



LAKES BLUE ENERGY NL

ABN 62 004 247 214

PROSPECTUS FOR AN ENTITLEMENT OFFER OF SHARES ON A 3 FOR 100 BASIS AT 0.1 CENTS PER SHARE WITH TWO FREE FULLY PAID BONUS SHARES FOR EVERY 3 SHARES SUBSCRIBED FOR

This Prospectus is dated 5 September 2023. It sets out details of the following offer to subscribe for new fully paid Shares in Lakes Blue Energy NL (**Company**).

The Offer is a non-renounceable offer to subscribe for three (3) Shares for every one hundred (100) Entitlement Securities held as at the Record Date (**Offer**). Applications can also be made for oversubscriptions.

Two bonus Shares (Bonus Shares) will be issued for every three (3) new Shares subscribed for. The Bonus Shares will be issued free of charge.

The issue price of each offered Share is 0.1 cent. The issue is not underwritten. The maximum that can be raised under the issue is \$1,734,753 before deduction of the costs of the Offer.

The closing date for acceptance of this Offer is
22 September 2023.

This is an important document. Please read it carefully. If you do not understand the contents of this Prospectus you should consult your stockbroker, accountant, solicitor or other professional adviser.

THIS IS A SPECULATIVE ISSUE

IMPORTANT INFORMATION

This Prospectus is dated 5 September 2023 and was lodged with the ASIC on that date. ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this 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 Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) 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 and 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.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation

issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares

these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

For further information on overseas Shareholders please refer to Section 2.9.

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 listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to 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 for an 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 whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.lakesblueenergy.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may

obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 3 9629 1566 during office hours or by emailing the Company at lakes@lakesoil.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company’s website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not 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 information 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.

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

The Company will apply to participate 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.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under 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 under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. 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.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and

should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 7.

All references to time in this Prospectus are references to Australian Eastern Daylight Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on +61 411 764 556.

CORPORATE DIRECTORY

Directors

Richard Ash B.Ec, CA (Non Executive Chairman)
Nicholas Mather B.Sc (Hons. Geology) MAusIMM (Non Executive)
Roland Sleeman B.Eng (Mech), MBA, GAICD

Chief Executive Officer

Roland Sleeman BEng (Mech), MBA, GAICD

Company Secretary

Elissa Hansen

Registered Office

24-26 Kent Street
Millers Point, NSW, 2000

Address for Correspondence

PO Box 300
Collins Street West, Victoria, 8007

Telephone

(03) 9629 1566

Email

lakes@lakesoil.com.au

Web site

www.lakesblueenergy.com.au

*Share Registry**

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3067

ASX code

LKO

*Auditor**

William Buck Audit (Vic) Pty Ltd
Level 20, 181 William Street
Melbourne VIC 3000

*These parties have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

TIMETABLE

Lodgement of Prospectus with ASIC	5 September 2023
Lodgement of Prospectus and Appendix 3B with ASX	5 September 2023
Ex date	7 September 2023
Record Date for determining Entitlement, 7.00pm (AEST)	8 September 2023
Prospectus despatched to Eligible Shareholders	12 September 2023
Last day to extend the Closing Date*	19 September 2023
Closing Date, 5.00 pm (AEST)	22 September 2023
Shares quoted on a deferred settlement basis	25 September 2023
ASX notified of undersubscriptions	28 September 2023
Issue Date	29 September 2023
Commencement of normal trading of Shares on ASX	2 October 2023

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Securities are expected to commence trading on ASX may vary.

Please note that this timetable is indicative only and is subject to change.

Letter from the Chairman

Dear Shareholders

On behalf of the Board of Lakes Blue Energy NL, I am pleased to offer you the opportunity to participate in this non-renounceable three for one hundred rights issue of new Shares, plus two bonus, free of charge, Shares for every three New Shares subscribed for.

Consistent with the Company's stated strategy, the planned drilling of the highly prospective Enterprise North-1 exploration well means 2024 has potential to be a watershed year for Lakes Blue Energy. The issue of Shares pursuant to this Offer may afford subscribers the potential for a generous uplift in the value of their shareholding if the Enterprise North-1 well is successful. Of course, the Company is also pursuing a number of other well documented opportunities, details of which are set out in this Prospectus.

While Shares being issued under this Offer will be priced at \$0.001 (0.1 cent) each, the free of charge issue of two additional New Shares for every three New Shares subscribed for means the effective cost of the New Shares issued is \$0.0006 (0.06 cent) per Share. This represents a forty percent discount from the price at which the Company's Shares have traded over the last year.

The Company's objective, based upon exploration success at Enterprise North, is to expedite development of that project to generate revenue from sales of gas into the Victorian gas market, which is facing significant supply shortfalls and high prices. The revenue so generated will position the Company to pursue its other onshore, conventional Victorian opportunities without need for further Share issues. It is through this mechanism that the Company aspires to deliver the generous value uplift for subscribers under this Prospectus.

Funds raised through this capital raising will be applied for the purposes stated in this Prospectus with the key focus being preparation for drilling of the Enterprise North-1 well onshore in the Otway Basin (Victoria).

Your enclosed personalised Entitlements and Acceptance Form sets out your entitlement to Shares. Anyone taking up their Entitlements is also able to apply for additional Shares, with associated Bonus Shares, should this Offer not be fully subscribed.

On behalf of the Board, I thank you for your continued support of Lakes Blue Energy and, given the near-term prospects for the Company set out in this Prospectus, encourage you to participate in this investment opportunity.

Yours sincerely



Richard Ash
Chairman

OFFER SUMMARY

This Prospectus enables holders of Entitlement Securities to subscribe for fully paid shares in Lakes Blue Energy NL (**Shares**), together with free of charge Bonus Shares, by way of a non-renounceable rights issue, together with an opportunity to apply for oversubscriptions. The price of the Offer is \$0.001 (0.1 cent) per Share.

Summary of Principal Terms

Existing holders of Shares are offered the opportunity to subscribe for Shares in the Company at an issue price of \$0.001 (0.1 cent) per Share. For every three (3) new Shares subscribed for, two fully paid Bonus Shares will be issued free of charge.

Entitlement



Entitlement Securities

Entitlement Securities comprise Ordinary Shares already on issue by the Company.



Offer

Eligible Shareholders who have a registered address in Australia or New Zealand are entitled to 3 Shares for every 100 Entitlement Securities held on the register as at 7 PM Australian Eastern Standard Time on the record date of 8 September 2023 at an issue price of \$0.001 (0.1 cent) per Share. Subscribers under the Offer will also receive free of charge two Shares for every three (3) New Shares subscribed for. Fractional entitlements will be rounded up. Your enclosed Entitlement and Acceptance Form sets out your entitlement. The entitlements are non-renounceable, so entitlements not taken up will lapse. Applications can also be made for additional shares.

Unless otherwise extended, the closing date for receipt of payment and applications is 5 PM Australian Eastern Standard Time on 22 September 2023.

Key Statistics of the Offer

	Full Subscription (\$1,734,753)
Offer Price Per Share	\$0.001
Entitlement Ratio (based on existing Shares)	3 for 100
Bonus Shares Ratio	2 bonus shares for every three 3 new shares subscribed for
Shares currently on Issue	57,825,090,027
Shares to be issued under the Entitlement Offer*	1,734,752,701
Bonus Shares*	1,156,501,801
Total New Shares*	2,891,254,501
Gross proceeds of the Offer	\$1,734,753
Shares on Issue Post -Offer*	60,716,355,528

*Subject to rounding

Investment Features

Lakes Blue Energy NL has designed this Offer to provide subscribers with an opportunity for potential, generous uplift in the value of their shareholdings through the planned drilling of the highly prospective Enterprise North-1 well, details of which are presented in section 6 of this Prospectus.

More specifically:

- The Company plans to drill the Enterprise North-1 well during 2024. The Company is working on securing approvals for drilling of the well, and funds raised through this Offer will be primarily applied for that purpose;
- The Enterprise North-1 well is favourably located, in close proximity to existing, underutilised gas pipeline and processing infrastructure. It is envisaged this will enable any discovery of gas to be quickly brought into production, to generate cash flow for realisation of the Company's other conventional opportunities onshore in both the Otway and Gippsland regions of Victoria.
- Shares issued pursuant to this Prospectus are intended to be listed on the ASX.

The conditions of issue of the Shares are described in section 2.

1. RISK FACTORS SUMMARY

The Offer is a speculative issue. The Shares carry with them the following key risk factors, which are set out in more detail in section 9 of this Prospectus, together with other risk factors which are also described in section 9:

- There is no minimum subscription level and the issue is not underwritten.
- Upon implementation of the Offer, assuming all Entitlements are accepted and no other Shares are issued, the number of Shares in the Company will increase from 57,825,090,027 as at the Record Date to 60,716,344,528 Shares, subject to rounding. This means that immediately after the Offer each Share will represent a lower proportion of the ownership of the Company. It is not possible to predict what the value of the Company, and a Share, will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters. The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.001 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer
- The Company's Annual Financial Report for the financial year ended 30 June 2022 (**FY22**) (**Financial Report**) includes a note on the financial condition of the Company. The Annual Report explains that the consolidated entity incurred an operating loss after income tax expense for the year ended 30 June 2022 of \$14,244,904 (2021: \$4,205,480), which included an impairment expense on exploration and evaluation assets of \$11,529,794 (2021: 1,431,304). At 30 June 2022, the consolidated entity had net assets of \$6,461,622 (2021: \$13,059,788) including \$13,235,080 (2021: \$22,779,551) of capitalised exploration, evaluation and development costs, and \$8,178,391 of current convertible note liabilities (2021: nil). The convertible note liabilities were all settled via during the financial year ended 30 June 2023. At the reporting date the Company's current liabilities exceeded current assets by \$6,411,407 (2021: \$472,869).

During the year-ended 30 June 2022, the Company raised \$5,588,810 before capital raising costs, and has raised a further \$1,000,000 since 30 June 2022. Cash reserves as at 30 June 2022 were \$2,308,111 (2021: 469,635).

The Directors have concluded that the Company's going concern basis is appropriate, based on analysis of the consolidated entity's existing cash reserves and internal cash flow forecasts which include their current estimate of future financial commitments and other cash flows over the next 12 months. If the full amount is not raised under the Offer, the Company may need to consider its financial position.

- The business of oil and gas exploration and production, by its nature, contains elements of significant risk with no guarantee of success. There is no guarantee that the Enterprise North-1 well will be successful.

2. CONDITIONS OF ISSUE

The conditions of issue of Shares offered pursuant to this Prospectus are set out below.

Issuer	Lakes Blue Energy NL ABN 62 004 247 214
Securities	Ordinary shares, fully paid
Issue Price	\$0.001 (0.1 cent) per share
Offer	Holders of Entitlement Securities are offered a non-renounceable right to subscribe for 3 Shares for every 100 Entitlement Securities they hold or are entitled to. Fractional entitlements will be rounded up to the nearest whole number.
Bonus Shares	<p>For every three (3) Shares subscribed for under the Offer, subscribers will receive, free of charge, two (2) fully paid Shares. Fractional entitlements will be rounded up to the nearest whole number.</p> <p>This means that for every three (3) Shares subscribed for, subscribers will in total receive five (5) Shares.</p>
Size of issue	Up to \$1,734,753 (before costs).
Shareholder shortfall applications	As the Offer is not underwritten, holders of Entitlement Securities will have the right to apply for oversubscriptions. The directors reserve the right to place any residual shortfall at their discretion during the 3 months after the close of the Offer.
Listing	The Shares will be listed on ASX.
Disclosure Document	The Shares are issued under a "limited disclosure" section 713 prospectus under the Corporations Act. For details see section 11 of this Prospectus.
Security ranking	The Shares to be issued are of the same class and will rank equally with existing Shares on issue.
Voting rights	Holders of Shares have a right to vote at general meetings of shareholders of the Company.

3. EFFECT OF OFFER ON CAPITAL STRUCTURE

The Company currently has 57,825,090,027 Shares (ASX:LKO) on issue.

The issue of all of the Shares and associated Bonus Shares under this Prospectus would increase the number of Shares on issue by 2,891 254,501, giving a total of 60,716,344,528 Shares on issue, subject to rounding.

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Offer, no Shareholder will increase their holding, to an amount in excess of 19.9% through applying for their Entitlements.

Further, on the basis of the Share allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Shares on issue on completion of the Offer.

Based on publicly available information as at the date of this Prospectus, the Company currently has the following substantial holders:

Shareholder	Shares	Percentage of Shares on Issue
Dark Horse Resources	9,883,714,010	17.09%
Tenstar Trading Limited	5,233,109,308	9.05%
DGR Global Limited	3,748,698,506	6.48%

The potential effect that the issue of the Shares under the Offer will have on the control of the Company is as follows:

- if all eligible shareholders take up their entitlements under the Offer, the issue of Shares under the Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Offer;
- in the more likely event that there is a shortfall, eligible shareholders who do not subscribe for their full entitlement of Shares under the Offer and ineligible shareholders unable to participate in the Offer will be diluted relative to those shareholders who subscribe for some or all of their entitlement as illustrated by the following examples (based upon a 57,825,090,027 shares on issue at the date of this Prospectus):

Example Shareholder	Share Holding as at Record date	Approximate % at Record Date ¹	Entitlements under the Offer (inclusive of bonus New Shares)	Holdings if Offer not taken Up	Approximate % post Offer
Example 1	1,000,000,000	1.73%	5,000,000	1,000,000,000	1.65%
Example 2	500,000,000	0.86%	2,500,000	500,000,000	0.82%
Example 3	150,000,000	0.26%	750,000	150,000,000	0.25%
Example 4	40,000,000	0.07%	200,000	40,000,000	0.07%
Example 5	5,000,000	0.01%	25,000	5,000,000	0.01%

- Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the

Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.001 being the price at which Shares have been offered under the Offer. No Applicant under the Shortfall Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shortfall Shares by Directors will be influenced by the following factors:

- number of shares bid for by particular Applicants;
- the timeliness of the bid by particular Applicants;
- the Company's desire to expand its spread of institutional shareholders;
- the size and type of funds under management of particular Applicants;
- overall anticipated level of demand under the Offer;
- the likelihood that particular Applicants will:
- be long term Shareholders;
- support the Company's share price post the Offer by purchasing Shares on market;
- support future funding rounds if and when required; and
- any factors other than those described above that the Company and its brokers consider appropriate.

Allocations under the Shortfall Offer will also be managed to ensure that no Shareholder goes above the 20% threshold imposed by section 606 of the Corporations Act.

- d) In the event of a scale back, the difference between the Application Monies received, and the number of Shortfall Shares allocated to the Eligible Shareholder multiplied by the Offer Price, will be refunded by the Company, without interest, following allotment
- e) The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for. No Shares will be issued via the Shortfall Offer to any related parties of the Company.

4. PRO-FORMA BALANCE SHEET

The audited balance sheet as at 30 June 2022 shown below has been prepared on the basis of the accounting policies normally adopted by the Company and reflects the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	2022 \$	RIGHTS ISSUE \$	PROFORMA Maximum Raise
Assets			
Current assets			
Cash and cash equivalents	2,308,111	1,634,753	3,942,864
Other receivables	123,370		123,370
Other financial assets	590,575		590,575
Prepayments	16,556		16,556
Total current assets	3,038,612	1,634,753	4,673,365
Non-current assets			
Other receivables	12,000		12,000
Property plant and equipment	684,275		684,275
Exploration and evaluation	13,235,080		13,235,080
Total non-current assets	13,931,355		13,931,355
Total assets	16,969,967		16,969,967
Liabilities			
Current liabilities			
Trade and other payables	1,110,052		1,110,052
Provisions	161,576		161,576
Convertible notes	8,178,391		8,178,391
Other current liabilities	-		-
Total current liabilities	9,450,019		9,450,019
Non-current liabilities			
Other payables	508,326		508,326
Provisions	550,000		550,000
Convertible notes	-		-
Total non-current liabilities	1,058,326		1,058,326
Total liabilities	10,508,345		10,508,345
Net assets	6,461,622	1,734,753	8,196,375
Equity			
Share capital	141,761,435	1,734,753	143,496,188
Reserves	804,409		804,409
Accumulated losses	(136,185,792)		(136,185,792)
Equity attributable to the owners of Lakes Blue Energy NL	6,380,052		6,380,052
Non-controlling interest	81,570		81,570
Total equity	6,461,622	1,734,753	8,196,375

5. APPLICATIONS

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. You may participate in the Offer as follows:

- (a) **if you wish to accept your Entitlement in full:**
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque; or
 - (ii) arrange payment by BPAY® for the amount indicated on the Entitlement and Acceptance Form; or
- (b) **if you wish to accept your full Entitlement and also apply for Shortfall Shares:**
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) fill in the number of Shortfall Shares you wish to accept in the space provided on the Entitlement and Acceptance Form and attach your cheque; or
 - (iii) arrange payment by BPAY® for the appropriate Application monies (at \$0.001 per New Share) to accept your entitlement in full and for any Shortfall Shares; or
- (c) **if you only wish to accept part of your Entitlement:**
 - (i) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form and attach your cheque; or
 - (ii) arrange payment by BPAY® for the appropriate Application monies (at \$0.001 per New Share); or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

Your completed Entitlement and Acceptance Form and cheque or BPAY® payment must reach the Registry no later than 5:00pm (AEST) on the Closing Date.

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

Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application monies, the Application may not be varied or withdrawn except as required by law.

Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “Lakes Blue Energy NL” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque must reach the Company’s share registry at the address set out on the Entitlement and Acceptance Form by no later than 5:00pm AEST on the Closing Date.

Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are 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 Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance 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 Shares which is covered in full by your application monies; and
- (c) If you make a payment in excess of your full entitlement you will be deemed to be applying for Shortfall Shares.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00pm (AEST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Application monies will be held in trust in a subscription account until the issue of Shares occurs. The Company will be entitled to any interest earned in this account.

In respect of successful general shortfall applications lodged by or through holders of financial services licences on a deferred delivery basis, Lakes Blue Energy will pay a brokerage fee of 5%.

6. MAJOR SHAREHOLDERS' AND DIRECTORS' INTENTIONS

The Company's major shareholders, each holding in excess of 3.0% interest and together representing 40.5% of voting rights, are as follow:

Name	Percentage Ownership
NewPeak Metals	17.2%
Tenstar Trading Limited	9.1%
DGR Global Limited	6.5%
Timeview Enterprises Pty Ltd	4.7%
Acuity Capital Investment Management Pty Ltd	3.0%

To the extent that the major shareholders do not participate in the Offer pursuant to this Prospectus, their percentage ownership interests as tabulated above will be diluted. The Company's understands its major shareholders do not intend to subscribe for Shares under this Offer.

Acuity Capital Investment Management will not be subscribing. Acuity holds Shares in the Company pursuant to a Controlled Placement Agreement that was originally announced by the Company on 31 October 2019

The directors of the Company have indicated it is their intention to subscribe under this Offer through conversion into Shares of amounts owing to them.

7. SHORTFALL APPLICATIONS

If there is any shortfall after the close of the Offer, the directors may offer the shortfall to other investors at the same price as the Offer under this Prospectus. Shortfall applications will only be accepted until 3 months after the close of the Offer or until the whole of any shortfall has been allotted whichever is the earlier and only then at the directors' discretion. The Company may accept shortfall applications progressively during this period. The Company may at the directors' discretion close the acceptance of shortfall applications earlier than that maximum period.

8. USE OF FUNDS

The Company's cash balance as at 30 July 2023 was approximately \$316,000. If the Offer is fully subscribed, a further \$1,734,753 less the costs of this Offer (approximately \$100,000 based upon estimated legal and administrative costs of the Offer and allowance for possible commissions) will be raised. The use to which funds raised will be put during the remainder of 2023 and the course of 2024 is outlined below and summarised in Table 1.

Subject to the quantum of funds raised through this Offer, the Company's cash flow forecast as at the date of this Prospectus contemplates a net cash outflow of approximately \$1.6m for the 15 month period thereafter. As set out in Table 1, this includes general corporate operating costs, including office rental, employee costs and share registry costs. The Company has, and will continue to, implement whatever cost saving measures can be identified in order to maximise the percentage of shareholder funds directly employed in exploration activity.

If the Offer is not fully subscribed then the Company will adjust its programme of works as necessary. Potential adjustments include:

- farm down of the Company's interest in either the Enterprise North prospect or in PEP 169 more generally
- farm down or sale of the Company's interest(s) in other exploration acreage;
- relinquishment of exploration acreage, in order to reduce holding costs; and/or
- working capital will be reduced.

Table 1: Proposed Breakdown of Spending for Raised Capital		
Expenditure	Forecast Expenditure	%
Corporate costs, including preparation and securing of approvals for drilling of Enterprise North-1 well ¹	\$1,634,753	94.2%
Expenses of the Offer ²	\$100,000	5.8%
<i>Total</i>	\$1,734,753	100%

Note 1: Funds will be used for the Company's administration expenses and overheads over the next 15 months, including securing of requisite approvals to allow drilling of the Enterprise North-1 well.

Note 2: This is an estimated provision for legal and other costs including print and mailing, ASX and ASIC fees.

Capital Raising and Corporate Costs

A provision of \$100,000 has been made for the estimated costs incurred to complete the Offer, inclusive of legal, advisory and other costs (eg printing and mail, ASX and ASIC fees).

The corporate cost provision covers serviced office space, employee and consulting costs and administrative costs (licence fees, communications, etc). The corporate cost provision also provides for payment of \$20,000 per month to the Australian Taxation Office, pursuant to an arrangement whereby the Company is repaying a \$1.02m research and development grant that was received in respect of work carried out in 2013/14, but which was subsequently determined to be ineligible for the grant. At the date of this Prospectus the outstanding balance to be repaid was approximately \$539,000. This amount is inclusive of general interest charges and shortfall penalty assessment. Liability for the shortfall penalty assessment has been appealed, noting that the Company only received the 2013/14 grant funding after having also received grants for preceding years.

9. COMPANY ACTIVITIES

The Company has a number of key projects under way in respect of which near-term developments, that could have an impact upon the Company's share price, are possible. These projects are outlined below. The primary focus is the Enterprise North-1 well, in Victoria. Exploration and development success with the Enterprise North project will allow some of the projects to be expedited.

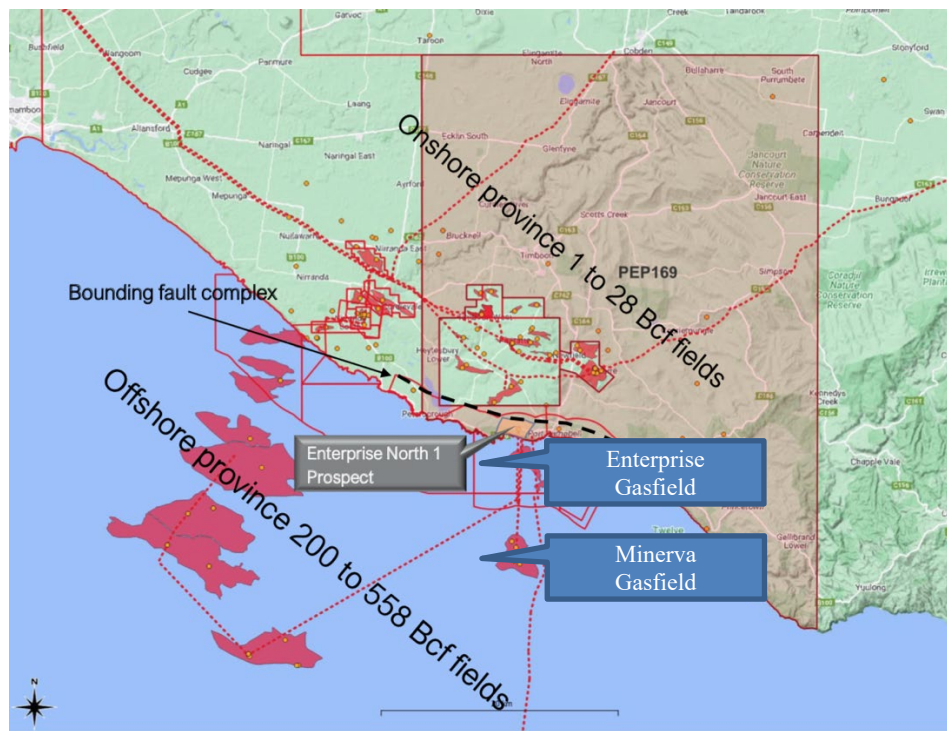
Victoria

Enterprise North-1 Well

Although the Company is pursuing numerous opportunities within Australia and Papua New Guinea, the Enterprise North prospect has become a priority in view of its high prospectivity, relatively low drilling cost and ease of development to supply gas into southeast Australian markets, which are experiencing tight supply and high prices.

The Enterprise North prospect is located within PEP 169 (onshore Otway Basin, Victoria) which is owned by a joint venture between the Company (49%) and Armour Energy Limited (51%). The proposed Enterprise North-1 well is in close proximity to the Otway and Athena gas processing facilities and the Iona gas storage facility and is "on-trend" with the large offshore Enterprise (Beach Energy Ltd) and Minerva (Cooper Energy Limited) gas fields.

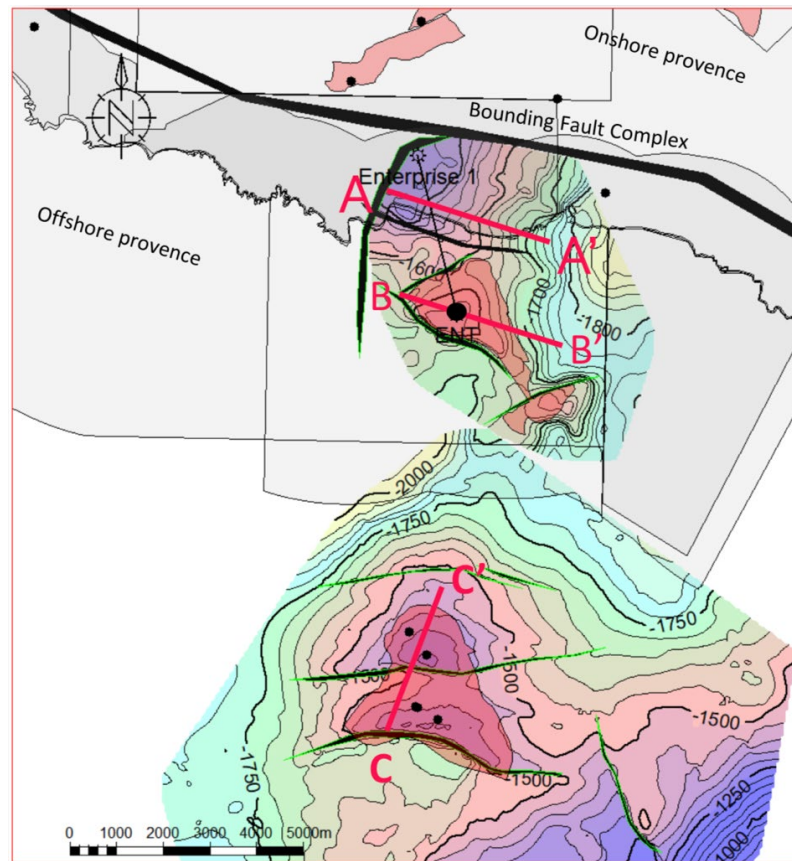
Figure 1: Location of Enterprise North Prospect



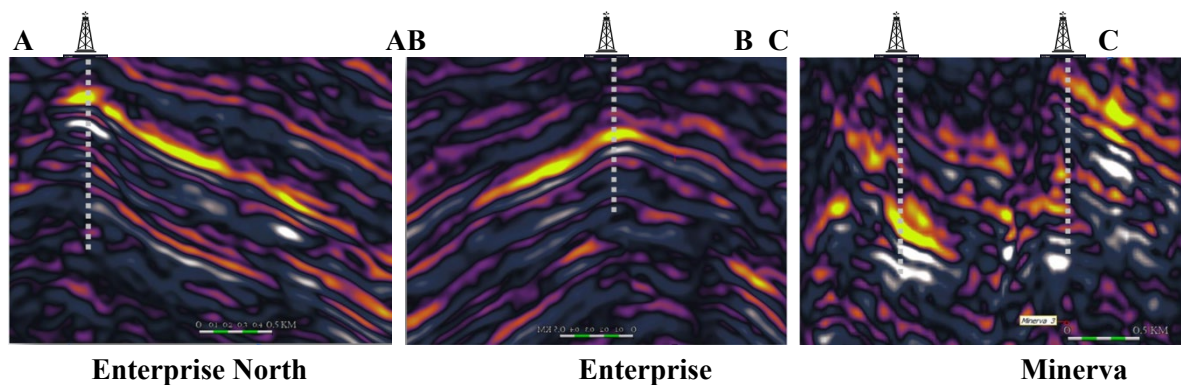
The reservoir rock at Enterprise North is Waarre Sandstone, which is known to have high porosity (19-25%) and high permeability (1 to 10 Darcy). Waarre Sandstone is capable of flowing gas at high rates, with 61 million cubic feet per day (MMscfd) achieved during testing of the nearby Enterprise-1 well, and with rates of up to 80 MMscfd expected once the gasfield is developed (*Source: Beach Energy Ltd, ASX Release dated 15 February 2021*).

Seismic data from the Enterprise North Prospect has been correlated with that from known gasfields (Enterprise and Minerva) to reduce subsurface risk. Gas charged sands interpreted in seismic studies carried out over the Enterprise North Prospect cause a bright amplitude anomaly on the seismic. This is illustrated in Figure 2, below, along with comparisons between Enterprise North, Enterprise and Minerva.

Figure 2: Seismic Contour Mapping



Figures 2a, 2b & 2c: Comparison of Seismic Cross-Sections



The Enterprise North Prospect covers an area of up to 1,170 acres. The Waarre Sandstone at Enterprise North has a prognosed thickness of 115 metres, similar to that encountered by Beach Energy at the Enterprise gasfield (*Source: Beach Energy Ltd, ASX Release dated 15 February 2021*), and indications are that it is filled to spill. On this basis the prospective size of the Enterprise North resource is as tabulated below.

Table 1: Estimated Size of Enterprise North, Lognormal Distribution

Unrisked Original Gas in Place (Bcf)			
Low	Mid	Mean	High
48	141	202	419
Unrisked Estimated Recoverable Gas (PJ)			
23.4	65.8	91.8	193.8
Estimated Recoverable Condensate (million Barrels)			
0.6	1.7	2.1	4.9

The resource estimates tabulated above have been prepared compiled from data provided by Armour Energy Limited's Reservoir Engineering Advisor, Mr John Mackintosh. Mr Mackintosh has over 25 years of diverse oil and gas industry experience and has significant reservoir engineering, production technology and operations experience in multiple basins worldwide with a variety of International Operators and Consulting firms. He has previously held roles in Santos (Australia/Houston), Halliburton Consulting (Russia), Wintershall (Norway) and Apache (Egypt). Mr Mackintosh has sufficient experience that is relevant to Armour Energy and Lakes Blue Energy for reserves and resources to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules. Mr Mackintosh has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Enterprise North-1 well will be a deviated well, targeting the Waarre Formation approximately 500 metres to the south of private property from which the well is to be drilled.

Access arrangements for the private property from which the Enterprise North-1 well will be drilled are presently being negotiated. Other prerequisites for securing of approval for drilling of the well are being progressed, including:

- Stakeholder consultation, which involves dialogue with all interested parties to identify and address issues, concerns and opportunities;
- A Cultural Heritage management plan has been developed and approved to ensure any sensitive or significant sites are identified and protected, including within the area of the National Park below which the Enterprise North prospect is situated;
- Native Title consent;
- An Application for Consent for drilling of the well, under section 40 of the National Parks Act 1975; and
- an Environmental Effects Act Self-Assessment.

At the date of this Prospectus it is envisaged final approval for drilling of the Enterprise North-1 well may be secured around mid-2024.

In parallel with the above, detailed design of the Enterprise North-1 well is underway and drilling rig options and availability are being investigated. When the timing of final drilling approval is clear, a drilling rig commitment will be made. In order to minimise rig mobilisation costs, the Company will endeavour to coordinate drilling activity with other parties (if any) undertaking activity in Victoria.

Otway-1

The Otway-1 gas well is a conventional, vertical well targeting the Waarre Sandstone, the Eumeralla Formation and the Pebble Point Sandstone. The well will be located about 400 metres from the existing Otway gas plant and Iona gas storage field and associated facilities, as shown in Figure 3.

The Waarre Sandstone is the same Formation that is being targeted at Enterprise North and was the basis for historic gas production at the Iona gas field which is now utilised as a gas storage reservoir.

The Eumeralla Formation is also known to contain gas and has previously, at the Skull Creek-1 well location (nearby to Otway-1), flowed gas at a rate of 7.5 TJ/d.

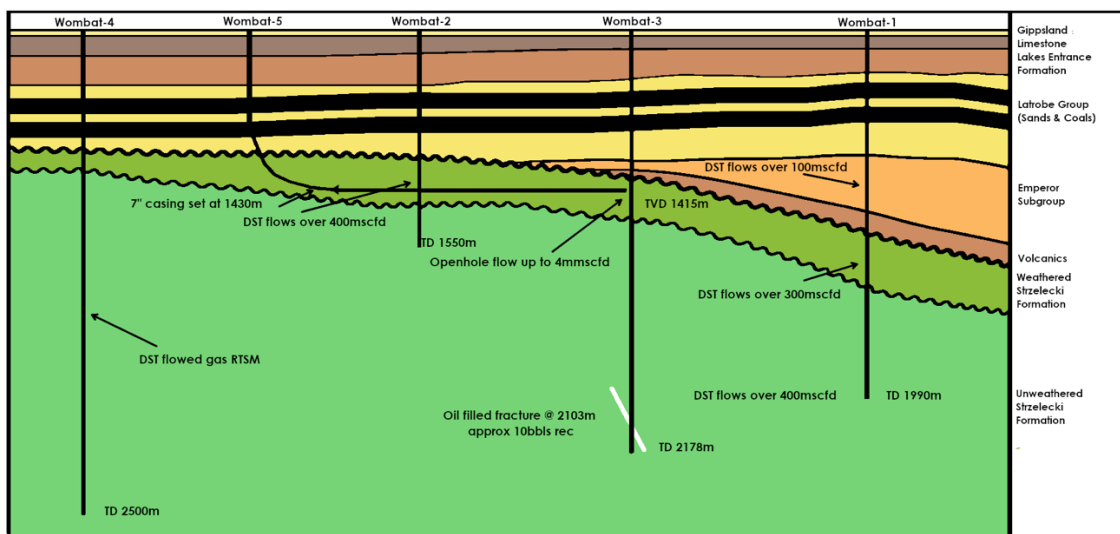
Figure 3: Location of Otway-1 Gas Well



Wombat-5 Gas Well (Petroleum Retention Lease 2)

The Wombat-5 well is a conventional, lateral well that will target the upper, permeable section of the Strzelecki Formation. The well, which will cost around \$5m, has an independently estimated gas production potential of around 10 TJ/d. The Company is presently working to secure approval for drilling of the Wombat-5 well.

Figure 4: Cross-section of Wombat-5 Gas Well

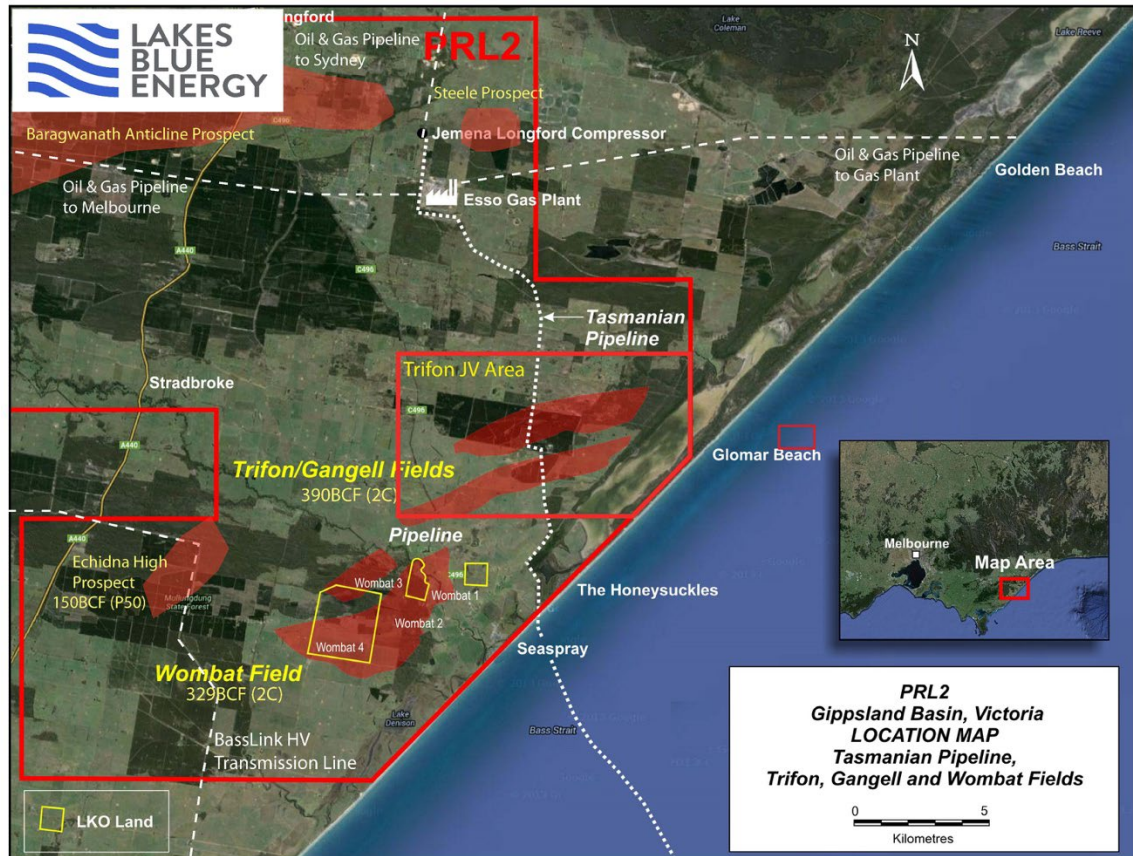


The independently estimated contingent recoverable gas resources of the Wombat and adjoining Trifon-Gangell gas fields are 329 PJ and 390 PJ, respectively, at the 50% probability level. (Source of estimate: Gafney, Cline and Associates, as reproduced on pages 24-25 of "Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL", SRK Consulting (Australasia) Pty Ltd, made public in December 2016. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and confirms that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. 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).

The Company envisages an integrated approach to development of the Wombat and Trifon-Gangell gas fields. Sales gas production would initially be from the Wombat gas field with the Trifon-Gangell

gas field developed to support steady gas sales over a 20 year period. On this basis, the estimated conventional sales gas potential of the fields is at least 20 PJ/a.

Figure 5: Location of Wombat and Trifon-Gangell Gas Fields



Portland Energy Project (Petroleum Exploration Permit 175)

The Company plans to drill the Greenslopes-2 and Portland Energy-1 ‘proof-of-concept’ wells, that have been designed to confirm the conventional gas production potential of the Eumeralla Formation and the underlying Crayfish Subgroup within a ‘Focus Area’ on the southwestern corner of Petroleum Exploration Permit 175, as depicted in Figure 10.

Figure 6: Location of Focus Area Within PEP 175

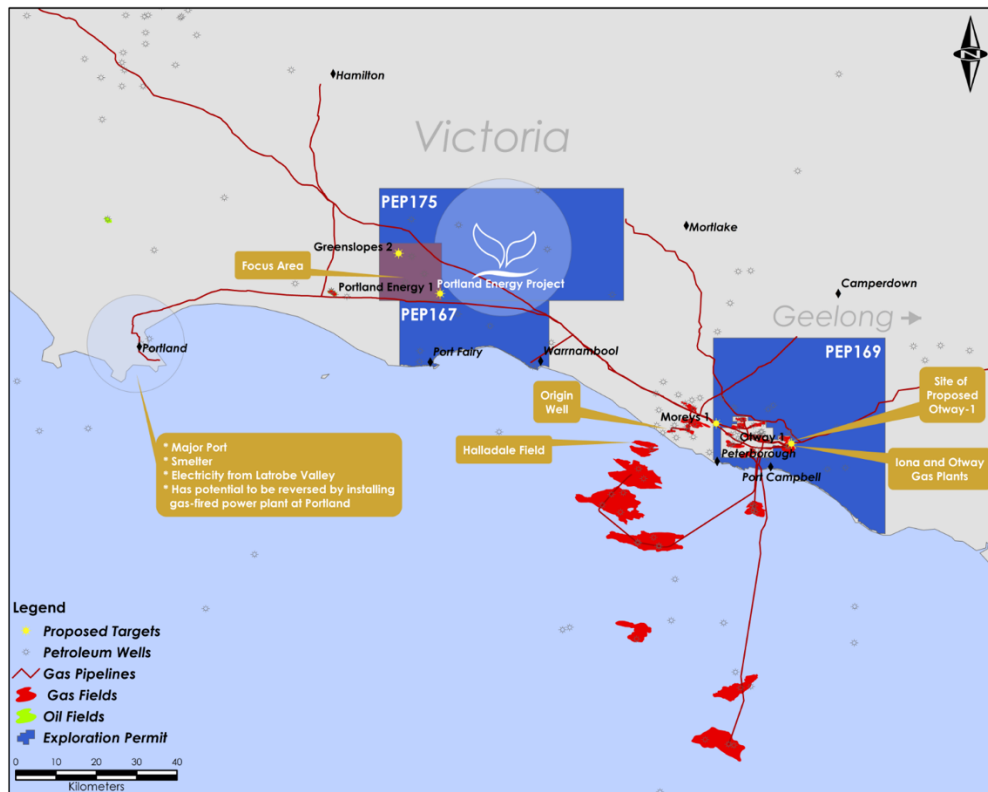
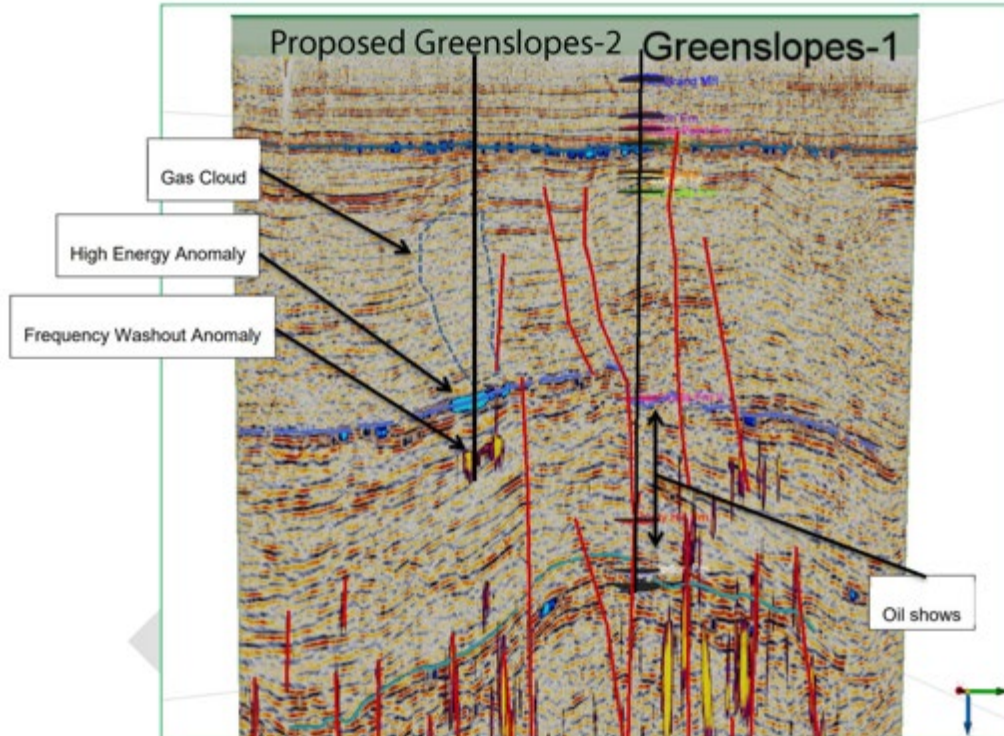


Figure 7: Cross-section through proposed Greenslopes-2 Well (showing seismic attributes)



To date, 14 wells have been historically drilled without incident in the Focus Area region and, without exception, the Eumeralla Formation was shown to contain gas. Historically, this gas was of no interest since the search at the time was for oil. There was no market for gas, nor was there infrastructure through which it could be delivered.

An indication of the significant potential of the Focus Area can be gleaned from work undertaken by SRK Consulting on behalf of Lakes Oil. In May 2015, SRK used available information (essentially historic well logs and seismic data) to estimate the recoverable resources of gas within the Focus Area. SRK concluded (at a 50% confidence level) that there may be 8.3 Tcf of gas recoverable from the Eumeralla Formation and 3.2 Tcf recoverable from deeper Formations. (Source of estimate: SRK Consulting (Australasia) Pty Ltd, as reproduced on page 29 of "Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL", SRK Consulting (Australasia) Pty Ltd, made public in December 2016. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and confirms that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. 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).

South Australia

The Company is pursuing two opportunities within South Australia.

Nangwarry Carbon Dioxide Project

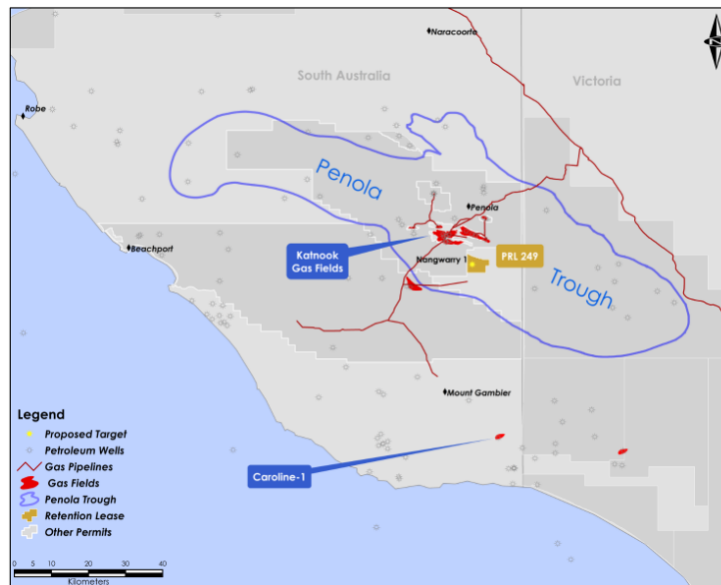
The Company, in a 50:50 joint venture with Vintage Energy Limited, is working to commercialise the high-quality (>93%) Nangwarry carbon dioxide resource. The Nangwarry reservoir contains an independently certified carbon dioxide sales gas resource of 25.9 billion standard cubic feet (12.9 Bscf net to Lakes).

The independent estimate was prepared by ERC Equipoise Pte Ltd (ERCE) using a probabilistic methodology. Under the June 2018 Society of Engineers Petroleum Resources Management System, (PRMS), volumes of non-hydrocarbon by-products cannot be included in any Reserves or Resources classification. However, the method used by ERCE is consistent with that prescribed by the PRMS.

ERCE is an independent consultancy specialising in geoscience evaluation, engineering and economic assessment. ERCE has the relevant and appropriate qualifications, experience and technical knowledge to appraise professionally and independently the assets.

ERCE's work was supervised by Mr Adam Becis, Principal Reservoir Engineer at ERCE, who has over 14 years of experience in the oil and gas industry. He is a member of the Society of Petroleum Engineers and also a member of the Society of Petroleum Evaluation Engineers. Mr Becis has consented to the form and context in which the estimate of carbon dioxide sales gas is presented.

Figure 8: Location of Nangwarry-1 Gas Well



During flow-testing, the Nangwarry-1 well flowed gas at stable rates in excess of 10 million cubic feet per day. Pending availability of markets, this could support production of up to 500 tonnes per day of food grade carbon dioxide. The Australian carbon dioxide market is valued at around \$260 million per annum (source: IBISWorld).

Development of the Nangwarry resource would ease recently reported shortages of carbon dioxide supply that are threatening supply of consumer products, including beef, carbonated beverages and chicken, in both Australia and New Zealand (where rationing has been necessary to ensure supply to meet medical, safety and water needs).

Development of the Nangwarry resource will involve installation of a purification plant to produce pure, food grade carbon dioxide for food, medical and industrial applications. The Nangwarry-1 well is already completed for production.

Pirie Torrens Oil and Gas Project

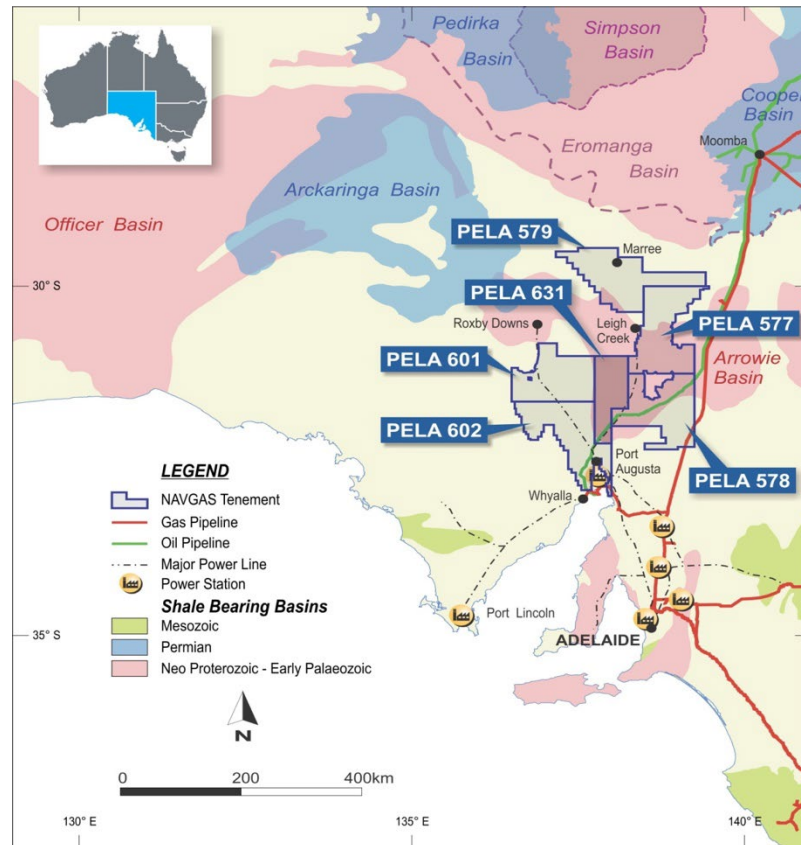
The Company's Pirie Torrens Oil and Gas Project incorporates six Petroleum Exploration Licence Applications (PELAs) located in South Australia and covering approximately 53,000km² as outlined in Figure 9. Petroleum exploration activities in the general area first commenced in 1956, when Santos was established to drill for oil at Wilkatana. This work, and subsequent drilling by other companies, historically confirmed the presence of oil and gas across the area of interest.

Oil analyses indicate that oil at Wilkatana was formed in a marine algal calcareous shale, suggesting its source was the Neoprotozoic Tindelpina Black Shale or the organic rich Tapley Hill Formation. These formations may have oilfield potential analogous to that of prolific systems in Russia, Oman and China.

Before petroleum exploration activity can be undertaken, native title access arrangements need to be formalised in order that the licence applications can be converted into licences. On 1 June 2023 the Company announced that it had entered into an arrangement with [Gehyra Flux Pty Ltd (Gehyra)] whereby:

- Gehyra is at its cost formalising native title arrangements to convert the licence applications into licences;
- Upon conversion into licences, Gehyra will have rights to, and opportunity to explore for, hydrogen within the licence areas. The Company will retain rights to petroleum, and the parties will coordinate exploration activities.
- Gehyra will pay the Company a 2% royalty of any hydrogen production and the Company will pay Gehyra a 2% royalty on any petroleum production.

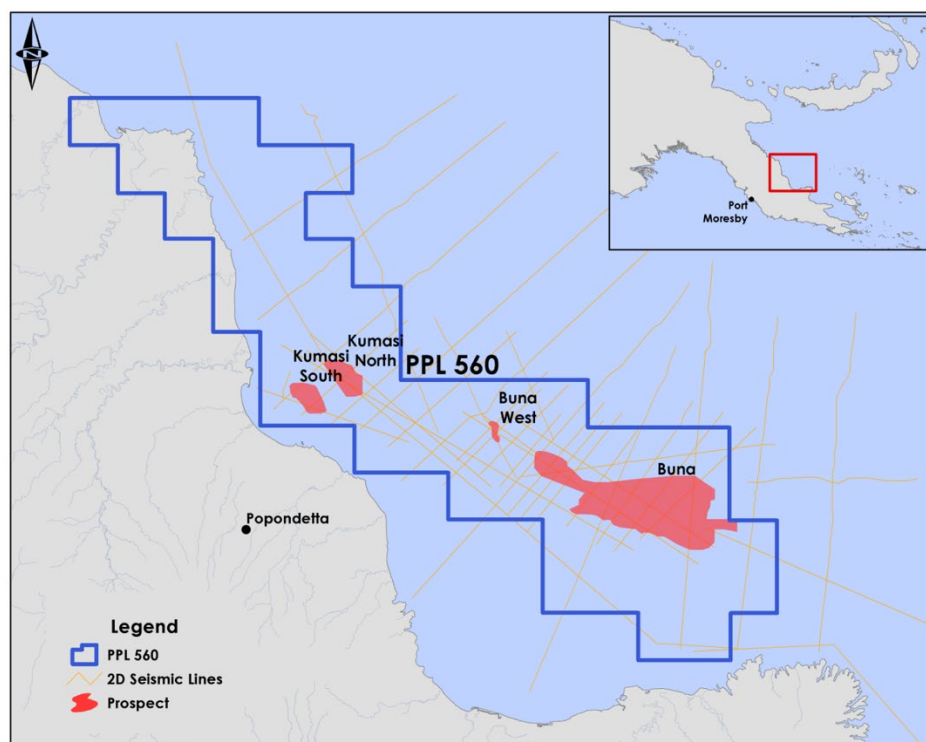
Figure 9: South Australian Licence Application Areas



Papua New Guinea

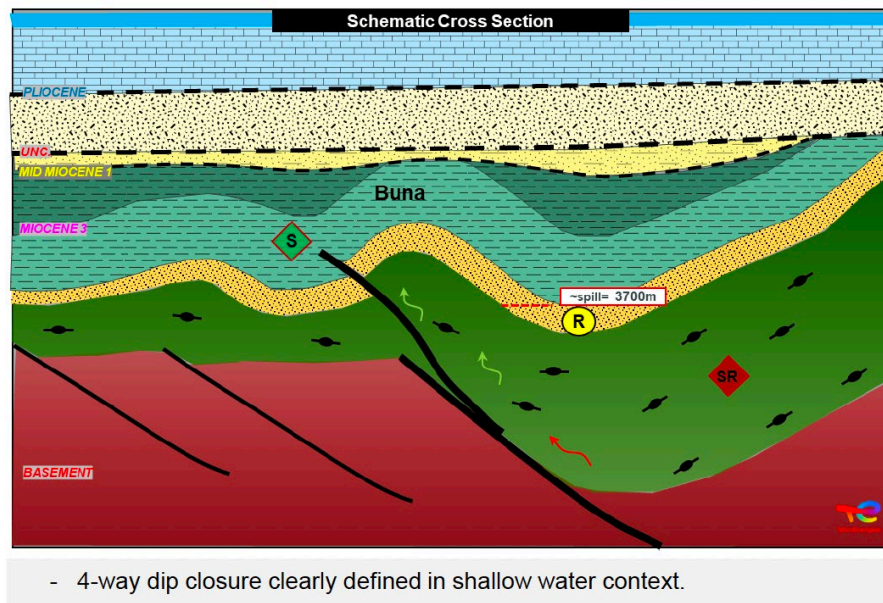
The Company has control of a portfolio of highly prospective exploration acreage in Papua New Guinea. One key tenement is Petroleum Prospecting Licence (PPL) 560, which contains the multi-trillion cubic feet Buna prospect.

Figure 10: PNG Interests



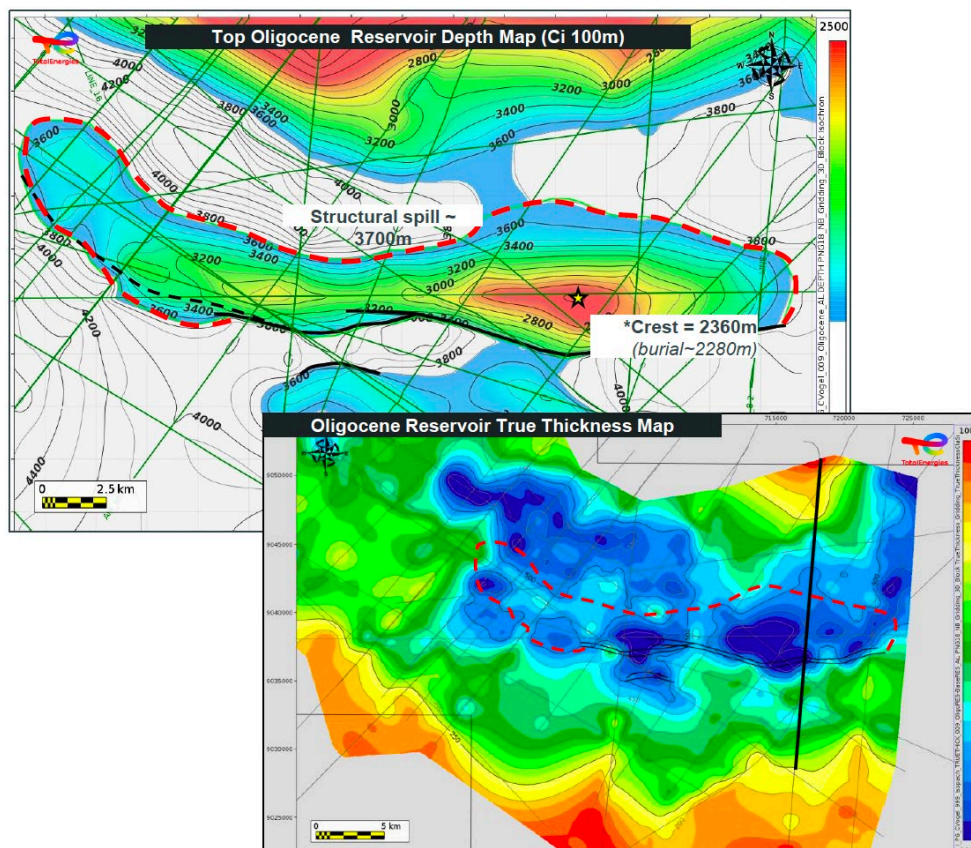
During 2022/23 TotalEnergies EP PNG Limited (**Total**), a subsidiary of French supermajor TotalEnergies SE, undertook comprehensive geological and geophysical studies of the Buna Prospect. Total's work confirmed the prognosed size of the Buna reservoir at 590 million barrels of oil (equivalent to 3.3 trillion cubic feet). Total considers the prospect is likely to be oil, rather than gas, prone.

Figure 11: Illustrative Buna Cross Section



Unrisked Gross recoverable UMR ~ 590 Mboe
Main risks: SR Presence and Reservoir Quality

Figure 12: Seismic Mapping of the Buna Prospect



Total had an option, which it did not exercise, to complete a seismic survey over the Buna Prospect. The Company is now investigating farmout options for advancement of exploration within PPL 560.

Queensland

The Company holds 100% of ATP 1183 in Queensland. ATP 1183 is highly prospective for oil, gas and condensate discoveries, as illustrated below and summarised in Table 2, all of which are within close proximity of established production facilities and infrastructure.

While it is intended that active exploration activity within ATP 1183 will be resumed following completion of near-term Victorian onshore exploration drilling, consideration will also be given to farmout of the tenement, or of opportunities within it, should that prove to be in the best interests of Shareholders.

Figure 13: ATP 1183, Queensland

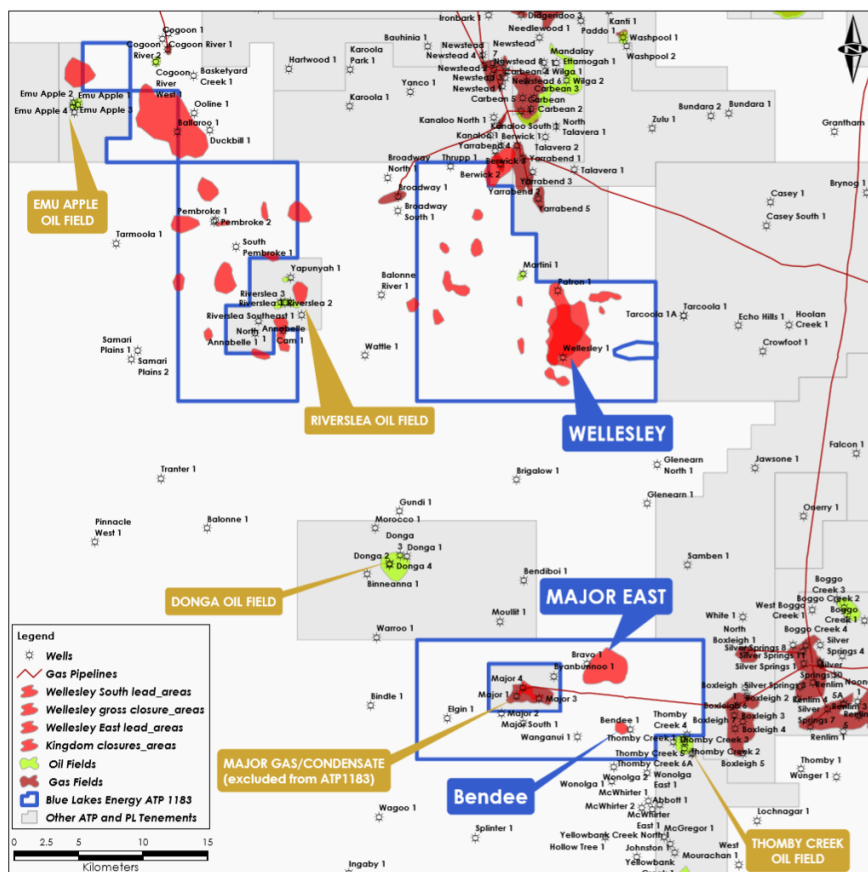


Table 2: ATP 1183 Resource Potential

Prospect	Potential (Economic Ultimately Recoverable)
Emu Apple	1.3 MMBbl oil
Riverslea Updip	7.5 MMBbl oil across 17 targets
Major	8.5 Bcf gas across 5 targets
Bendee	0.2 MMBbl oil
Wellesley	85 - 112 Bcf gas across 18 targets

The estimates set out in Table 2 are best estimates prepared on a deterministic basis by Mr Peter Bubendorfer, Geotechnical Assessor, Armour Energy Limited. Mr Bubendorfer holds a BSc in Geology, is a member of

AAPG, and has over 22 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.

10. RISK FACTORS

Due to the inherently uncertain nature of oil and gas exploration, an investment made under this Prospectus should be considered speculative. Investors should realise that the value of their investment may fluctuate and that a dividend is not expected to be declared by the Company in the absence of exploration success, followed by commencement of petroleum production. Whilst the Company attempts to minimise the following risk factors, the majority of them are beyond its control. This list of risk factors should not be taken as exhaustive of the risks faced by the Company or by investors. These factors and others not specifically referred to may materially affect the performance of the Company and the value of its issued shares:

- (a) **Investment Risk:** Holders of Shares have no right to a repayment of their investment, and the entitlements of Holders of Litigation Rights will be fully satisfied through either the issue of Shares on conversion, or upon expiry of, the Litigation Rights. Investors should appreciate that an investment in Shares carries risks. The Share may not be tradeable at their issue price, and liquidity may be thin. The Shares are not redeemable in any circumstance and, in the event of external administration or liquidation (ie, insolvency), are likely to be of minimal value. The Litigation Rights are not transferable and are not redeemable.
- (b) **Funding Risk:** This issue is not underwritten and there is no minimum subscription level. The Company's cash balance as at 30 June 2023 was approximately \$316,000. This cash balance is not sufficient to cover the intended use of funds over the course of the period to the end of 2024, details of which are set out in section 7 of this Prospectus. There is no guarantee that the Company will be able to secure additional funding under this Offer, the success of which is dependent on shareholder support and the ability to obtain investor support for any shortfall that may arise. If such support is not forthcoming, the Company will need to consider reducing its forward work programme (as outlined in section 7 of this Prospectus) or implementing some or all of the following alternative funding strategies:
- Further sale of Gippsland real estate properties, subject to repayment of a loan that is secured over these properties and which is included in the net cash outflow described above.
 - Farm-out or sale of existing exploration projects.
 - Further equity funding.
- None of these alternatives have been determined at present, and any need to implement a funding alternative would be considered if required having regard to the circumstances at that time including the amount raised under the Offer. However, no assurance can be given that the Company will be able to implement any specific alternative or raise any particular amount through implementing any of them. The auditor's opinion in the Company's audited accounts for the financial year ended 30 June 2022 is subject to a qualification that its ability to carry on as a going concern is subject to its ability to raise sufficient funding.
- (c) **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 joint venture and farmout agreements, the inability of those joint venturers or farminees to meet contracted obligations could adversely affect the Company's capacity to carry out its own activities.
- (d) **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.

- (e) **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 stockmarkets generally remain volatile. More generally, the Navgas 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.
- (f) **Industry Nature Risk:** Oil and gas exploration activity, especially drilling, by its nature is risky. 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.
- (g) **Impairment of Non-Financial Assets Risk:** As at 30 June 2022, the Company's assets included \$13.9 million of capitalised exploration expenditure, evaluation and development costs. These assets are tested semi-annually for impairment in accordance with accounting standard requirements to assess whether the carrying value may exceed its recoverable amount. An impairment loss is recognised where the carrying amount exceeds its recoverable amount (namely the higher of its fair value less costs and its value in use). The Company does not expect to further impair this capitalised expenditure in its accounts for the year ending 30 June 2023.
- (h) **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, cleanup responsibilities, regulatory investigation and penalties and suspension of operations, the occurrence of any of which could result in substantial losses to the Company. 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.
- (i) **Commercial Discovery Risk:** Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited. While drilling may yield some hydrocarbons there can be no guarantee that any discovery will be sufficiently productive to justify commercial development or cover operating costs. There can be no assurance that the Company will achieve production as this will depend on a wide range of factors, including development decisions, capital costs and operating costs and the ability of the Company to fund these costs.
- (j) **Reserve and Resource Estimates Risk:** Hydrocarbon reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. 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. An example of this reserve and resource estimate risk is that the Company's 2016 Annual Report page 5 notes that the Company has "...commissioned independent assessments that confirm the gas-in-place potential of the Eumeralla Formation...[but that]...ASX Listing Rules mean the assessments cannot be released until further exploration/appraisal work has been completed...". While the Victorian Government's onshore

exploration ban has prevented necessary exploration/appraisal work from being carried out, the assessments in question were in part publicised in Attachment 1 to the 9 December 2016 Independent Expert's Report in respect of the Company's acquisition of Navgas Pty Ltd. Attachment 1 ("Independent Specialist Report on the petroleum asserts of Navgas Pty Ltd and Lakes Oil NL", prepared by SRK Consulting in December 2016) page 29 provided gas in place and recoverable resource estimates for a focus area within PEP 175 whilst noting, at page 28, that "Testing within PEP could potentially identify large gas Resources".

- (k) **Regulatory Risk:** It may not always be possible for the Company to participate in the exploitation of successful discoveries made in any areas in which the Company has an interest. Such exploitation 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.
- (l) **Market Pricing Risk:** Potential 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. In particular, the price of oil is volatile and cannot be controlled. Oil and gas 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.
- (m) **Environmental 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. Whilst no guarantee can be given, the Company is not aware of any advices which would suggest that there is any particular exposure in relation to any of its present interests.
- (n) **Governmental Risk:** The impact of actions by governments may affect the Company's operations including matters such as necessary approvals, land access, sovereign risk, additional or increased taxation and 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. Industry profitability can be affected by changes in tax policies and the interpretation and application thereof.
- (o) **Rehabilitation Risk:** Lakes has 10 wells/sites for which it may be liable for rehabilitation costs. Whilst an estimate for these costs has been provided for in the financial statements, these 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 Lakes Blue's profitability. The Eagle Prospect (California), in which the Company holds a 17.97% interest, has liability for rehabilitation of one well. The operator of that project has estimated the cost of rehabilitation at US\$450,000, the Company's share of which is US\$80,000. The 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.
- (p) **Native Title Risk:** Native title rights may adversely impact on the Company's operations. In particular, the Company's ability to explore within the area of its South Australian petroleum exploration licence applications is subject to negotiation of native title land access arrangements. While the Company has entered into arrangements with Gehyra Flu Pty Ltd whereby Gehyra Flux is at its cost dealing with native title issues in order to convert the licence applications into exploration

licences, there is no guarantee that the requisite arrangements will be finalised. Upon finalisation of the native title arrangements Gehyra Flux will have rights in relation to hydrogen within the licence areas while the Company will retain rights to petroleum. Cryptid will pay the Company a 2% royalty on any hydrogen produced and the Company will pay Cryptid a 2% royalty on any petroleum produced.

- (q) **Epidemic or other Global Risks:** 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. For example, testing of the Nangwarry-1 gas well in South Australia was delayed owing to impacts of the Covid-19 virus.
- (r) **Bush Fires:** The Company's operations may be carried out in bush fire 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 bush fire may mean activities have to be suspended and additional costs (such as stand-by or replacement costs) incurred.

11. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

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 of the Company.

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:

- each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- 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
- 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 by him, or in respect of which he is appointed a proxy, attorney or representative, 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).

Dividend rights

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.

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 he considers 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.

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.

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.

Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to 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.

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 holders of the shares of that class.

Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

12. UNDERWRITING

This Offer is not underwritten.

13. ADDITIONAL INFORMATION

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The Company's shares have been trading at \$0.001 per share over the last three months (i.e. the highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of release of this Prospectus were all \$0.001 per share).

Lakes Blue Energy will make application to the ASX within seven days after the date of this Prospectus for the Shares to be granted official quotation. However, if official quotation is not granted within 3 months after the date of this Prospectus or any longer period permitted by law, then all application monies will be refunded without interest as soon as practicable.

A shareholding in the Company is held subject to the Company's Constitution. The Company's Constitution is similar to those of other publicly listed no-liability companies and states that the ASX Listing Rules prevail in the event of any inconsistency. In particular, shareholders are entitled to receive notices of and attend and vote at general meetings where they have one vote on a show of hands and one vote per ordinary share on a poll. Subject to the Constitution, the Corporations Act and the ASX Listing Rules, Shares are freely transferable. Dividends are payable to shareholders in proportion to the shares held by them respectively. In a winding up, the liquidator may with the sanction of a special resolution of shareholders divide the assets of the Company amongst the shareholders and may determine how the division shall be carried out as between them. The Constitution may be inspected on the Company's website.

Offers of entitlements under this Prospectus will not be made to holders of Entitlement Securities with registered addresses outside Australia and New Zealand as the directors consider that it is unreasonable to do so having regard to the small number of such persons, the number and value of entitlements which would be offered to them and the cost of complying with the overseas legal and regulatory requirements. Lakes Blue Energy will, instead, send such persons details of the issue with advice that this Offer will not be made to them.

This Prospectus does not constitute an offer in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer.

This Prospectus is dated 5 September 2023 and a copy of it has been lodged with the Australian Securities and Investments Commission (ASIC). The ASIC takes no responsibility as to the contents of this Prospectus. No Shares (or Litigation Rights) will be issued on the basis of this Prospectus later than 13 months after its date of issue.

Applicants may wish to access information about the Company through its website at www.lakesblueenergy.com.au including information which is released after the lodgement date of this Prospectus. This is a limited disclosure prospectus and does not purport to contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company. For the purposes of section 713 of the Corporations Act and ASIC Corporations (Offer of Convertibles) Instrument 2016/83, the Company is a disclosing entity and hence is subject to regular reporting and continuous disclosure obligations. Information that is already in the public domain as a consequence has not been (and is not required to be) included in this Prospectus. Copies of documents lodged with ASIC by or in relation to the Company may be obtained from or inspected at an ASIC office. The Company will provide a copy of each of the following documents free of charge to any person who requests them during the application period for this Prospectus:

- the annual financial report of Lakes Blue Energy NL for the year ended 30 June 2022; and
- any other continuous disclosure notices, as tabulated below, given by Lakes Oil NL to the ASX between 30 September 2022 (being the date of lodgement with ASIC of Lakes Oil's 2022 annual financial report) and the date of lodgement of a copy of this Prospectus with ASIC.

Date	Description of Announcement
24 October 2022	Notice of Annual General Meeting/Proxy Form
31 October 2022	Quarterly Activities/Appendix 5B Cash Flow Report
17 November 2022	Change of Address
25 November 2022	Chairman's Address to the Annual General Meeting
25 November 2022	CEO Presentation to the Annual General Meeting
25 November 2022	Results of Annual; General Meeting
14 December 2022	Notification regarding unquoted securities – LKO
14 December 2022	Application for quotation of securities – LKO
16 December 2022	Change of Directors Interest Notice X 3
20 December 2022	Secondary Sale Provisions
30 January 2023	Quarterly Activities/Appendix 5B Cash Flow Report
01 February 2023	Notification regarding unquoted securities – LKO
16 March 2023	Half Year Report and Accounts Report
13 April 2023	Notification regarding unquoted securities – LKO
14 April 2023	Application for quotation of securities – LKO
18 April 2023	Outcome of R&D Appeal
24 April 2023	Notification of cessation of securities – LKO
27 April 2023	Notification of cessation of securities – LKO
28 April 2023	Quarterly Activities/Appendix 5B Cash Flow Report
04 May 2023	Update on Enterprise North and Nangwarry Projects
01 June 2023	Farmout of South Australian Acreage
21 July 2023	Quarterly Activities/Appendix 5B Cash Flow Report
1 August 2023	Ceasing to be a substantial holder
1 August 2023	Ceasing to be a substantial holder

Computershare Investor Services Pty Limited has consented in writing to be named in this Prospectus as the Share registry for Lakes Blue Energy. It has not authorised the issue of this Prospectus and accordingly makes no representation regarding and takes no responsibility for any statements or information in or omissions from this Prospectus. It is entitled to a fee based on its normal commercial terms for acting in that capacity.

Important Information for New Zealand investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and its content are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the offer must be made. There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities. Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this

Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, Wellington, New Zealand (<http://fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the Shares is not New Zealand dollars. The value of the Shares will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the Shares to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a New Zealand bank account in New Zealand dollars.

14. DIRECTORS' INTERESTS

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the 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:
 - its formation or promotion; or
 - the Offer; or
- c) the Offer,

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:

- a) as an inducement to become, or to qualify as, a Director; or
- b) for services provided in connection with:
 - the formation or promotion of the Company; or
 - the Offer.

Directors are each presently entitled to receive directors' fees and benefits totalling \$60,000 per annum, or \$75,000 per annum in the case of the Chairman. Subject to shareholder approvals, directors have been receiving 2/3 of their benefits in kind, through issue of Shares, with the balance paid in cash. This arrangement has been utilised to preserve the Company's cash for exploration and other activities.

The directors have advised it is their intention to apply outstanding amounts owing to them toward subscriptions under this Prospectus.

As at the date of this Prospectus, the directors' interests in the share capital of Lakes and their Entitlements under the Offer were as follows:

Director	Number Shares	Voting Power	Entitlement ¹	Subscription
Richard Ash ²	408,761,876	0.71%	20,438,094	\$12,262.86
Nicholas Mather ³	1,010,857,899	1.75%	50,542,895	\$30,325.74
Roland Sleeman ⁴	1,519,765,672	2.63%	75,988,284	\$45,592.97

Notes:

- 1. Inclusive of Bonus Shares.
- 2. Richard Ash holds 381,941,876 Shares through Sari Holdings Pty Ltd of which Mr. Ash is a director and shareholder.
- 3. Nicholas Mather holds 1,010,857,899 Shares through Samuel Capital Pty Ltd of which Mr. Mather is a director and shareholder.
- 4. Roland Sleeman holds 789,130,030 Shares through his superannuation fund (Sleeman Family Super).

15. INTERESTS OF EXPERTS AND ADVISERS

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 (but not a sub-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 the 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:
 - its formation or promotion; or
 - the Offer; or
 - c) the Offer,
 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:
 - a) the formation or promotion of the Company; or
 - b) the Offer.

William Buck Audit (Vic) Pty Ltd has been paid \$41,000 for auditing the Company's 30 June 2022 balance sheet. During the 24 months preceding lodgement of this Prospectus with the ASIC, William Buck Audit (Vic) Pty Ltd has not received any fees from the Company for any other services.

16. CONSENTS

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- in light of the above, only 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; and
- has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

William Buck Audit (Vic) Pty Ltd has given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 30 June 2022 audited balance sheet of the Company. William Buck Audit (Vic) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

17. STATEMENT BY DIRECTORS

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each director has consented to the issue of this Prospectus with ASIC.



RICHARD ASH
Non-Executive Chairman

18. DEFINITIONS

In this Prospectus the following definitions apply:

AEST	means Australian Eastern Standard Time.
Additional Shares	means Shares in addition to an Eligible Shareholder's Entitlement for which an Applicant applies for pursuant to an Entitlement and Acceptance Form.
Applicant	means an Eligible Shareholder who applies pursuant to the Offer.
Applicant Monies	means monies received by the Company from Applicants with respect to the Entitlement and Acceptance Form.
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 the ASX.
Board	means the board of Directors of the Company unless the context indicates otherwise.
Business Day	means a day that is not a Saturday, Sunday or a public holiday in Melbourne, Victoria.
Closing Date	means the date specified in the timetable set out at the commencement of this Offer (unless extended).
Company	Lakes Blue Energy NL (ABN 62 004 247 214), and where the context requires includes its wholly owned subsidiaries
Constitution	means the constitution of the Company as at the date of this Offer.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company as at the date of this Offer.
Eligible Shareholder	means a Shareholder or a Converting Note holder who has a registered address in Australia or New Zealand.
Entitlement	means the entitlement of an Eligible Shareholder who is eligible to participate in the Offer.
Entitlement and Acceptance Form	means the entitlement and acceptance form either attached to or accompanying this Offer.
Entitlement Securities	means existing issued Shares. Fractional entitlements will be rounded up.
Issue Price	means \$0.001 (0.01 cent) per Share.
Offer	means this non-renounceable entitlement issue.
Official Quotation	means official quotation on ASX.
Record Date	means the date specified in the timetable.
Share	means a fully paid ordinary Share in the capital of the Company.
Share Registry	means Computershare Investor Services Pty Limited
Shareholder	means a holder of a Share.