 or any material escalation thereof) involving key jurisdictions including Australia;

(o) any adverse change or disruption to financial, political or economic conditions or financial markets in Australia or other key international jurisdictions;

(p) a representation or warranty given by the Company under the Underwriting Agreement being untrue or incorrect;

(q) the Company failing to perform or observe any of its obligations under the Underwriting Agreement;

(r) a change to the chief executive officer or the board of directors of the Company (other than a change announced prior to the date of the Underwriting Agreement);

(s) a director or senior member of management of the Company engaging in fraudulent conduct or being charged with an indictable offence, or any Government Agency commencing public proceedings against the Company or any director;

(t) an insolvency event occurring in relation to the Company or any member of the Company's corporate group; and

(u) the Company disposing of or charging the whole or substantial part of its business or property, ceasing or threatening to cease to carry on business, or materially altering its capital structure (other than as contemplated in the material described in paragraph (a) above).

Some of the termination events are qualified termination events, meaning that they will only give rise to a right of termination where, in the reasonable opinion of the Underwriters, the relevant event has or is likely to have a Material Adverse Effect, or would result in the Underwriters contravening, being involved in a contravention of, or incurring a liability under the Corporations Act, the Company's constitution, or any other applicable law.

The Company will pay to the Underwriters a 4.0% management fee and 2.0% selling fee on amounts raised by the Company under the Capital Raise, including any gross funds raised by the Company from the exercise of the Attaching Options. Amounts raised from Directors (and their related bodies corporate or associates) are excluded from the Underwriter's fees. The Underwriters' fees are exclusive of GST.

The Company will reimburse the Underwriters certain reasonably incurred costs in relation to the Capital Raise, including legal costs (up to $30,000), disbursements, out of pocket expenses, taxes and stamp duty and costs in respect of any ASX, ASIC or governmental agency inquiry.

The Company has given certain representations, warranties and undertakings to the Underwriters, and indemnified the Underwriters (and affiliates of the Underwriters) in respect of certain matters, each of which are customary in agreements of the same kind as the Underwriting Agreement.

4. Acceptance of Offers and Applications

4.1 Acceptance of Entitlement Offer

Your acceptance of the Entitlement Offer must be made in accordance with the instructions contained in your personalised Application Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for your maximum Entitlement.

You may participate in the Entitlement Offer as follows:

(a) if you wish to accept your full Entitlement, you must either:

(1) pay your application monies via BPAY® in accordance with the instructions, and for the amount indicated, on the Application Form. Please refer to section 4.7 for further information regarding payment via BPAY®; or

(2) if you are unable to pay via BPAY® (for example, because you are a New Zealand shareholder who does not have an Australian bank account), contact the Share Registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) between 8:30 am and 5:00 pm (AEST), Monday to Friday,

in each case, by no later than 5:00 pm (AEST) on the Closing Date;

(b) if you only wish to accept part of your Entitlement, you must either:

(1) pay the appropriate application monies for the relevant part via BPAY® in accordance with the instructions on Application Form. Please refer to section 4.7 for further information regarding payment via BPAY®; or

(2) if you are unable to pay via BPAY® (for example, because you are a New Zealand shareholder who does not have an Australian bank account), contact the Share Registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) between 8:30 am and 5:00 pm (AEST), Monday to Friday,

in each case, by no later than 5:00 pm (AEST) on the Closing Date; or

(c) if you do not wish to accept any part of your Entitlement, you are not obliged to do anything.

Eligible Shareholders who do not take up their Entitlement in full will not receive any payment or value for any part of their Entitlement that they do not take up and their Shareholding in the Company will be diluted.

The Directors retain the discretion to refuse to accept applications for New Shares (in whole or in part) where the effect of issuing New Shares to the Applicant will result in the Applicant's, or another person's, Voting Power in the Company increasing from 20% or below to more than 20%, or from a starting point above 20% to below 90%.

4.2 Application for Top-Up Shares

If you wish to apply for Top-Up Shares in excess of your Entitlement under the Top-Up Offer, you may do so in accordance with the instructions referred to in the Application Form. Please read the instructions carefully. Any Top-Up Shares applied for in excess of your Entitlement will be issued from the excess of any New Shares not applied for in accordance with the Entitlement Offer (if any) and there is no guarantee that you will receive all, or any, of the amount of the Top-Up Shares applied for pursuant to the Top-Up Offer.

For payment methods, please refer to section 4.6.

4.3 Allocation of Top-Up Shares

Subject to the Directors retaining discretion to refuse to accept applications (in whole or in part) for Top-Up Shares under the Top-Up Offer where the effect of issuing Top-Up Shares to the Applicant will result in the Company breaching the ASX Listing Rules or the Applicant's, or another person's, Voting Power in the Company increasing from 20% or below to more than 20%, or from a starting point above 20% to below 90%. Applicants in accordance with the Top-Up Offer will be allocated the lesser of:

(a) the number of Top-Up Shares applied for by the Applicant; and

(b) if the number of Top-Up Shares available for subscription is less than the aggregate number of Top-Up Shares applied for by all unsatisfied Applicants, the number of Top-Up Shares applied for, scaled on a pro rata basis according to all unsatisfied Applicants' respective shareholdings in the Company as at the Closing Date for the Entitlement Offer.

If, following the allocation process referred to in paragraphs (a) and (b) immediately above, there are any remaining Top-Up Shares, that allocation process will be repeated continuously until all applications for Top-Up Shares have been satisfied in full or there are no further Top-Up Shares.

The Directors intend to place the shortfall of any Shares not subscribed for pursuant to the Entitlement Offer or Top-Up Offer, either under the Public Shortfall Offer or to the Underwriters or the nominees up to the Underwritten Amount.

4.4 Application and allocation of Public Shortfall Offer

Following completion of the process set out in section 4.3, the Directors reserve the right to offer and place the shortfall of any Shares or Attaching Options not subscribed for pursuant to the Entitlement Offer, at their discretion, together with 1 Attaching Option for every 1 Share placed (for no additional consideration), at any time within the three months following the Closing Date, with such Shares, in no circumstances, to be issued at an issue price of less than $0.30.

Applicants may apply for Shares and Attaching Options pursuant to the Public Shortfall Offer by completing an Application Form accompanying a copy of this Prospectus and following the instructions contained in the Application Form and otherwise given to them by the Company.

New Shares and Attaching Options issued pursuant to the Public Shortfall Offer will be issued on a progressive basis. Where the number of New Shares and Attaching Options issued is less than the number applied for, or where no issue is made, surplus application money will be refunded, without any interest, to the Applicant as soon as practicable.

The Directors retain absolute discretion as to who may receive New Shares and Attaching Options pursuant to the Public Shortfall Offer and/ or to proceed with the Public Shortfall Offer at all. Accordingly, there is no guarantee that an applicant under the Public Shortfall Offer will receive all or any New Shares applied for pursuant to an Application lodged in accordance with the Public Shortfall Offer.

Applicants under the Public Shortfall Offer may only pay the relevant application money by cheque, electronic funds transfer or bank draft and cannot do so via BPAY.

4.5 Application for Attaching Options in relation to Placement

Subject to Shareholder Approval being obtained, participants in the Placement can apply for Attaching Options on the basis of 1 Attaching Option for every 1 Share subscribed for and allocated to them under the Placement, for nil consideration, in accordance with the instructions provided to them by the Underwriters accompanying this Prospectus.

4.6 Payment Methods

Eligible Shareholders may make payment of your application monies in the following ways:

(a) by BPAY®; or

(b) if you are unable to pay via BPAY® (for example, because you are a New Zealand Shareholder who does not have an Australian bank account), contact the Share Registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) between 8:30 am and 5:00 pm (AEST), Monday to Friday.

Cash payments will not be accepted. Receipts for payment will not be issued. Any application monies received for more than your final allocation of New Shares and Attaching Options (only where the amount is $1.00 or greater) will be refunded as soon as practicable. No interest will be paid on any application monies received or refunded.

4.7 Payment by BPAY®

For Eligible Shareholders wishing to pay via BPAY®, please follow the instructions on the Application Form. You can only make a payment via BPAY® if you are an Eligible Shareholder and the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

(a) you do not need to submit the Application Form but are taken to have made the declarations on that Application Form; and

(b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares and Attaching Options which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5:00 pm (AEST) on the Closing Date. You should be aware that your financial institution may implement cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

Any application monies received for more than your final allocation of New Shares and Attaching Options (only where the amount is $1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Entitlement Offer is non-renounceable. Accordingly, Shareholders may not sell or transfer all or part of their Entitlement.

4.8 Representations you will be taken to make by acceptance

A payment of application monies made through BPAY® or otherwise constitutes a binding offer to acquire New Shares and Attaching Options on the terms and conditions set out in this Prospectus and, once paid, cannot be withdrawn. The Company's decision whether to treat an Application as valid is final.

By completing and returning an Application or making a payment of application monies by BPAY® or otherwise, you will be deemed to have:

(a) acknowledged that you have fully read and understood this Prospectus and the Application Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this Prospectus and the Application Form;

(b) agreed to be bound by the terms of the Entitlement Offer or Public Shortfall Offer (as applicable), the provisions of this Prospectus and the Company's Constitution;

(c) authorised the Company to register you as the holder of the New Shares and/or Attaching Options allotted to you;

(d) declared you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations pursuant to the personalised Application Form;

(e) warranted that you are an Eligible Shareholder (in respect of the Entitlement Offer and the Public Shortfall Offer) and that you are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue of New Shares and Attaching Options pursuant to this Prospectus;

(f) in respect of the Entitlement Offer, declared that you were the registered holder as at the Record Date of the Shares indicated in the Application Form as being held by you on the Record Date;

(g) agreed to apply for and be issued up to the number of New Shares and Attaching Options specified in the Application Form, or for which you have submitted payment of any application monies via BPAY® or otherwise at the issue price of $0.30 per New Share;

(h) authorised the Company, the Share Registry and their respective officers, employees or agents to do anything on your behalf necessary for New Shares and Attaching Options to be issued to you;

(i) acknowledged and agreed that:

    (1) determination of eligibility of investors for the purpose of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company; and

    (2) the Company, and each of its Affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;

(j) acknowledged that the information contained in this Prospectus and your Application Form is not investment advice nor a recommendation that the New Shares and /or Attaching Options are suitable for you given your investment objectives, financial situation or particular needs;

(k) acknowledged that this Prospectus does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to the ASX;

(l) acknowledged the statement of risks in the 'Risk Factors' Section of this Prospectus and that investments in the Company are subject to risk;

(m) acknowledged that none of the Company or its Related Bodies Corporate and Affiliates and none of its or their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital; and

(n) authorised the Company to correct any errors in your Application Form.

The Directors' (or their delegates') decision as to whether to treat an Application as valid and how to construe, amend or complete the Application is final and binding. The Directors reserve the right to accept late Applications in their sole discretion.

4.9 Enquiries concerning your Entitlement

If you have any queries concerning your Entitlement please contact the Company's Share Registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia).

4.10 No Cooling-Off Rights

Cooling-off rights do not apply to an investment in New Shares and Attaching Options. You cannot, in most circumstances, withdraw your application once it has been accepted.

5. Rights and Liabilities Attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

As at the date of this Prospectus, all shares on issue in the Company are of the same class and rank equally in all respects. The New Shares issued pursuant to this Prospectus will rank equally with existing shares on issue.

5.1 General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

5.2 Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

(a) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

(c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which a proxy, attorney or representative is appointed, have one vote for each share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

5.3 Dividends

Subject to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the shareholders entitled to the dividend which shall be payable on all shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on shares which are participating shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of shares.

5.4 Transfer of Shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

5.5 Future Increases in Capital

The allotment or issue of any Shares or Options of the Company is under the control of the Directors who may, subject to the Corporations Act and the ASX Listing Rules, allot or issue them on such conditions as they see fit.

5.6 Rights on Winding Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as the liquidator considered fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

5.7 Shareholder Liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

5.8 Further increase in capital

The issue of any new Shares is under the control of the Directors. Subject to the restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

5.9 Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders, vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holdings of the shares of that class.

5.10 Unmarketable parcels

Subject to the Corporations Act, the Company may sell or otherwise dispose of the shares of a shareholder who holds less than a marketable parcel of shares on any terms and in the manner and at the time which the Directors determine. For the purpose of selling or disposing of those shares, each shareholder who holds less than a marketable parcel of shares irrevocably:

(a) appoints the Company as its agent to sell all the shares it holds;

(b) appoints the Company and each Director and Company Secretary from time to time jointly and severally as its attorney in its name and on its behalf to effect a transfer document for its shares and to otherwise act to effect a transfer of its shares;

(c) appoints the Company as its agent to deal with the proceeds of sale of those shares in accordance with the Constitution; and

(d) permits the Company if permitted by the Corporations Act to pool two or more unmarketable parcels for sale.

5.11 Share buy backs

Subject to the Corporations Act and ASX Listing Rules, the Company may buy back shares in itself on terms and conditions determined by the Directors. The consideration paid for a buy back of shares may include specific assets, including securities of the Company or any other corporation, trust or entity.

6. Rights and Liabilities of Attaching Options

The Attaching Options issued in accordance with this Prospectus will be issued on the following terms and conditions.

6.1 Exercise Period and Expiry Date

The Attaching Options are exercisable at any time on a Business Day prior to 5:00 pm (AEST) on the date that is 5 years after the date of issue of Attaching Options under the Entitlement Offer (**Expiry Date**). Attaching Options not exercised by that date will lapse.

6.2 Exercise Price

Each Attaching Option entitles the holder to acquire one Share on payment of the sum of $0.36 per Attaching Option (**Exercise Price**) to the Company.

6.3 Notice of Exercise

Applicants will receive an exercise notice at the same time that they receive a holding statement in respect of the Attaching Options (**Exercise Notice**).

Attaching Options may be exercised at any time prior to 5:00 pm (AEST) on the Expiry Date by delivering a duly executed Exercise Notice to the Company, together with payment for the aggregate Exercise Price for the Attaching Options being exercised.

Attaching Options will be deemed to have been exercised on the date that the Company has received the aggregate Exercise Price (in cleared funds) in respect of the Attaching Options exercised in accordance with the Exercise Notice.

6.4 Shares Issued on Exercise of Attaching Options

Shares to be issued pursuant to the exercise of Attaching Options will be issued following receipt of all the relevant documents and payments (in cleared funds) and will rank equally with the then issued Shares.

Shares issued pursuant to the exercise of Attaching Options will have the same rights and liabilities as the Company's existing Shares on issue as at the date of the exercise of the Attaching Options. The full details of the rights attaching to Shares are set out in the Company's Constitution. A summary of the rights and liabilities attaching to the Shares as at the date of this Prospectus is set out in section 5 of this Prospectus.

If the holder of any Attaching Options exercises less than the total number of Attaching Options registered in their name, the Company will provide the holder of any Attaching Options with a new holding statement stating the remaining number of Attaching Options registered in that holders name, together with a new exercise notice.

6.5 Quotation of Attaching Options and Shares on Exercise

The Company will not apply to the ASX for Quotation of the Attaching Options.

Applicants should be aware that there is unlikely to be a viable market for them and a sale or transfer of the Attaching Options will be difficult.

An application will be made at the time of the exercise of any Attaching Options for Quotation of the Shares to be issued upon exercise of Attaching Options.

The holder of any Attaching Options may only transfer some or all of their Attaching Options in any manner authorised by the ASX or the Corporations Act, at any time prior to the close of trading on the ASX on the Expiry Date.

6.6 Participation or Entitlements

There are no participating rights or entitlements inherent in the Attaching Options and holders will not be entitled to participate in new issues of securities offered to Shareholders during the term of the Attaching Options, except in their capacity as existing Shareholders.

However, the Company will ensure that, for the purpose of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced so as to give holders of Attaching Options the opportunity to exercise their Attaching Options before the date for determining entitlements to participate in any issue.

6.7 Bonus Issues

If, prior to the expiry of the Attaching Options, the Company makes a bonus issue of Shares to Shareholders for no consideration, the number of Shares over which an Attaching Option is exercisable will be increased by the number of Shares which the holder would have received if the Attaching Option had been exercised before the relevant record date for the bonus issue.

6.8 Pro-Rata Issue

If, from time to time, before the expiry of the Attaching Options, the Company makes a pro-rata issue of Shares to shareholders, the exercise price of the Attaching Options may be amended in accordance with ASX Listing Rule 6.22.2.

6.9 Capital Reorganisation

If there is a reorganisation of the issued capital of the Company (including any consolidation, subdivision, reduction, or return of capital), the rights of the holder of Attaching Options shall be changed to the extent necessary to comply with the ASX Listing Rules at the time of the reorganisation.

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7. Risks

7.1 Introduction

The Shares and Attaching Options offered in accordance with this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and otherwise disclosed to the ASX, and consult their professional advisers before deciding whether to apply for Shares or Attaching Options pursuant to this Prospectus.

In addition to the specific risks that relate directly to the Company, there are also other general risks, many of which are largely beyond the control of the Company and the Directors, that investors should consider. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of any Shares and/or Attaching Options issued pursuant to this Prospectus.

7.2 Business Specific and Industry Risks

(a) Development Risk

The Company's major assets include the wholly-owned wells situated in the Wombat and Trifton/Gangell Gas Fields within PRL 2, and a royalty on net wellhead revenue from any future petroleum production in PEP 169. The Company also has a number of other assets, which may be developed in the medium to long term. Each of these assets will require further development to be commercially exploitable and the Company can make no representations that such further development will be successful. Successful development of these assets is reliant, at least in part, on third parties performing necessary services, the support of state and federal governments and global economic conditions (each of which are discussed further in this section 7).

(b) Royalty Risk

The Company's revenue from its wellhead royalty interest in PEP 169 is dependent on the production of petroleum from wells operated by third parties. Accordingly, the performance of the operator of the petroleum wells on PEP 169 from time to time, as well as the volume of petroleum production from these wells, economic conditions, operational disruptions, performance issues, regulatory constraints, and delays in development on PEP 169 will have a direct impact on the financial performance of the Company.

(c) Litigation Risk

The Company has been the subject of litigation with respect to its drilling program at Wombat 5. As announced to the market on 9 June 2026, the Company has settled one of the two litigations, with one remaining outstanding for approximately $2.2 million. The Company sought to resolve this second matter proper to the commencement of courty proceedings and was not successful. The Company is now preparing for court proceedings. There is a risk that judgement is made against the Company together with an order for costs. If that were to occur, the Company would need to source significant additional funds (whether through debt, equity, or the sale of assets) to meet any such judgement, which it may not be able to source on favourable terms, or at all.

Any adverse judgement could have a material adverse effect on the Company's financial position and its ability to pursue its business objectives.

(d) **Shareholder Approval Risk**

The issue of Tranche 2 of the Placement, and the Attaching Options to participants in the Placement under the Placement Option Offer is subject to Shareholder Approval being obtained at an extraordinary general meeting of the Company expected to be held in early September 2026. There is a risk that Shareholder Approval may not be obtained. If Shareholder Approval is not obtained, the Tranche 2 Placement Shares and the Attaching Options relating to the Placement may not be issued until the Company has sufficient placement capacity under ASX Listing Rule 7.1 and participants in the Placement may not receive their Shares and Attaching Options to which they would otherwise have been entitled as planned, or at all. Participants in Tranche 1 of the Placement will still receive their Shares issued under the Placement regardless of whether Shareholder Approval for the Attaching Options is obtained.

(e) **New Opportunity Risk**

The Company may seek, or be approached to participate in, new business opportunities from time to time. While the Directors will approach new opportunities with care and diligence, there is no guarantee that the Company will execute formal documentation in relation to any new opportunity on terms acceptable to the Company. If the Company is able to pursue a new opportunity there can be no assurance that such opportunity will be successful, and it is possible that the Company may divert cash or other resources from existing assets to the development of new opportunities, which may hinder the development of the existing assets.

(f) **Gas Shortfall Expectation**

Part of the Company's internal financial modelling relies on an expectation that the Company will secure gas sales contracts for 20 PJ of gas sales per annum. There can be no assurance that the Company's expectations will prove to be correct.

(g) **Climate Change Risk**

The Company recognises that climate change is a shared global challenge and that global and local policies in response to climate change may affect the Company. The Company identifies climate change and climate change regulation as strategic risks that ultimately may affect the Company's future operating and financial performance. These risks include, but are not limited to, unpredictable weather conditions which may have direct or indirect adverse impacts on the Company's operations or customer markets, including capital markets. The Company remains alert to scenarios around global megatrends impacted by climate change, such as globalisation, digitalisation and automation, and how these will impact the Company's future activities.

(h) **Rehabilitation Risk**

The Company may be liable for rehabilitation costs at each of its wells/sites. Whilst an estimate for these costs has been provided for in the financial statements, rehabilitation costs can be difficult to estimate and there may be a risk that the realised costs are higher than provided, which would result in an adverse effect on the Company's profitability. Rehabilitation works will not be undertaken in the near term, and the proceeds of the Offer will not be applied toward meeting the cost of these works.

(i) **Exploration Company Risk**

As the Company is an exploration company, the market's perception of the value of its shares can alter significantly from time to time, causing fluctuations in the Company's share price. Fluctuations may also occur as a result of factors influencing the price of shares in exploration companies or share prices generally, as well as drilling activities by other parties in the same general region. The price of shares rises and falls and many factors affect the price of shares including local and international stock markets, movements in interest rates, economic and political conditions and investor and consumer sentiment. The stock markets generally remain volatile. While the Company's exploration portfolio exhibits geological and geopolitical diversity (that is, the diversity of structures to be explored and political regimes within which operations are carried out), such diversity does not overcome all of the abovementioned risks. For example, some of the Company's South Australian interests are held in the form of licence applications which need to convert into exploration licences and then in due course production licences before petroleum can be produced, which carries with it various regulatory and process risks.

(j) **Operating Risk**

Industry operating risks include the risk of fire, explosions, blow-outs, pipe failure, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures or discharges of toxic gasses, the occurrence of any of which could result in substantial losses to the Company due to injury or loss of life, severe damage to, or destruction of property, natural resources and equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation and penalties and suspension of operations. Damages occurring as a result of such risks may give rise to claims against the Company. The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and results of operations of the Company.

(k) **Government and regulatory risk**

The impact of actions by governments, the ASX, ASIC or other regulatory bodies may affect the Company's operations including matters such as necessary approvals, land access, sovereign risk, additional or increased taxation or regulation, or royalties which are payable on the proceeds of the sale of any successful exploration. Further, the approval of contractual arrangements in relation to exploration permits as well as the renewal of exploration permits is each a matter of governmental discretion and no guarantee can be given in this regard. A failure to obtain any approval would mean that the ability of the Company to participate in or develop any project may be limited or restricted either in part or absolutely. Such initiatives will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as the Company. Such further work may require the Company to meet or commit to financing obligations for which it may not have planned. Industry profitability can be affected by changes in tax policies and the interpretation and application thereof.

(l) **Resource and reserve estimate risk**

Hydrocarbon reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice of independent experts. In addition, such estimates are necessarily imprecise and depend to a significant extent on interpretations, which may prove inaccurate. The calculation of any possible volume of hydrocarbons in a prospect may be proved incorrect by future exploration, production, mapping and/or drilling activity. The Victorian Government's historic onshore exploration ban has delayed the Company's necessary exploration/appraisal work from being carried out to refine the Company's assessments of its potential Victorian petroleum resources.

(m) **Environment Risk**

In relation to the exploration permits held by the Company, issues can arise from time to time with respect to abandonment costs, consequential clean-up costs and environmental concerns. The Company could become subject to liability if, for example, there is environmental pollution and consequential clean-up costs at a later point in time. It is not possible to quantify any such contingent liability or any changes to environmental legislation that could lead to future liabilities. Further, the law governing environmental protection is constantly evolving. Future laws and regulations may be more onerous, resulting in an increase to the costs of the Company's operations.

(n) **Personnel Risk**

The Company's success depends in part on the core competencies of the Directors and management and the ability of the Company to retain key personnel. Loss of key personnel could have an adverse impact on the Company's performance.

(o) **Native Title Risk**

Native title rights could adversely impact on some of the Company's other operations. If the Company's ability to conduct future exploration and/or development and production activities is adversely affected, this may have a material adverse effect on the Company's performance and the price at which its shares are traded.

(p) **Industry nature risk**

Oil and gas exploration activity, especially drilling, is considered by its nature to be high-risk and is affected by numerous factors. Where exploration is successful, drilling operations can be affected by breakdowns, adverse weather conditions, site and geographical conditions, operational risks, shortage or delays in the delivery of rigs and/or other equipment, industrial disputes, government regulations, environmental issues and unanticipated costs. Hazards incident to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures or other factors are inherent in drilling and operating wells and may be encountered by the Company. Exploration may be unsuccessful. Exploration may prove to be more costly than expected or the proposed timing of exploration may not be achieved, thus potentially putting strains on the Company's financial position.

(q) **Contractual dispute risk**

Contractual disputes with joint venture partners, operators and contractors can arise from time to time. Some of the Company's projects are conducted as joint ventures. Where a venture partner does not satisfy its financial or other commitments or act in the best commercial interest of the project, it could have a material adverse effect on the interests of the Company. The Company is unable to predict the risk of financial failure, non-compliance with obligations or default by a participant in any venture to which it is, or may become, a party, or insolvency or managerial failure by any of contractors used by the Company in its exploration activities. Given that the Company has entered into, or may enter into, joint ventures, farmout agreements and royalty arrangements, the inability of those joint venturers, farminees and royalty payers to meet contracted obligations could adversely affect the Company's capacity to carry out its own activities.

(r) **Bushfire risk**

The Company's operations may be carried out in bushfire-prone areas. This can require special measures to be taken when performing, or impact the timing of, the Company's field activities. Alternatively, the outbreak of bushfire may mean activities have to be suspended and additional costs (such as stand-by or replacement costs) incurred.

7.3 Financial Risks

(a) **Additional Funding Risk**

The Company may need to raise additional funds in the future. There is no assurance that the Company will be able to secure additional funding, if required, whether debt, equity or otherwise. If the Company is able to secure additional funding there is no assurance that such funding will be on terms which are acceptable to the Company or its shareholders. Additional equity funding will dilute the holdings of existing shareholders.

(b) **Economic Condition Risk**

Economic conditions, inflation rates, interest rates, currency exchange rates and government policy may have an adverse effect on the exploration, development and value of the Company's assets, and the Company's ability to finance its activities on its tenements. These factors, as well as investor sentiment may also impact the performance of the Company's securities on ASX or any other securities exchange where the Company's securities may be quoted from time to time.

(c) **Impairment of non-financial assets risk**

The Company's assets are tested semi-annually for impairment in accordance with accounting standards to assess whether the carrying values may exceed recoverable amounts. An impairment loss may be triggered if capitalised exploration expenditure, evaluation and development costs do not meet the requirements under the accounting standards (AASB 6 - Exploration for and Evaluation of Mineral Resources).

(d) **Market demand and pricing risk**

Investors should consider the impacts of supply and demand for commodities (especially oil and gas), fluctuations in the prices of those commodities, exchange rates, Australia's inflation rates, taxation laws and interest rates. All of these factors have a bearing on operating costs, potential revenue and share prices. Energy prices are volatile and cannot be controlled. Energy prices have fluctuated widely in recent years, and if the price of hydrocarbons falls significantly and remains depressed, this could affect the financial viability of any reserves discovered. There is no assurance that, even if significant quantities of hydrocarbon products are discovered, a profitable market may exist for their sale. The marketability of hydrocarbons is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of oil and gas and petroleum products, the effect of which cannot be accurately predicted.

7.4 General Investment Risks

(a) **Investment Risk**

Holders of shares have no right to a repayment of their investment. Investors should appreciate that an investment in shares carries risks. The shares may not be tradeable at, or above, their offer price, and liquidity may be thin. The Company's shares are not redeemable in any circumstance and, in the event of external administration or liquidation (i.e., insolvency), are likely to be of minimal value.

(b) **Investing in securities and market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(1) general economic outlook;

(2) interest rates and inflation rates;

(3) changes in investor sentiment toward particular market sectors;

(4) the demand for, and supply of, capital; and

(5) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for securities in general and resource exploration securities in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Epidemic or other global risk**

The Company's operations are dependent upon the availability of suitable qualified and experienced personnel and equipment, such as drilling rigs. Local or widespread epidemics (pandemics) or conflict can adversely impact the availability of, or ability to mobilise, personnel and equipment.

(d) **Competition risks**

The industry in which the Company operates is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the projects and business of the Company. The Company's competitiveness on the domestic and global scale may be further impacted by government policy (both foreign and domestic) on matters such as energy, climate change, environment. Any tariffs imposed on the import and export of oil and gas may also impact the Company's overall competitiveness.

(e) **Changes to regulation**

Changes in relevant legal and administration regimes, accounting practices and government policies may adversely affect the financial performance of the Company.

(f) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of receiving New Shares or receiving Attaching Options under this Prospectus.

(g) **Integration risk**

The Company may pursue mergers and acquisitions, or enter into strategic partnerships, in order to realise benefits including complementary revenue streams and future platforms for growth. The identification, evaluation and negotiation of these opportunities may require significant time and effort from key management and employees, and may result in disruptions to the business.

There is also a risk that the Company is unsuccessful in integrating new businesses or assets into its existing operations in a timely manner, or that the new businesses or assets do not result in the benefits anticipated. This may include the potential challenges in integrating various operations as a result of different practices and processes being employed. The Company cannot guarantee that every acquisition or partnership that it makes or enters into will result in favourable outcomes for the business. The Company may also implement aspects of the acquired business or products to enhance its existing business.

There is also a risk that the process of integrating new businesses requires significantly more financial and management resources, or time to complete, than originally planned. This may occur due to a variety of factors, including poor market conditions, poor integration of staff, staff losses, customer losses, technology impacts or other integration barriers.

(h) **Information technology/privacy**

The Company relies heavily on its own computer systems and those of third party service providers to store and manage private and confidential information. A malicious attack on the Company's systems, processes or people from external or internal sources could put the integrity and privacy of the Company's data at risk and could hamper the Company's operations and, in turn, capacity to generate revenue. If the Company's efforts to combat any malicious attack are unsuccessful or the Company has actual or perceived vulnerabilities, not only could this result in the Company suffering short term economic loss, but the Company's business reputation and brand name may be harmed, potentially having a material adverse effect on the Company' operations and financial position.

(i) **Further risks**

The current and future operations of the Company, including exploration, appraisal and production activities, may be affected by a range of factors, including:

(1) unanticipated operational and technical difficulties;

(2) mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;

(3) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and

(4) uninsured losses or liabilities.

The Company will seek to mitigate these risks to the extent it is possible. However, there is no guarantee that all risks posed can be avoided.

7.5 Speculative Investment

The above risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the New Shares and Attaching Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares or Attaching Options.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for any Shares pursuant to this Prospectus.

8. Additional Information

8.1 Director Interests

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

(1) its formation or promotion; or

(2) the offer of New Shares or Attaching Options pursuant to this Prospectus; or

(c) the offer of New Shares or Attaching Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

(1) the formation or promotion of the Company; or

(2) the offer of New Shares or Attaching Options pursuant to this Prospectus.

The relevant interest of each of the Directors in the Company's Shares as at the date of this Prospectus, together with their respective Entitlements in accordance with the Retail Entitlement Offer, is set out in the table below:

Director	Shares	Entitlement to New Shares and Attaching Options under the Retail Entitlement Offer
Mr Richard Ash (CEO, Executive Director)	597,003	127,022 New Shares and 127,022 Attaching Options
Mr Nicholas Mather (Non-Executive Director)	2,601,168	553,440 New Shares and 553,440 Attaching Options
Mr Boyd White (Non-Executive Director)	36,846	7,840 New Shares and 7,840 Attaching Options
Mr Hugh Walter Robertson (Non-Executive Director)	329,170	70,037 New Shares and 70,037 Attaching Options

Director	Shares	Entitlement to New Shares and Attaching Options under the Retail Entitlement Offer
Mr Hugh Walter Robertson is a senior investment advisor at Morgans Corporate Limited, one of the Underwriters. Morgans Corporate Limited has: (a) acted as lead manager of the Placement, for which it has received a fee of up to ~$240,000 (depending on the allocation of fees as between the Underwriters); and (b) undertaken to partially underwrite the Entitlement Offer up to the Underwritten Amount, for which it will receive underwriting fees of up to ~$280,000 (depending on whether the Entitlement Offer is fully subscribed and the allocation of fees as between the Underwriters). The terms of the Underwriting Agreement are summarised at 3.18.		

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The total aggregate amount of remuneration for non-executive directors approved by Shareholders as at the date of this Prospectus is $300,000. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

Details of the remuneration paid and payable to each Director of the Company are set out in the Company's annual report for the financial year ending 30 June 2025. A copy of this report can be accessed on the Company's website or on ASX webpage for the Company (ASX Code: LKO).

The following table details the total compensation each Director received for the financial years ending 30 June 2026 and 30 June 2025 (including allowances and share based payments):

Director	2025 Directors' Remuneration (including superannuation)[1]	2026 Directors' Remuneration (including superannuation)[2]
Mr Richard Ash (CEO, Executive Director)	$303,458	$1,396,624
Mr Nicholas Mather (Non-Executive Director)	$60,000	$528,312

Director	2025 Directors' Remuneration (including superannuation)[1]	2026 Directors' Remuneration (including superannuation)[2]
Mr Boyd White (former Non-Executive Director)	$41,451	$528,312
Mr Roland Sleeman (former Non-Executive Chairman)	$403,231	$668,195
Mr Hugh Walter Robertson (Non-Executive Director)	-	-

1. Includes equity-settled fees of:
- $44,583 for Mr Richard Ash;
- $40,000 for Mr Nicholas Mather;
- $27,634 for Mr Boyd White; and
- $308,359 for Mr Roland Sleeman.

2. Includes share-based payments relating to vesting of options as follows:
- $936,624 for Mr Richard Ash;
- $468,312 for Mr Nicholas Mather;
- $468,312 for Mr Boyd White; and
- $593,195 for Mr Roland Sleeman.

The above figures do not include any Shares or Attaching Options that the Directors may acquire pursuant to the Entitlement Offer.

8.2 Market Price of Shares

The Company Shares are Quoted on the ASX (ASX Code: LKO).

In the three (3) months prior to 29 July 2026, the highest and lowest market sale prices of Shares on the ASX and the respective dates of those sales were:

	Date	Price
Lowest Price	1 June 2026	$0.32
Highest Price	29 April 2026	$0.775

8.3 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all ASX listed companies, the Company is required to immediately disclose to the market any information that a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

The Company ensures compliance with these obligations through the establishment of a formal 'Continuous Disclosure Statement', which establishes formal protocols for the notification and disclosure of information by the Company's Directors, employees, consultants and contractors that may potentially be material. This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

As such, this Prospectus should be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus prepared in accordance with the Corporations Act for the initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision as to whether or not to invest.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, advises that:

(a) it is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and

(c) it will provide a copy of each of the following documents, free of charge, to any person on request during the application period of this Prospectus:

    (1) the annual financial report most recently lodged by the Company with ASIC;

    (2) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in (1) and before the lodgement of this Prospectus with ASIC; and

    (3) any documents lodged by the Company with ASX under the continuous disclosure reporting requirements from 30 September 2025 and prior to the date of this Prospectus.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of the lodgement of the Company's latest annual financial report and before the date of the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of announcement
27 July 2026	Trading Halt
9 July 2026	Ceasing to be a substantial holder from NPM
2 July 2026	Wombat Gas Project - Commercial Update

Date	Description of announcement
2 July 2026	Retirement of Roland Sleeman as Director and Chairman
9 June 2026	Lakes Advances Wombat-5 Testing
9 June 2026	Legal Settlement Reached on Favourable Commercial Terms
27 May 2026	Change in substantial holding from NPM
30 April 2026	Quarterly Activities/Appendix 5B Cash Flow Report
1 April 2026	Application for quotation of securities - LKO
19 March 2026	Lakes Blue Energy Exploration Update
19 March 2026	Wombat-5 - Production Testing Continuing
16 March 2026	Half Year Accounts
9 February 2026	Wombat-5 - Production Testing Continuing
30 January 2026	Quarterly Activities/Appendix 5B Cash Flow Report
21 January 2026	Wombat-5 Well, Gippsland Basin - Production Testing Update
21 January 2026	Appointment of Michael McGowan as GM of Operations
14 January 2026	Wombat-5 Well, Gippsland Basin - Production Testing Update
24 December 2025	Change of Director's Interest Notice
24 December 2025	Application for quotation of securities - LKO
25 November 2025	Results of Annual General Meeting
25 November 2025	Chair's Address to Shareholders
25 November 2025	Wombat-5 - Production Testing Update
10 November 2025	Wombat-5 Well - Production Testing Timing Update
30 October 2025	Quarterly Activities/Appendix 5B Cash Flow Report
24 October 2025	Notice of Annual General Meeting/Proxy Form
13 October 2025	Project Update, Wombat Gasfield, Gippsland Basin, Victoria

Date	Description of announcement
2 October 2025	Wombat-5 Well, Gippsland Basin, Drilling Summary
1 October 2025	Wombat-5 Well, Gippsland Basin, Well Head Installed
30 September 2025	Appendix 4G and Corporate Governance Statement

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The Company's announcements are also available through the Company's website located at https://lakesblueenergy.com.au/investors/asx-announcements/.

8.4 Not Financial Product or Investment Advice

This Prospectus and the accompanying Application Form is for information purposes only and is not financial product or investment advice or a recommendation to acquire New Shares and Attaching Options and has been prepared without taking into account your objectives, financial circumstances or particular needs. This Prospectus should not be considered to be comprehensive and does not purport to contain all the information that you may require to make a decision about whether to apply for any New Shares and Attaching Options. This Prospectus should be read in conjunction with the Company's other periodic statements and continuous disclosure announcements lodged with ASX and available through the Company's website located at https://lakesblueenergy.com.au/investors/asx-announcements/.

Before making an investment decision, you should consider the appropriateness of the information in this Prospectus having regard to your own objectives, financial situation and needs and seek legal and taxation advice appropriate to your jurisdiction. If you have any questions about whether you should participate in the Entitlement Offer, you should seek professional advice before making any investment decision. The Company is not licensed to provide financial product advice in respect of the New Shares and Attaching Options.

8.5 Allotment

New Shares and Attaching Options issued pursuant to the Entitlement Offer and Placement Option Offer will be allotted in accordance with ASX Listing Rules and the timetable set out in this Prospectus.

New Shares and Attaching Options issued pursuant to the Public Shortfall Offer will be allotted progressively.

Where the number of New Shares and Attaching Options issued is less than the number applied for, or where no allotment is made, any surplus application money received by the Company will be refunded to the Applicant in full as soon as practicable after the Closing Date of the Entitlement Offer. No interest will be paid on any application money refunded to Applicants.

Pending the allotment and issue of New Shares and Attaching Options or payment of refunds pursuant to this Prospectus, all application money will be held by the Company on trust for the Applicants in a separate bank account as required by the Corporations Act. The Company will, however, be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for New Shares and Attaching Options issued pursuant to the Entitlement Offer and Top-Up Offer will be mailed to Applicants in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shares and Attaching Options issued under the Public Shortfall Offer as soon as practicable after their issue.

8.6 Brokerage and Stamp Duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for applying for New Shares and Attaching Options pursuant to the Entitlement Offer.

8.7 ASX Listing

An application will be made for Quotation of the New Shares offered pursuant to this Prospectus within 7 days of the date of this Prospectus. If ASX does not grant Quotation of the New Shares offered pursuant to this Prospectus, before the expiration of three months after the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any New Shares and will repay all application money for the Shares within the time prescribed under the Corporations Act, without interest.

The Attaching Options will not be Quoted and the Attaching Options will be unlisted. Applicants should be aware that there is unlikely to be a viable market for the Attaching Options and a sale or transfer of the Attaching Options may be difficult.

The fact that ASX may grant Quotation of the Shares offered pursuant to this Prospectus is not to be taken in any way as an indication of the merits of the Company or the Shares or Attaching Options offered for subscription.

8.8 Clearing House Electronic Sub Register System (CHESS) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares allotted to them in accordance with this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures pursuant to CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.9 Information Availability

Eligible Shareholders in Australia and New Zealand can obtain a copy of this Prospectus during the period of the Entitlement Offer on the Company's website at https://lakesblueenergy.com.au or by calling the Company's Share Registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) at any time from 8:30 am to 5:00 pm (AEST) Monday to Friday during the offer period for the Retail Entitlement Offer. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

The electronic version of this Prospectus on the Company's website will not include an Application Form. Applicants will only be entitled to apply for New Shares and Attaching Options pursuant to the Entitlement Offer in accordance with the instructions in an Application Form which accompanies a complete and unaltered copy of this Prospectus. A replacement Application Form can be requested by calling the Company's Share Registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) at any time from 8:30 am to 5:00 pm (AEST).

8.10 Taxation

The taxation consequences arising from an investment in any New Shares or Attaching Options will depend on the particular circumstances of each Applicant and it is the responsibility of all Applicants to satisfy themselves of the taxation treatment that applies to them by consulting their own professional tax advisers.

8.11 Disclaimer of Representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Prospectus.

Any information or representation that is not in this Prospectus may not be relied on as having been authorised by the Company, or its Related Bodies Corporate, in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of the Company, nor any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus or its contents.

8.12 Withdrawal of Entitlement Offer

The Company reserves the right to withdraw all or part of the Entitlement Offer at any time, subject to applicable laws, in which case the Company will refund application monies in relation to Shares and Attaching Options not already issued in accordance with the Corporations Act without payment of interest.

To the fullest extent permitted by law, you agree that any application monies paid by you to the Company will not entitle you to receive any interest and that any interest earned in respect of application monies will belong to the Company.

8.13 Interests of Experts and Advisors

Other than as set out below or elsewhere in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

(b) promoter of the Company; or

(c) underwriter to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

(d) the formation or promotion of the Company;

(e) any property acquired or proposed to be acquired by the Company in connection with:

(1) its formation or promotion; or

(2) the offer of New Shares or Attaching Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(f) the formation or promotion of the Company; or

(g) the offer of New Shares or Attaching Options pursuant to this Prospectus.

8.14 Consents

Each of the persons referred to in this section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and

(b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Boardroom Pty Limited has given its written consent to being named as the Company's Share registrar in this Prospectus. Boardroom Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Morgans Corporate Limited has given its written consent to being named as an Underwriter of the Entitlement Offer in this Prospectus. Morgans Corporate Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Alpine Capital Pty Ltd has given its written consent to being named as an Underwriter of the Entitlement Offer in this Prospectus. Alpine Capital Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Piper Alderman has given its written consent to being named as the Legal Advisor to the Entitlement Offer in this Prospectus. Piper Alderman has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

8.15 Governing Law

This Prospectus and the contracts formed on acceptance of an Application are governed by the laws of New South Wales, Australia. Each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

8.16 Enquiries

Any questions concerning the Entitlement Offer should be directed to the Company's Share Registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) at any time from 8:30 am to 5:00 pm (AEST).

8.17 Authorisation

This Prospectus is issued by the Company.

The lodgement of this Prospectus with ASIC was consented to by every director of the Company.

Richard Ash

9. Glossary

$	means the lawful currency of the Commonwealth of Australia.
Affiliates	has the meaning given in the Corporations Act.
Applicant	means a person who applies for Shares and/ or Attaching Options pursuant to this Prospectus.
Application	means an application for New Shares and/ or Attaching Options pursuant to this Prospectus in accordance with the instructions in this Prospectus and any applicable Application Form.
Application Form	means an entitlement and acceptance form in the form accompanying this Prospectus, pursuant to which Eligible Shareholders may apply for New Shares and Attaching Options pursuant to the Entitlement Offer, participants in the Placement may apply for Attaching Options in accordance with the Placement Option Offer and other persons may apply for Shares and Attaching Options pursuant to the Public Shortfall Offer.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the financial market operated by it (as the context requires).
ASX Listing Rules	means the listing rules of ASX.
ASX Settlement Operating Rules	means the settlement rules of the securities clearing house which operates CHESS.
Attaching Options	means Options to subscribe for Shares on the payment of the exercise price of $0.36 at any time prior to the date that is 5 years after the date of issue of Attaching Options under the Entitlement Offer, a summary of the terms of which are contained in section 6 of this Prospectus.
Board	means the board of Directors unless the context indicates otherwise.
Business Day	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.
Capital Raising	means, together, the Entitlement Offer, the Public Shortfall Offer and the Placement.
CHESS	means the ASX's clearing house electronic sub-register system.
Closing Date	means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).
Company	means Lakes Blue Energy NL ACN 004 247 214.
Completion	means the completion of the issue of New Shares and Attaching Options pursuant to the Entitlement Offer and Placement.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder, as at the Record Date, who:

(a) is recorded in the Company's register of members as having a registered address in Australia or New Zealand;

(b) as far as the Company is aware, is not located in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States; and

(c) is not otherwise ineligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Entitlement means the entitlement of an Eligible Shareholder pursuant to the Entitlement Offer.

Entitlement Offer means the non-renounceable entitlement offer to Eligible Shareholders in accordance with this Prospectus, and includes the Top-Up Offer.

Existing Options means the 3,950,000 Options to subscribe for Shares on the payment of the exercise price of $1.50 at any time prior to 5 August 2028, which were issued prior to the date of this Prospectus.

New Share means any Shares to be issued pursuant to this Prospectus.

Options means options to subscribe for Shares.

PEP 169 means the Victorian petroleum exploration permit within which the 'Otway-1' gas well is located.

Placement means the Company's two tranche placement comprising of:

(a) Tranche 1 – being the placement of 10,891,717 Shares to sophisticated and professional investors using the Company's existing Listing Rule 7.1 capacity; and

(b) Tranche 2 – being the proposed placement of 2,425,007 Shares to sophisticated and professional investors subject to Shareholder Approval,

as announced to ASX on 29 July 2026.

Placement Option Offer means the offer of Attaching Options to participants in the Placement.

PRL 2 means the Victorian petroleum retention licence within which the 'Wombat' and 'Trifon/Gangell' gas fields are located.

Public Shortfall Offer	means the offer and placement of any Shares not subscribed for pursuant to the Entitlement Offer as described in section 3.4 of this Prospectus.
Quotation	means official quotation of the Shares on ASX.
Record Date	means 7:00 pm (AEST) on the date specified in the timetable set out at the commencement of this Prospectus.
Related Bodies Corporate	has the meaning given in the Corporations Act.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.
Share Registry	means Boardroom Pty Limited ACN 003 209 836.
Top-Up Offer	means the offer to Eligible Shareholders to acquire any New Shares not applied for in accordance with the Entitlement Offer on the terms and conditions set out in section 3.3 of this Prospectus.
Top-Up Shares	means the Shares offered pursuant to the Top-Up Offer.
Voting Power	has the meaning given to that term in the Corporations Act.
Underwriters	means Morgans Corporate Limited ACN 010 669 726 and Alpine Capital Pty Ltd ACN 155 409 653.
Underwriting Agreement	means the agreement between the Company and the Underwriters dated on or about 29 July 2026, on the terms summarised in section 3.18.
Underwritten Amount	means in respect of the Entitlement Offer, the first $2,705,199.60, being 9,017,332 New Shares offered under the Entitlement Offer.
United States	means the United States of America.

10. Corporate Directory

Directors

Mr Richard Ash
(Executive Director and Chief Executive Officer)

Mr Nicholas Mather
(Non-Executive Director)

Mr Hugh Walter Robertson
(Non-Executive Director)

Company Secretary

Ms Elissa Hansen

Registered office

24-26 Kent Street
Millers Point NSW 2000

Contact Information

Telephone: +61 3 9629 1566
Email: lakes@lakesblueenergy.com.au
Website: https://lakesblueenergy.com.au/

Share Registry

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

Joint Lead Managers and Underwriters

Morgans Corporate Limited
367 Collins Street
Melbourne VIC 3000

Alpine Capital Pty Ltd
Level 8, 25 Bligh Street
Sydney NSW 2000

Legal Advisor

Piper Alderman
Level 23, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000