

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Lakes Blue Energy NL

ABN/ARBN

004 247 214

Financial year ended:

30 June 2023

Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report:
- This URL on our website: <https://lakesblueenergy.com.au/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at *25 October 2023* and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 25 October 2023

Name of authorised officer authorising lodgement: Elissa Hansen

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: https://lakesblueenergy.com.au/corporate-governance	
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	

⁴ Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p>we have disclosed a copy of our diversity policy at:</p> <p>https://lakesblueenergy.com.au/corporate-governance</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a)</p> <p>in our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process</p> <p>in our Corporate Governance Statement</p>	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a):</p> <p>in our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process:</p> <p>in our Corporate Governance Statement.</p>	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p>in our Corporate Governance Statement.</p>	
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix:</p> <p>in our Corporate Governance Statement.</p>	
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors:</p> <p>in our Corporate Governance Statement</p> <p>and the length of service of each director:</p> <p>in our Corporate Governance Statement.</p>	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
2.4	A majority of the board of a listed entity should be independent directors.		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/>	
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: in our Corporate Governance Statement	
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: https://lakesblueenergy.com.au/corporate-governance	
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: https://lakesblueenergy.com.au/corporate-governance	
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: https://lakesblueenergy.com.au/corporate-governance	

Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p>in our Corporate Governance Statement.</p>	
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/></p>	
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/></p>	

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PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: https://lakesblueenergy.com.au/corporate-governance	
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://lakesblueenergy.com.au	
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders: in our Corporate Governance Statement.	
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	

Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p>in our Corporate Governance Statement.</p>	
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period:</p> <p>in our Corporate Governance Statement.</p>	
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p>in our Corporate Governance Statement.</p>	

Key to Disclosures Corporate Governance Council Principles and Recommendations

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7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks: in our Corporate Governance Statement.	

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: in our Corporate Governance Statement.</p>	
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: in our Corporate Governance Statement and Annual Report.</p>	
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>		<p><input checked="" type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.		
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.		
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.		
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>		
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>		



Lakes Blue Energy NL
ACN 004 247 214
ASX: LKO

2023 Corporate Governance Statement

1. Background

This Corporate Governance Statement is current as at 25 October 2023 and has been approved by the Board of the Company on that date.

Effective corporate governance is critical for the long-term success of Lakes Blue Energy NL (**LKO** or **Company**). The Board of the Company (**Board**) is committed to maintaining and enhancing a strong corporate governance framework for the Company and is responsible for the overall corporate governance of LKO.

The corporate governance arrangements for LKO are set by the Board having regard to the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations" 4th Edition (**ASX Recommendations**), the governance standards adopted generally by companies of a similar size to LKO and in the best interests of LKO and its shareholders. The principal features of LKO's governance framework are set out in this Corporate Governance Statement together with the extent to which LKO follows the recommendations set by the ASX Corporate Governance Council.

2. ASX Corporate Governance Principles and Recommendations

The ASX Corporate Governance Council has developed and released its fourth edition of the corporate governance recommendations for Australian listed entities (**ASX Recommendations**) in

order to promote investor confidence and to assist companies to meet stakeholder expectations. The recommendations are not prescriptions, but guidelines. However, under the Listing Rules, LKO is required to provide a statement annually disclosing the extent to which it has followed the ASX Recommendations in the relevant reporting period. Where LKO does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it and must also disclose what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

The Company's current departures from the ASX Recommendations are included at Section 11 below.

The key aspects of the Board's governance practices are summarised below. These charters and policies referred to in this statement are available on LKO's website at: <https://lakesblueenergy.com.au/corporate-governance>.

3. Board of Directors

The Directors bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance experience. Each Director has confirmed to the Company that they anticipate being able to perform their duties as a Non-Executive Director or Executive Director, as the case may be, without constraint having regard to their other commitments.

Details of current directors are listed below:

Mr. Richard Ash; Non-Executive Chairman

B. Econ

Appointed: 4 December 2019

Mr. Ash is a Chartered Accountant and has a Bachelor of Economics degree with more than 25 years of experience in funds management and finance in Australia and Asia. Prior to forming AAP Capital, Mr. Ash was a Managing Director, Head of Asset Finance for Developed Asia and a member of the Australian executive team for Nomura Australia. He has also worked at Westpac, Macquarie Bank and KPMG.

Mr. Roland Sleeman; Executive Director and Chief Executive Officer (CEO)

B. Eng (Mech), MBA, GAICD

Appointed: 21 November 2019

Mr. Sleeman has extensive experience in the oil and gas, utilities and infrastructure sectors, having held several senior executive positions across these sectors, and has provided advice to both government and businesses involved in those sectors across Australia. He served in senior management roles including with Easter Star Gas as chief commercial officer and AG as general manager of the Goldfields Gas Pipeline. Mr. Sleeman provides advice to organisations including the Northern Territory Power and Water Corporation.

Mr. Nicholas Mather; Non-Executive Director

B.Sc (Hons, Geo)

Appointed: 1 February 2012

Mr. Mather has been involved in the junior resource sector at all levels for more than 30 years and was co-founder and a Non-Executive Director of Bow Energy Ltd until it was acquired by Arrow Energy NL for \$530 million in December 2011. Mr. Mather was also co-founder and served as an Executive Director of Arrow Energy NL until 2004. Arrow Energy NL was acquired by Royal Dutch Shell Plc and the PetroChina Group, for a value of approximately \$3.5 billion in 2010. Mr. Mather is Executive Chairman of Armour Energy Ltd and was also Chairman of Waratah Coal Inc. before its \$130 million takeover by Clive Palmer's Mineralogy Ltd in 2009. Mr. Mather is Managing Director and founder of DGR Global Limited, Executive Chairman and Director (and co-founder) of SolGold Plc (LSE AIM).

Independence

An independent director is a non-executive director who is not a member of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of judgement.

The Board assesses the independence of each Non-Executive Director in light of the information which each Director is required to disclose in relation to any material contract or other relationship with the Company in accordance with the director's terms of appointment, the Corporations Act 2001, and the Board Charter.

When appointing an independent director or reviewing the independence of its Directors, the Board will have regard to the definition of independent director and the factors set out in the Recommendations, in particular the factors relevant to assessing the independence of a director set out in Recommendation 2.3.

As on the date of this report, the Board has only independent director, the Chairman, Mr. Richard Ash.

Mr. Roland Sleeman (Chief Executive Officer) is not considered independent due to the executive function of his roles for the Company. Mr. Nicholas Mather is not considered independent due to his relationships with substantial shareholders of the Company.

The Board considers the directors are still able to exercise their judgement, and that each Director is able to fulfil the role of Director for the purposes of the ASX Recommendations.

The Board believes that the qualifications, experience and expertise of the non-independent directors bring considerable benefit to the Company and the current composition is appropriate to adequately represent the majority shareholders of the Company at this time.

As the Company grows, the Board will re-assess the composition of the Board including the requirement for a majority of independent directors on the Board.

Director Appointment, election and re-election

The Company undertakes appropriate checks prior to appointing a director and will continue to do so before appointing and/or putting forward each director as a candidate for election as a director. It also provides security holders with all material information in its possession relevant

to the election (or re-election) of each director. The Board provides an induction program for all new directors.

The Company has a written agreement with each director setting out the terms of their appointment.

Under LKO’s Constitution, with the exception of the Managing Director (CEO), Directors may not hold office without election beyond their third Annual General Meeting (**AGM**) following their election or most recent re-election. Any director appointed to fill a casual vacancy since the previous AGM, must submit themselves for election at the next AGM.

Role and Responsibilities of the Board

The Board’s role is to act in the best interests of the Company as a whole and is accountable to shareholders for the overall direction, management and corporate governance of the Company and the Group.

The Board Charter sets out the Board’s role and responsibilities and describes those matters expressly reserved for the Board and those matters delegated to management (principally the CEO). A copy of the Charter is available on the Company’s website.

The CEO is responsible for the day-to-day management of the Company, supported by the Company Chief Operating Officer. However, the ultimate responsibility for governance and strategy resides with the Board.

Structure and Composition of the Board

LKO is committed to ensuring the composition of the Board includes directors who bring the appropriate mix of skills, experience and expertise and diversity to Board decision making. It considers that having a diversity of skills, background, knowledge and gender are important to effectively govern the Company.

The Board considers that its Directors and Senior Management have the combined skills and experience to discharge its responsibilities.

The current Director skills/experience matrix:

Skill/Experience	Board
Total Number of Directors	3
Financial Acumen Experience in financial accounting and reporting, corporate finance and internal financial controls	3
Commercial Capability Broad range of commercial skills and experience including undertaking corporate transactions	3
Strategy Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company’s relevant policies and priorities	3

Oil & Gas Industry Knowledge and experience in the oil and gas industry	2
Risk Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks and systems	3
Investor Relations Understanding of investor relations and the steps required to develop long-term value for shareholders	3
Regulatory Compliance Understanding of the regulatory environment and steps required to ensure compliance with relevant laws, policies and regulations	3

In addition to the skills and experience set out above, the Board considers that each Director has the ability to:

- Act with honesty and integrity
- Focus on the material issues
- Think strategically and take an organization - wide perspective
- Understand the external environment and deal with pressure from external sources
- Influence effectively at the board table
- Respect alternative viewpoints
- Hold management accountable
- Self-awareness

Board Performance Evaluation

LKO is committed to transparency in determining Board membership and in assessing the performance of the Board, Board Committees and individual Directors.

The Board expects to conduct regular evaluations of its performance, the performance of its Committees, the Chairman and individual Directors. This includes assessment, review and analysis of how the Board, Committees and each Director’s function, time spent considering matters and whether the Board has complied with its Charter and the Committees with their Charters. The balance of skills, experience, independence and knowledge is taken into consideration as well as how the Board works together as a unit.

A performance evaluation was not undertaken during the period given the changes to the status of the Company and the Company’s current developments.

Professional Development

The Board regularly reviews whether the directors have the skills, knowledge and familiarity with the entity and its operating environment required to fulfil their role on the Board and committees effectively. Where gaps are identified, the Board will consider appointing further directors to fill those gaps and/or identify what training or development could be undertaken to fulfil those gaps.

Remuneration

Despite the Company not having a formal Remuneration Committee at this time, the independent Directors oversee the fixing of remuneration for the Directors, the Chief Executive Officer and Chief Executive Officer, ensure such remuneration, including incentives, is appropriate and not excessive.

LKO discloses its policies and practices regarding the remuneration, including any equity-based remuneration, of non-executive directors and the remuneration of executive directors and other senior executives in its Remuneration Report found in the Annual Report each year, which is published on LKO's website.

LKO does not currently have an Equity Incentive Plan in place for directors, officers, employees and contractors or consultants.

Given the size of the Company's management team, the Board believes this is an appropriate way in which to deal with this aspect of the Company's governance at this time.

Nomination

LKO does not have a nomination committee. The Board as a whole is responsible for Board succession issues and to ensure the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to discharge its duties and responsibilities effectively.

Given the size of the Company's management team, the Board believes this is an appropriate way in which to deal with this aspect of the Company's governance at this time.

Audit

The full Board has the responsibility to review and ensure:

- the Company's corporate reporting processes and internal controls are suitable for the Company and ensure accurate reporting to Shareholders;
- its financial statements provide a true and fair view of the financial position and performance of the Company;
- the appropriateness of accounting judgement and choices are exercised by the accounting team in preparing the financial statement;
- the appointment and removal of the external auditor;
- the reasonableness of fees payable to the auditor for audit and non-audit works;
- the appropriate rotation of the audit partner;
- the scope and adequacy of the external audit;
- the independence and performance of the external auditor is satisfactory; and
- any proposal for the external auditor to provide non-audit services is reasonable and whether it might compromise the independence of the external auditor.

Risk

The full Board has the responsibility to:

- monitor management's performance against the entity's risk management framework, including whether it is operating within the risk appetite set by the board;
- review any material incident involving fraud or a break-down of the entity's risk controls

- and the “lessons learned”;
- receive reports from internal audit on its reviews of the adequacy of the entity’s processes for managing risk;
- receive reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks;
- review and make to changes to the entity’s risk management framework or to the risk appetite set by the board; and
- oversee the entity’s insurance program, having regard to the entity’s business and the insurable risks associated with its business.

The Board reviews the Company’s risk management framework periodically and it was informally reviewed in FY23. It will continue to review the Company’s risk management framework at least annually.

4. Board Committees

To assist the Board in discharging its duties efficiently and effectively, the Board may establish Committees. Committees operate within their Board approved Charter which sets out the roles, responsibilities, membership requirements and meeting procedures for each committee.

While the Board has approved Committee Charters for an Audit and Risk Committee and a Nomination and Remuneration Committee, it has not established these committees to date and the functions these committees would undertake, are instead managed by the full Board. Given that there are only three directors and the current stage of the Company, the Board believes this to be entirely appropriate at this time.

5. Company Secretary

Ms. Elissa Hansen is the Company Secretary. She is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

The role of the Company Secretary is set out in more detail in the Board Charter available on the Company’s website

6. Senior Executives

Senior Executives are appointed by the Board and manage the day-to-day operation of the Company under the guidance and direction of the CEO. LKO recognises the importance of its senior executives to the Company’s growth and performance. Accordingly, it is imperative that the Company undertake regular evaluations of its senior executives to review their effectiveness and performance on an ongoing basis.

The CEO reviews the performance of senior executives annually. These evaluations assess the completeness and effectiveness of each senior executive meeting their KPIs, whether the executive has the appropriate mix of skills and experience to allow the Company to meet its

corporate goals and whether the executive provides a safe, secure, productive, harmonious and inclusive environment for their employees to perform at their best.

A performance review of the Chief Operating Officer, the only current senior executive (other than the CEO) was undertaken by the CEO this year.

7. Diversity

LKO values a strong and diverse workforce and is committed to developing measurable objectives to achieve diversity and inclusion in its workplace. LKO has implemented a Diversity Policy which will be overseen by the Remuneration and Nomination Committee, once one is established, but is currently overseen by the full Board.

The Diversity Policy aligns the LKO's management systems with the commitment to develop a culture and business model that values and achieves diversity in its workforce and on its Board. LKO will set and disclose measurable objectives for achieving diversity and progress towards the policy's goals when it deems appropriate.

Given the current size and nature of operations, the Company has currently no women on the Board as at date of the report.

Proportions of men and women on the board and senior executives during the period was as follows:

Board:	100% male	
Senior Executives:	75% male	25% female

8. Values

LKO's values include:

- Ensuring sound standards of corporate governance and compliance with all applicable laws;
- Being honest, transparent and accountable in all business dealings;
- Fostering innovation, enterprise and continuous learning within the organisation;
- Respecting and embracing diversity through openness, sharing, trust, teamwork and cooperation.

9. Ethical and Responsible Behaviour

LKO is committed to acting ethically and responsibly including acting with honesty and integrity. To support this, the Company has developed various policies that set out the values and expectations as to how the Company and its employees will work and behave.

Code of Conduct

LKO's Code of Conduct represents a commitment by the Board and executives to uphold the highest standards of honesty, integrity and ethical and law-abiding behavior and to foster a culture of honesty, integrity and ethical and law-abiding behaviour among other officers and employees, taking into account LKO's legal and other obligations to its stakeholders.

Failure to comply with the Code is viewed as a serious matter which may lead to disciplinary action including dismissal and/or legal action. Any material breaches of the Company's Code of Conduct must be reported to the Board.

A copy of the Code can be found on the Company's website.

Conflicts of Interest

LKO's Code of Conduct also includes guidelines in managing conflicts of interest.

In accordance with the requirements of the Corporations Act 2001 (*Cth*) Directors who have a material personal interest in a matter must not be present whilst the matter is being considered. The other Directors, however, may allow such Director/s to participate and vote in relation to the issue if they are satisfied that the interest should not disqualify the Director/s from voting or being present.

Whistleblower

LKO's Whistleblower Policy sets out the types of disclosures that qualify for protection under the Whistleblower Protection Scheme, information about the protections available under the Scheme and how the Company will support whistleblowers and protect them from detriment. The policy is made available to all officers, employees and contractors and can be found on the Company's website.

Any material incidents reported under the Whistleblower Policy must be reported to the Board.

Anti-bribery and Corruption

LKO has zero tolerance for unfair or unethical conduct in business. It believes acting fairly and ethically will protect the Company's assets and create value for our business partners, customers and shareholders.

The Company recognises that compliance with local and international bribery and anti-corruption laws is essential to protect its reputation and preserve its ability to continue to develop its business. A copy of the Anti-bribery and Corruption Policy can be found on the Company's website.

The Board must be notified of any material breaches to this policy.

Dealing in LKO Securities

LKO has adopted the Trading Policy which is intended to explain the types of conduct in dealings in securities that are prohibited under the Corporations Act and establish a best practice procedure for the buying and selling of securities that protects LKO and Directors and employees against the misuse of unpublished information which could materially affect the value of securities. Subject to certain exceptions, including exceptional financial circumstances, the policy

defines certain 'prohibited periods' during which trading in Shares by LKO's Directors, officers and key management personnel is prohibited.

In all instances, buying or selling of Shares is not permitted at any time by any person who possesses price-sensitive information. A copy of the Policy is available on the Company's website.

Sustainability and Climate Change

LKO views sustainable and responsible business practices as important for its business and shareholder value. Sustainability is about managing risks and opportunities in a way that best balances the long-term needs of all our stakeholders – customers, employees, suppliers, investors and community partners – as well as the wider community and the environment at large.

LKO's management of sustainability aims to address the matters that the Company believes are the most material for its business and stakeholders, now and in the future. LKO also understands that this is an evolving agenda and seeks to progressively embed the management of sustainability matters into business practice, while also anticipating and shaping emerging social and environmental issues where it has the skills and experience to make a meaningful difference and drive business value.

Modern Slavery

LKO is committed to sustainable business practices, advancing human rights, and have embedded business practises that work towards the prevention of modern slavery and human trafficking in its business and supply chains.

Internal Audit

The Company does not have an internal audit function, and due to its size and current activities the Board does not believe that one is warranted at this time. The Board evaluates and monitors internal control processes to continually improve the effectiveness of its risk management and will re-evaluate the Company's requirement for an internal audit function as the Company grows.

CEO and CFO Declaration

The Board receives a declaration from the CEO (it does not currently have a CFO but rather an outsourced accounting function), that, in his opinion, the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group, and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively before the Board approves the Company's annual financial statements.

Verification of Periodic reports

LKO releases quarterly cashflow and activity reports. The Company has embedded processes to ensure the accuracy of these reports and to ensure they are balanced and provide investors with appropriate information to make informed investment decisions. The cashflow reports are prepared by an experienced, independent team of accountants who ensure their accuracy, and all activity reports are prepared by the CEO. All reports are reviewed for accuracy by the COO and Board prior to release to the market.

10. Market disclosure and Shareholder Communication

LKO's aim is to ensure that Shareholders are kept informed of all major developments affecting the state of affairs of LKO. In addition to LKO's continuous disclosure obligations, LKO recognises that potential investors and other interested stakeholders may wish to obtain information about LKO from time to time and LKO will communicate this information regularly to Shareholders and other stakeholders through a range of forums and publications.

All ASX announcements made to the market, including new investor or analyst presentations, annual and half year financial results, are posted on LKO's website as soon as practicable following their release by ASX. The full text of all notices of meetings and explanatory material, LKO's Annual Report and copies of all investor presentations made to analysts and media briefings (if any) are also posted on LKO's website. The website also provides contact details for the of direct queries to LKO by Shareholders.

LKO provides shareholders with the opportunity to send and receive all communications from the Company and its share registry electronically. Shareholders are encouraged to update their communication preferences and elect to receive all communication electronically with the share registry at <https://www.computershare.com/au>.

Continuous Disclosure

LKO is required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the Listing Rules, the Company is required to disclose to the ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. The Company is committed to observing its disclosure obligations under ASX Listing Rules and the Corporations Act.

LKO has adopted a policy which establishes procedures which are aimed at ensuring that Directors, officers and employees are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information. Under the policy, the Board will be responsible for managing LKO's compliance with its continuous disclosure obligations.

A copy of the policy is available on the Company's website.

The Board approves all material announcements prior to lodgment with ASX and receives copies of all material markets promptly after they have been made.

Any new investment and/or analyst presentations are lodged and released on ASX prior to any such presentation being made to any other party.

Investor relations

LKO has an investor relations program that facilitates two-way communication with investors. The program is designed to allow investors and other financial market participants to gain greater understanding of LKO's business, governance, financial performance and prospects.

Shareholders are encouraged to provide their email address to the Company's share registry, Computershare, for the purpose of receiving communications from the Company electronically.

Website

Information about LKO and its governance policies and practices are available on the Company's website.

Electronic Communication

LKO gives its shareholders the option to send and receive all communications to the Company and its share registry electronically. Shareholders are encouraged to update their communication preferences and elect to receive all communication electronically with the share registry at <https://www.computershare.com/au>.

Annual General Meeting

The Annual General Meeting (AGM) is an important occasion for updating shareholders on the Company's performance. The AGM provides the opportunity for shareholders to ask questions of and hear from the Board. It also allows the Board to listen to and respond to shareholder feedback.

Shareholders are forwarded the Company's Annual Report, if requested, (it is otherwise made available on the Company's website), and documents relating to each General Meeting, being the notice of meeting, any explanatory memorandum and a proxy form and shareholders are invited to attend these meetings. All substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands.

The Company ensures that its external auditor, William Buck, attends all AGMs and is available to answer queries from shareholders relevant to the audit and any substantive resolutions are decided by a poll rather than a show of hands.

11. Compliance with Recommendation

LKO has complied with 32 of the 35 ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (relevant to the Company) during the period. Given the nature and scale of the Company, the Board believes its compliance with the Recommendations to be appropriate at this time.

The Recommendations the Company did not comply with are:

- Recommendation 1.3. LKO has written agreements in place with each director and its senior executives setting out the terms of their appointments for the full period with the exception of the CEO;
- Recommendation 1.5. Whilst the Board has adopted a Diversity Policy it has not set measurable objectives for gender diversity across the Company. Given the size and development stage of the Company, the Board believes this is appropriate at this time;
- Recommendation 2.4: The Company's Board Charter requires that, where practical, the majority of the Board should be independent. The Board is currently comprised of one independent director who is the Chairman and two non-independent directors. This is not consistent with Recommendation 2.4 of the ASX Recommendations however, the Directors

believe that they are able to objectively analyse the issues before them in the best interests of all Shareholders and in accordance with their duties as Directors. See Section 3 above for further information on Director independence.