



Lakes Blue Energy NL

**Quarterly Activities Report
31 March 2026**

ABN 62 004 247 214

Directors

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Auditors

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Melbourne, Victoria 3000

Share Registry

BoardRoom Pty Ltd

Level 8, 210 George Street

Sydney NSW 2000

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

Quarterly Activities Report

For the period ended 31 March 2026

Key Highlights:

- Wombat-5 production testing advanced through initial flow, clean-up and fluid recovery into pressure build-up analysis during the quarter
- Production testing progressing in line with the current staged program, with the well currently in the pressure build-up and data acquisition phase and enhancement activities, including a perforation and propagation program, planned next
- Gas flow observed from all zones, confirming contribution from all three principal gas sand packages
- Testing outcomes to date support progression toward well optimisation, with additional enhancement activities identified as part of the staged program
- Continued advancement of the Portland Energy Project toward planned drilling in H2 CY2026, subject to regulatory approvals
- Ongoing evaluation of the Nangwarry CO₂ Project under the Maison collaboration with revised feasibility study progressing
- Strengthening of technical capability through expansion of the exploration and operations team to four personnel across reservoir engineering and geophysics
- Michael McGowan commenced as General Manager of Operations during the quarter, supporting increased operational capability across the portfolio
- Cash at bank of \$3.95million as at 31 March 2026, supporting ongoing testing and exploration activities

Lakes Blue Energy NL (ASX: LKO, Lakes) is pleased to report on its activities during the quarter ended 31 March 2026, including the progression of production testing at the Company's wholly owned Wombat Gas Field and ongoing advancement of its broader onshore gas portfolio.

Lakes' Chairman said: *"The Wombat-5 testing program has continued to progress during the quarter, with results to date confirming gas across multiple zones. Lakes is now in the pressure build-up phase, which will inform the next stage of well optimisation. From here, the Company is well positioned to continue advancing the program and progressing Wombat toward potential commercialisation as part of its Victorian gas exploration portfolio and will update the market as the Company achieves the next key milestones."*

Lakes Blue Energy Tenement Holdings and Potential Resources¹

Location	Licence	Interest (%)	Prospect	Petroleum fluid/ Units	Resource type	Low Estimate	Best Estimate	High Estimate	Chance of Success
Gippsland	PRL 2	100.0	Wombat	Gas (Bcf)	Contingent	258.0	329.0	628.0	
Gippsland	PRL 2	100.0	Trifon	Gas (Bcf)	Contingent	126	390	526	
Gippsland	PRL 2	100.0	Baragwanath	Gas (Bcf)	Prospective	156	701	2,523	0.15
Otway	PRL 249 and PEP 167	50.0	Nangwarry	Gas (Bcf)	Contingent	4.5	12.9	32.2	
Otway	PEP 175	100.0	Portland	Gas (Bcf)	Prospective	3,943	11,469	25,477	0.15
Surat	ATP 1183	100.0	Wellesley	Gas (Bcf)	Prospective	22.1	41.0	76.0	0.20
			Bendee	Oil (MMbbl)	Prospective	0.5	1.0	2.1	0.30
			Major East	Gas (Bcf)	Prospective	7.0	13.8	26.5	0.20
			Emu Apple	Oil (MMbbl)	Prospective	1.8	3.4	6.8	0.20
*Otway	PEP 169	100.0	Multiple	Gas	Royalty		~4%		
Arrowie	PELA's	100.0	Multiple	Oil/Gas/Helium	Royalty		2.5-3.5%		

*Subject to Lakes Royalty Trust interests of 10%

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

OPERATIONS

PRL 2 Wombat Gas Project – Gippsland Basin, Victoria

The March 2026 quarter marked continued progression of production testing activities at the Wombat-5 appraisal well, following the transition from drilling and completion in the prior quarter.

Production testing commenced in January 2026 and has continued throughout the period, with operations focused on assessing gas deliverability, pressure behaviour and reservoir characteristics across the three principal gas sand packages intersected by the well.

Initial testing confirmed that gas is present across all zones, with flow observed from each of the three sand packages. Gas flow was observed to surface via the flare stack throughout the nitrogen-assisted clean-up operations, confirming contribution from all zones, including the lowermost interval below the bottom sliding sleeve.

During the initial stages of testing, operations focused on unloading drilling and completion fluids from the reservoir through a combination of natural reservoir pressure and nitrogen lifting. These activities are a necessary step in enabling stable gas flow and obtaining representative production data. The Company's reservoir engineers continued to note encouraging pressure responses and fluid recovery during this phase.

As testing progressed, it became evident that additional operations would be required to optimise gas flow from the well. This outcome is consistent with the staged testing approach for wells of this nature, and testing activities continue to progress in line with the Company's current program and toward commercial evaluation. During the latter part of the quarter, the Company suspended well flow and clean-up activities and demobilised contractor equipment in preparation for the next phase of testing.

As at the date of this report, the Wombat-5 well is in the pressure build-up and data acquisition phase of the testing program. This phase represents a key step in evaluating reservoir performance ahead of well optimisation activities.

Next Steps

Following completion of the pressure build-up phase, and subject to regulatory approval, the Company intends to undertake a perforation and propellant enhancement program, a conventional enhancement technique in wells of this nature, across the completed horizontal section to enhance gas flow into the wellbore. Additional stimulation activities, including potential acid washing, are also under consideration as part of ongoing technical planning.

Production testing to date has progressed through a structured sequence of initial clean-up and flow, fluid recovery, pressure build-up testing, and planning for enhancement activities. While additional optimisation work is required to confirm commercialisation, testing undertaken to date has confirmed gas presence across multiple zones and provided valuable reservoir data.

The Company expects to provide more detail on the planned perforating and stimulation operations within the next two months

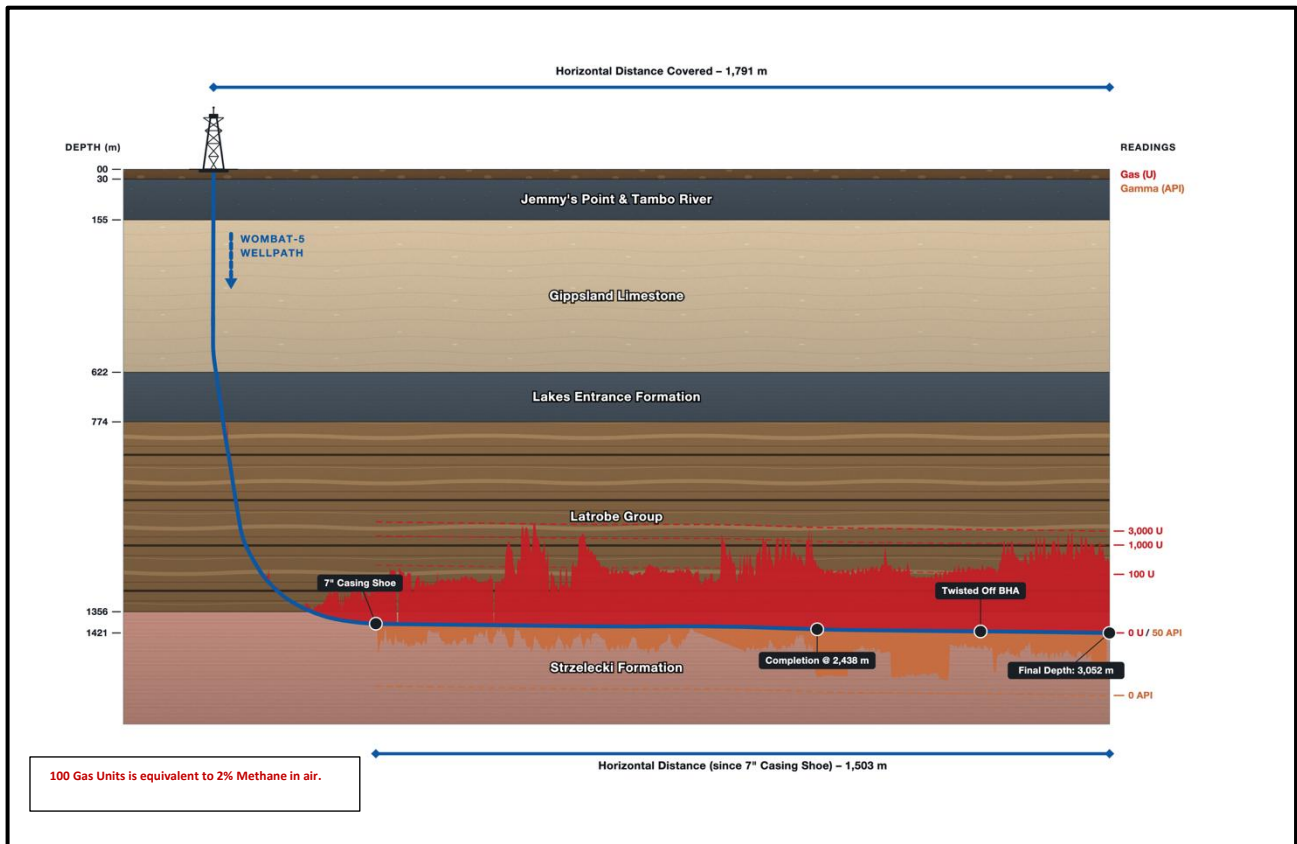


Figure 1: Schematic cross-section showing the Wombat-5 well path and significant gas shows to be evaluated during the production testing operations.



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

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

Lakes Blue Energy holds a 100% interest and operatorship in the Portland Energy Project, located in the onshore Otway Basin of south-west Victoria. The project provides exposure to a large onshore gas system within Victoria, targeting the Eumeralla Formation, which has previously been interpreted to contain a significant recoverable gas resource, as identified by independent consultant SRK Consulting (Australasia).

The project incorporates a number of prospective targets across the two permits, PEP 175 and PEP 167. The primary focus to date has been on the Eumeralla Formation, which is prospective for unconventional gas development, with additional opportunities also identified within the Waarre Sandstone Formation, a conventional oil and gas reservoir.

During the quarter, the Company continued to progress regulatory, environmental and stakeholder engagement activities in support of future drilling programs. The Company has outlined a potential drilling program at Portland designed to evaluate the mobility and deliverability of gas within the Eumeralla Formation, together with a potential well targeting the Waarre Sandstone Formation. The Company is currently reprocessing some of the 2D seismic lines over the potential drilling prospects to further refine the well locations.

The Company is advancing staged planning for proof-of-concept drilling, with a view to drilling up to two wells in the second half of the 2026 calendar year, subject to regulatory approvals and

portfolio prioritisation. The timing and scope of any drilling activity will be informed by regulatory outcomes, technical considerations and resourcing priorities.

The Portland Energy Project remains a key longer-term growth opportunity within the Company's Victorian onshore gas portfolio, providing exposure to a large, under-explored gas system. This resource has been independently assessed as a P50 Prospective Resources of 50 Tcf of gas in place the majority of which is tight gas with some resources being associated with conventional reservoirs. The P50 recoverable gas resources associated with this in place volume are independently estimated to be approximately 11 Tcf of gas. Lakes is targeting 1TCF of conventional gas, subject to regulatory approvals.

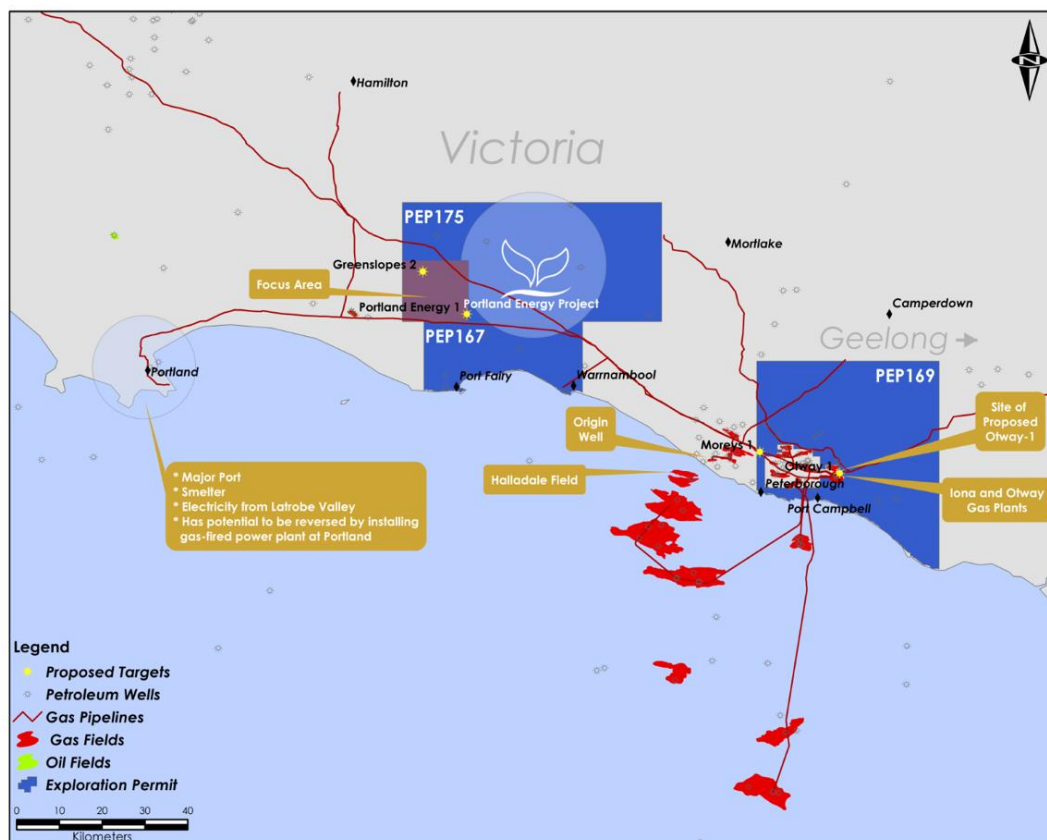


Figure 3: Location of Portland Energy Project, Otway Basin

Nangwarry CO₂ Project – Otway Basin, South Australia

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

During the quarter, workstreams remained focused on technical and commercial evaluation activities being undertaken under the collaboration agreement with Maison Group Pty Ltd. Under the arrangement, Maison is funding and managing technical and market studies to assess options

for extraction, processing and end-use applications, while Lakes retains its underlying interest in the tenement and resource base. The Company is currently conducting a further feasibility study on a 100T/day plant to bring down OPEX and CAPEX costs for the project and improve the commerciality.

The project continues to be assessed as a longer-term opportunity, with its industrial gas focus offering exposure to markets distinct from the Company's Victorian natural gas assets. Lakes intends to advance its progression in appropriate alignment with the outcomes of ongoing studies and broader portfolio priorities.

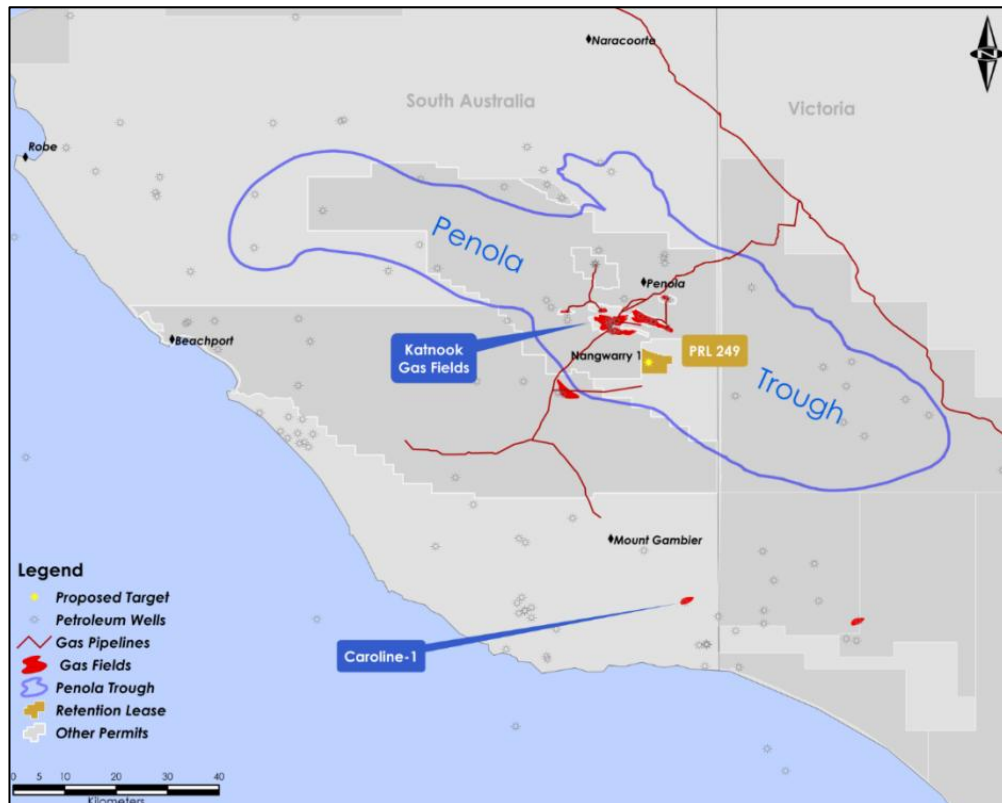


Figure 4: Location map of Nangwarry CO₂ Field

CORPORATE

Financial Summary

During the quarter \$1.74m was expended on operating activities, including \$1.34m on exploration and evaluation.

The cash balance at the end of the quarter was \$3.95m, with cash resources sufficiently providing flexibility to progress ongoing technical and planning activities.

During the quarter, \$110k was paid to Directors, and all related to remuneration for services under existing agreements.

Strategy and Management Update

During the quarter, the Company continued to strengthen its operational and technical capability as it transitions into a more advanced phase of appraisal and development activity across its portfolio.

In January 2026, Lakes announced the appointment of Mr. Michael McGowan as General Manager of Operations. Mr. McGowan is a Chartered Engineer with more than 35 years of experience in the international upstream oil and gas industry, having held senior technical, operational and executive roles with organisations including BP, Santos and Oil Search, as well as founding Arran Energy in Papua New Guinea. His appointment reflects a deliberate focus on enhancing the Company's internal capability as activity levels increase, particularly in relation to the ongoing production testing and future development of the Wombat Gas Field, as well as advancing drilling programs at the Portland Energy Project.

In parallel, the Company completed a planned expansion of its exploration and operations team, increasing total technical personnel to four and broadening expertise across reservoir engineering, geophysics and field operations. This expanded team is expected to support ongoing appraisal activities at Wombat and Portland, progression of development planning initiatives, and advancement of regulatory and technical work programs across the broader portfolio.

In addition, Lakes has employed Geoscientist, Mr. Lucas McLean-Hodgson, and Petroleum Engineer, Mr. John Mackintosh.

Mr. McLean-Hodgson brings experience in identifying overlooked and underappreciated reservoirs with significant oil and gas potential, with expertise in the integration of geological, geochemical and geophysical data to support exploration and development activities. The Company believes his strong analytical capability, experience in subsurface evaluation and focus on reducing exploration risk will enhance technical assessment and support future drilling and commercial decision-making.

Mr. Mackintosh has been appointed Technical Specialist and Team Lead, bringing over 20 years of experience in reservoir engineering, production technology and operations. He has extensive expertise across field development, reservoir exploitation and brownfield revitalisation, with experience in clastic, carbonate and unconventional reservoirs in both onshore and offshore settings. His capabilities include well testing, PVT and SCAL studies, and reservoir simulation. The Company believes his technical expertise, leadership and commercial focus will strengthen its ability to deliver value from existing and future assets.

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

For enquiries regarding this release please contact:

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Chairperson

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NOTES

Wombat, Trifon-Gangell and Baragwanath Gas Fields

Source of Contingent Resources estimate: “Technical GIIP and EUR Estimate Update Post Wombat #4: Wombat Field”, June 2010, Gaffney, Cline and Associates. Source of Wombat-5 gas production potential: “Production Forecast for the Proposed Lakes Oil Wombat 5”, September 2013, Stimulation Petrophysics Consulting LLC.

Portland Energy Project

From “Estimated Unconventional Gas Potential for a Defined Prospect Area in PEP 175, Otway Basin, Victoria”, May 2015, SRK Consulting (Australasia) Pty Ltd.

ATP 1183 Queensland

The resource estimates are best estimates and were prepared on a deterministic basis by Mr. Peter Bubendorfer. Mr. Bubendorfer holds a BSc in Geology, is a member of AAPG, and has over 43 years of relevant experience in hydrocarbon exploration and production. He has consented to the use of the estimate in the form and context in which it appears in this report.

Nangwarry Energy Project

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

PNG – Buna Prospect

Unrisked Gross Recoverable UMR Estimation, Total Energies SE, presented at Workshop TTE / Dondonald - PNG PPL560 - 15/06/2023.

Definitions

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

Cautionary Statement

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Royalties

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

Appendix 5B

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

Name of entity

LAKES BLUE ENERGY NL

ABN

62 004 247 214

Quarter ended ("current quarter")

31 March 2026

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(1,337)	(8,825)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(257)	(816)
	(e) administration and corporate costs	(318)	(1,232)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	8
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (GST refunds, other income)	172	1,333
1.9	Net cash from / (used in) operating activities	(1,737)	(9,532)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	350
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (deposits paid for rehabilitation bonds)	-	(899)
2.6	Net cash from / (used in) investing activities	-	(549)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	12,298
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(893)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	-	11,405

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,690	2,629
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,737)	(9,532)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(549)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	11,405

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,953	3,953

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,882	5,619
5.2	Call deposits	71	71
5.3	Bank overdrafts	-	-
5.4	Other (restricted or funds held in escrow)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,953	5,690

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	110
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,737)
8.2	Payments for exploration & evaluation classified as investing activities (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,737)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,953
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,953
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.28
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

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

Date: 30 April 2026

Authorised by: The Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.