



Quarterly Activities Report

For the three months ended
31 March 2022

Dated: 29 April 2022

Directors

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

Company Secretary

Elissa Hansen

Chief Executive Officer

Roland Sleeman B.Eng (Mech), MBA, GAICD

Registered Office

Level 3
35 Lime Street
Sydney, NSW, 2000

Address for Correspondence

P.O. Box 300
Collins Street West
Victoria, 8007

Telephone: (03) 9629 1566

Email: lakes@lakesoil.com.au

Web site: www.lakesblueenergy.com.au

Stock Exchange

Australian Securities Exchange Limited
Level 4, North Tower Rialto
525 Collins Street
Melbourne, Victoria 3000
ASX code: LKO

Auditors

William Buck
Level 20
181 William Street
Melbourne, Victoria 3000

Share Registry

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

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

CORPORATE ACTIVITIES:

Suspension of Trading

- Trading of the Company's shares was originally suspended by the ASX in October 2019, following late lodgement of the Company's 2019 Annual Report.
- After extensive discussions between the Company and ASX, on 20 October 2021 ASX formally advised the Company of conditions to be satisfied in order for trading of the Company's shares to resume, and extended the timeframe for meeting these conditions to 1 January 2022. The date for satisfaction of the conditions was subsequently extended to 1 February 2022, and then to 7 February 2022, in recognition of progress made by the Company and timing constraints experienced in finalisation of the required documents.
- The key conditions to be satisfied were:
 - Issue by the Company of a full-form Prospectus.
A Prospectus was lodged with ASIC and the ASX on 7 January 2022 and a Replacement Prospectus was lodged on 20 January 2022.
 - Raising by the Company at least \$3.55m of capital.
The Company successfully raised \$5.489m.
 - On-site earthworks to be commenced in preparation for drilling of the Wellesley-2 well, in Queensland.
Earthworks commenced on 29 December.
- With all ASX conditions satisfied, trading of the Company's shares resumed on 7 February 2022.

Financial Summary

- During the quarter \$808k was expended on operating activities, and \$1.3m on exploration of which the majority related to the drilling of the Wellesley-2 Gas Well.
- Closing cash was \$3.3m.
- \$97k was paid to Directors during the quarter.

Rawson Oil & Gas Limited

- Lakes Blue Energy has continued to advance funds to Rawson Oil & Gas Limited as necessary for activities in South Australia, in particular for ongoing work related to commercialisation of the Nangwarry-1 well.

Resumption of Victorian Onshore Exploration

- The Victorian Government's ban on all onshore petroleum exploration expired on 30 June 2021.
- A new regulatory framework, to govern onshore exploration activity in Victoria, commenced operation on 22 November 2021, meaning it is now possible to seek approval for and undertake exploration activities.
- The Company's proposed work programs for its Victorian exploration tenements were submitted to the Department of Jobs, Precincts and Regions on 30 December 2021, and were approved by the Department on 22 February 2022.
- The Company is progressing work toward securing approvals for, initially, drilling of the Wombat-5 and Otway-1 wells.

Research and Development Claim

- The Company is awaiting the decision of the Administrative Appeals Tribunal in relation to its application for review of Innovation Science Australia's rejection of the Company's 2013/14 & 2014/15 Research and Development tax incentive claim.
- The Company is presently paying \$20,000 per month to the ATO pending the outcome of the Administrative Appeals process.

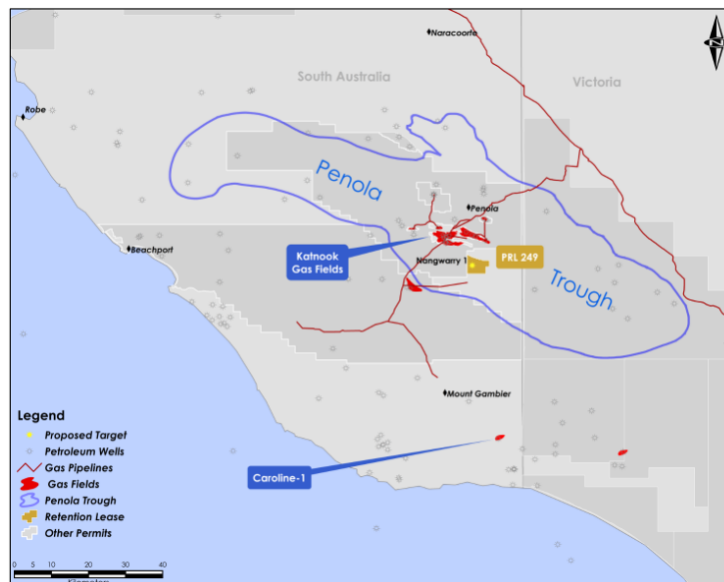
EXPLORATION ACTIVITIES:

South Australia

PRL 249, Nangwarry Carbon Dioxide Project (Lakes Oil: 50% interest)

- The Company, with joint venture partner Vintage Energy Pty Ltd, is continuing investigations of options for development of the Nangwarry-1 well to produce carbon dioxide for industrial, medical and food use.

Figure 1: Location of Nangwarry-1 Gas Well



- The certified carbon dioxide sales gas resource of the Nangwarry project is as tabulated below:

CO ₂ Gross Sales Gas Estimate			Gross Natural Gas Contingent Resource		
Low	Best	High	1C	2C	3C
9.0 Bscf	25.9 Bscf	64.4 Bscf	0.5 Bscf	1.6 Bscf	4.1 Bscf

CO ₂ Net Sales Gas Estimate			Net Natural Gas Contingent Resource		
Low	Best	High	1C	2C	3C
4.5 Bscf	12.9 Bscf	32.2 Bscf	0.3 Bscf	0.8 Bscf	2.0 Bscf

Notes:

1. Gross volumes represent a 100% total of estimated recoverable volumes within PRL 249.
2. Working interest volumes for Otway Energy Ltd's and Vintage Energy Ltd's share of the Gross recoverable volumes can be calculated by applying their working interest in PRL 249, which is 50% each.
3. Sales gas stream for Nangwarry is CO₂ gas.
4. Gross Contingent Resource represents a 100% total of estimated recoverable hydrocarbon gas volumes within PRL 249.
5. These are unrisks Contingent Resources that have not been risked for Chance of Development and are sub-classified as Development Unclassified.

The independent estimate was prepared by ERC Equipose 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.

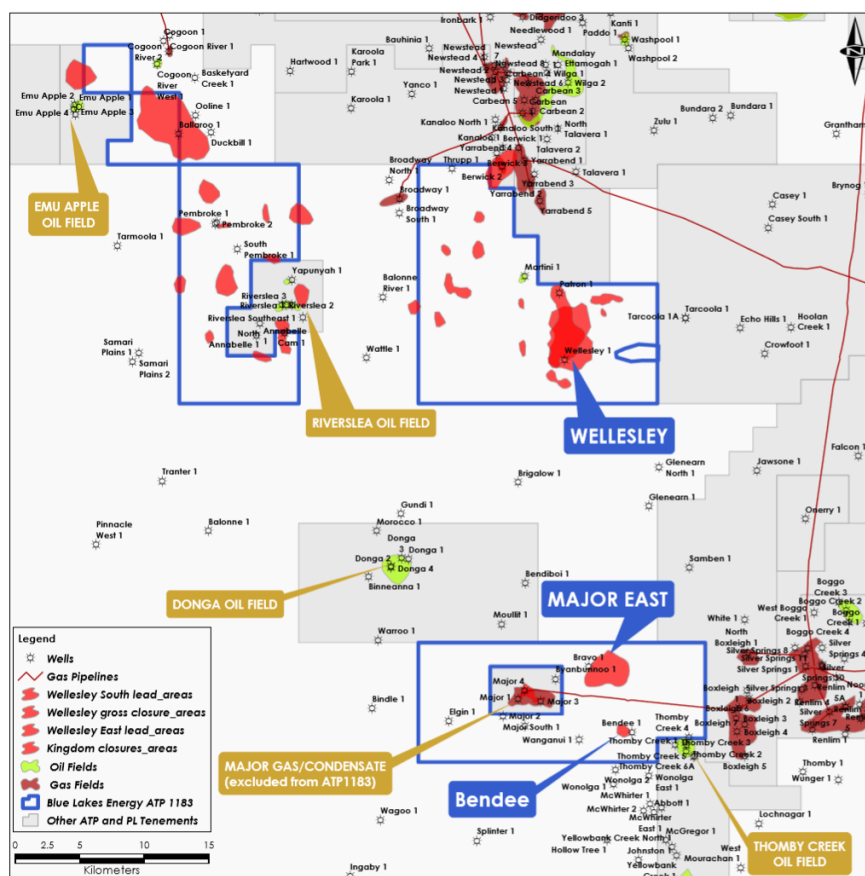
ERCE's work was supervised by Mr Adam Becis, Principal Reservoir Engineer at ERCE, who has over 14 years of experience in the oil and gas industry. He is a member of the Society of Petroleum Engineers and also a member of the Society of Petroleum Evaluation Engineers. Mr Becis has consented to the form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

Queensland, Roma Shelf Project

ATP 1183 (Lakes: Operator, 100% interest)

- ATP 1183 is highly prospective for oil, gas and condensate discoveries, and is within close proximity of established production facilities and infrastructure.

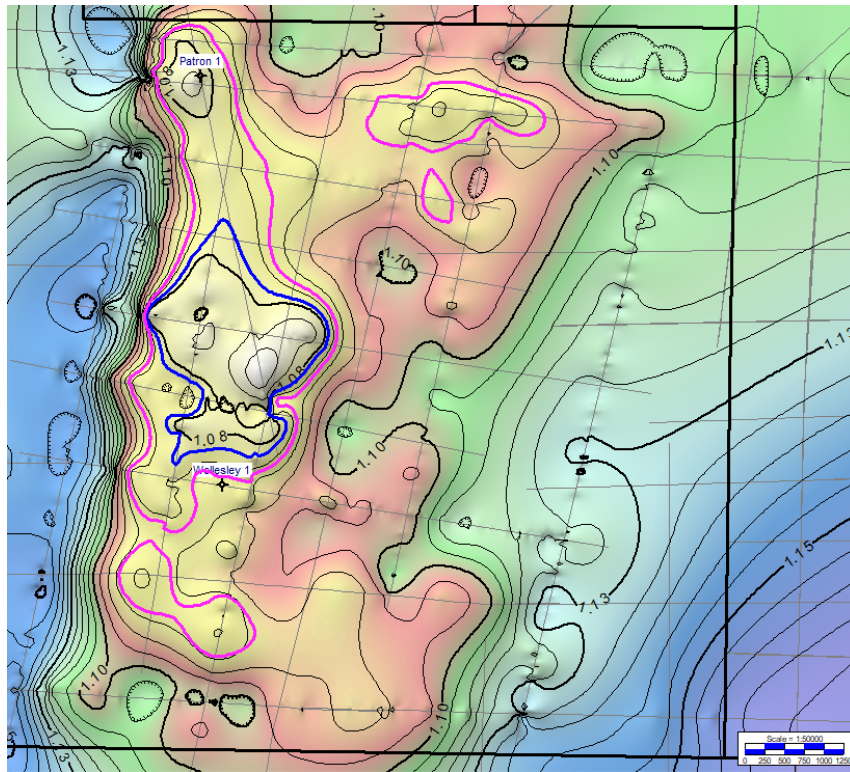
Figure 2: ATP 1183, Queensland



- The ATP 1183 prospects of key interest to the Company are:
 - Wellesey Dome

The Wellesey Dome is a fault bound, three way dip closure approximately 4.4km² in area, lying on the Kincora-Yarrabend-Wellesey High to the south of the productive Kincora Gas Field.

Figure 3: Wellesley Dome



The Wellesley-2 gas well was spudded on 10 February 2022, and was drilled to total depth (1,650 metres) by 15 February 2022. Following logging and testing activities, the well was plugged and abandoned and the drilling rig released on 22 February 2022.

While the Wellesley-2 well failed to discover gas, it provided valuable data to assist with formulation of future exploration plans.

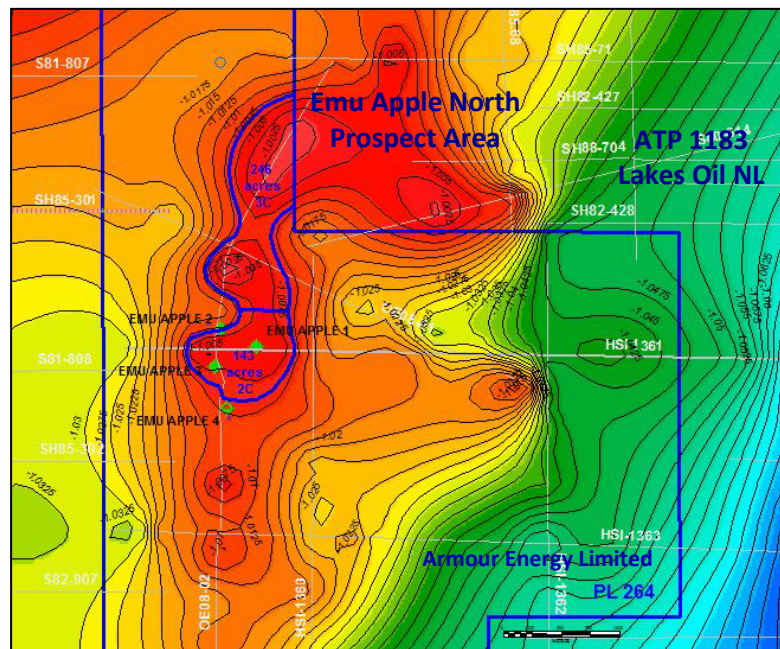
The Company envisages it will carry out an iodine survey to assist with design of a 3D seismic survey to better delineate the Wellesley structure and, in turn, allow selection of site(s) for future exploration drilling.

The Wellesley Dome has a prospective gas resource of 41 BCF (*This is a best estimate prepared on a deterministic basis. It is sourced from page 17 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).*

- Emu Apple North

The Emu Apple North prospect comprises the northern extension of the Emu Apple oilfield, an oilfield recently brought back into commercial production by Armour Energy Limited.

Figure 4: Emu Apple North Prospect



The prospect is a broad, low relief, anticlinal structure separated by a small saddle from the main Emu Apple Field. The entire Emu Apple area has been charged with hydrocarbons from Permian source rocks to the southeast.

The Hutton Sandstone and Boxvale Sands, both of which are productive in the Emu Apple-3 well, are the main reservoir targets. The reservoir units will be intersected at shallow depths, between approximately 1350 and 1430 metres, which means drilling the Emu Apple North prospect will be low cost. The Company's proposed well location is readily accessible by existing road infrastructure and is close to Armour's Emu Apple production facilities (meaning any discovery can be quickly developed).

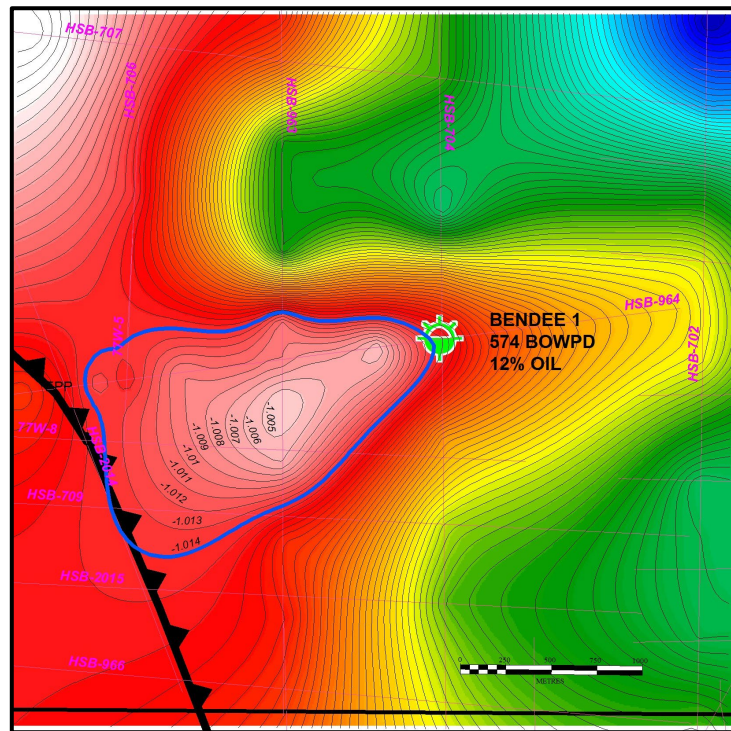
The Emu Apple North prospect covers an area of approximately 382 acres and is estimated to hold up to 3.4 million barrels of oil. *(This is a best estimate prepared on a deterministic basis. It is sourced from page 17 of "Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes 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)* Initial oil production rates from existing Emu Apple wells were around 100 barrels per day, with Armour Energy's Emu Apple-3 well currently producing around 40 barrels per day.

- Bendee Prospect

The Bendee Prospect is a four-way dip closure located just to the west of the producing Thomby Creek Oil Field. An historic (Bendee-1) well flowed oil and water to surface, demonstrating that the structure contains oil. However, using currently available data the Company has identified that the Bendee-1 well was drilled on the edge of closure, at the level of oil-water contact. Considerable up-dip potential exists.

The Bendee Prospect covers an area of approximately 2 square kilometres and could contain approximately 1 million barrels of oil. *(This is a best estimate prepared on a deterministic basis. It is sourced from page 17 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)*

Figure 5: Bendee Prospect

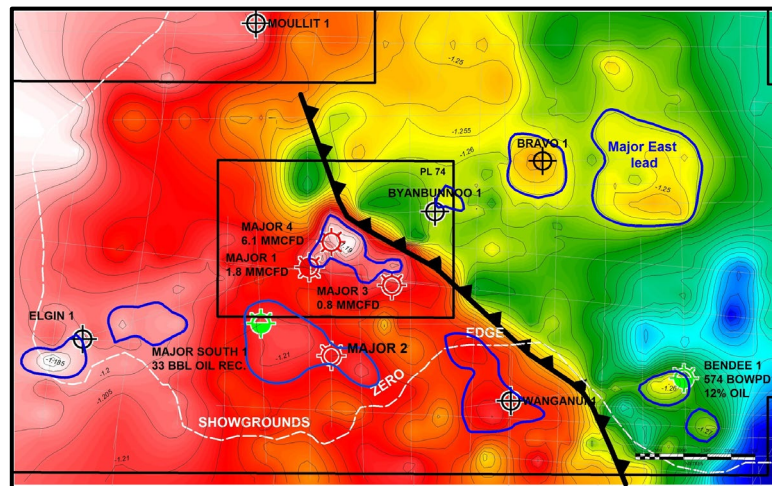


- Major East Lead

The Major East Lead is four-way dip closure approximately 5km² in area, located to the east of the producing Major Gas Field.

The Major East Lead has a prospective gas resource of 13.8 BCF *(This is a best estimate, determined by Mr Peter Bubendorfer, Exploration Adviser to Navgas Pty Ltd, who is an AAPG member, qualified in accordance with the requirements of ASX Listing Rule 5.42, and who has consented to the use of the estimate in the form and context in which it appears in this report. The estimate was finalised on 3 February 2015 and was published on the ASX Announcements Platform by the Navgas Pty Ltd then owner Dark Horse Resources Limited (known at that time as Navaho Gold Limited). 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).*

Figure 6: Major East Lead



Onshore Victoria

PEPs 163, 167 and 175, Otway Basin (Lakes: Operator, 100% interest)

PEP 169, Otway Basin (Lakes: 49% interest)

PRL 2, Gippsland Basin (Lakes: Operator, varying interest across permit - subject to reserved rights)

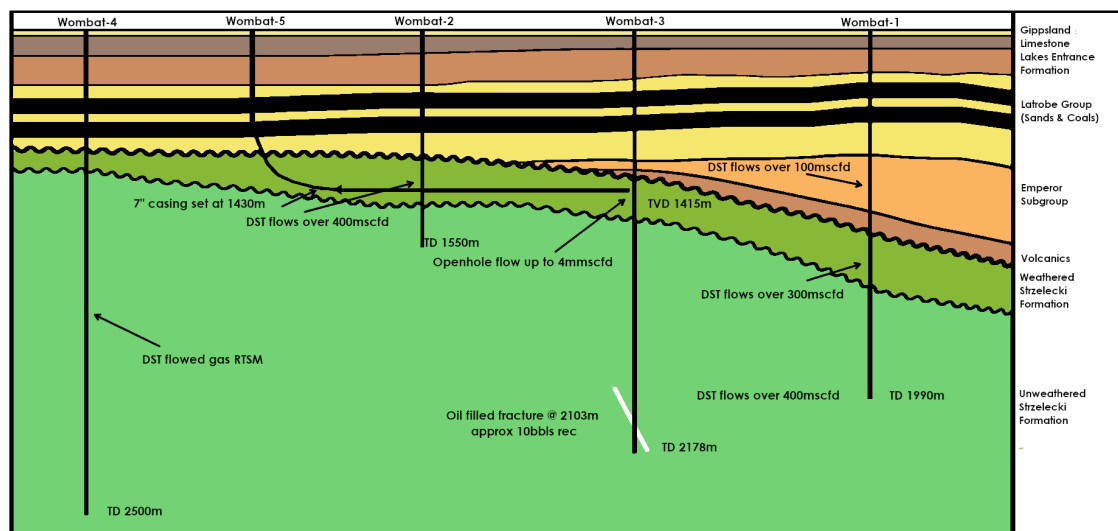
PRL 3, Gippsland Basin (Lakes: Operator, 100% interest)

PEP 166, Gippsland Basin (Lakes: Operator; 75% interest)

- It is now possible, subject to requisite approvals, to carry out onshore, conventional exploration in Victoria.
- The Company is presently conducting a stakeholder engagement program.
- Key components of the Company's proposed Victorian exploration activity are as follows:
 - 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 well was first proposed in 2013, at which time all regulatory and access requirements were fully satisfied (as advised in writing by the Victorian Department of Economic Development, Jobs, Transport and Resources).

Figure 7: Cross-section of Wombat-5 Gas Well

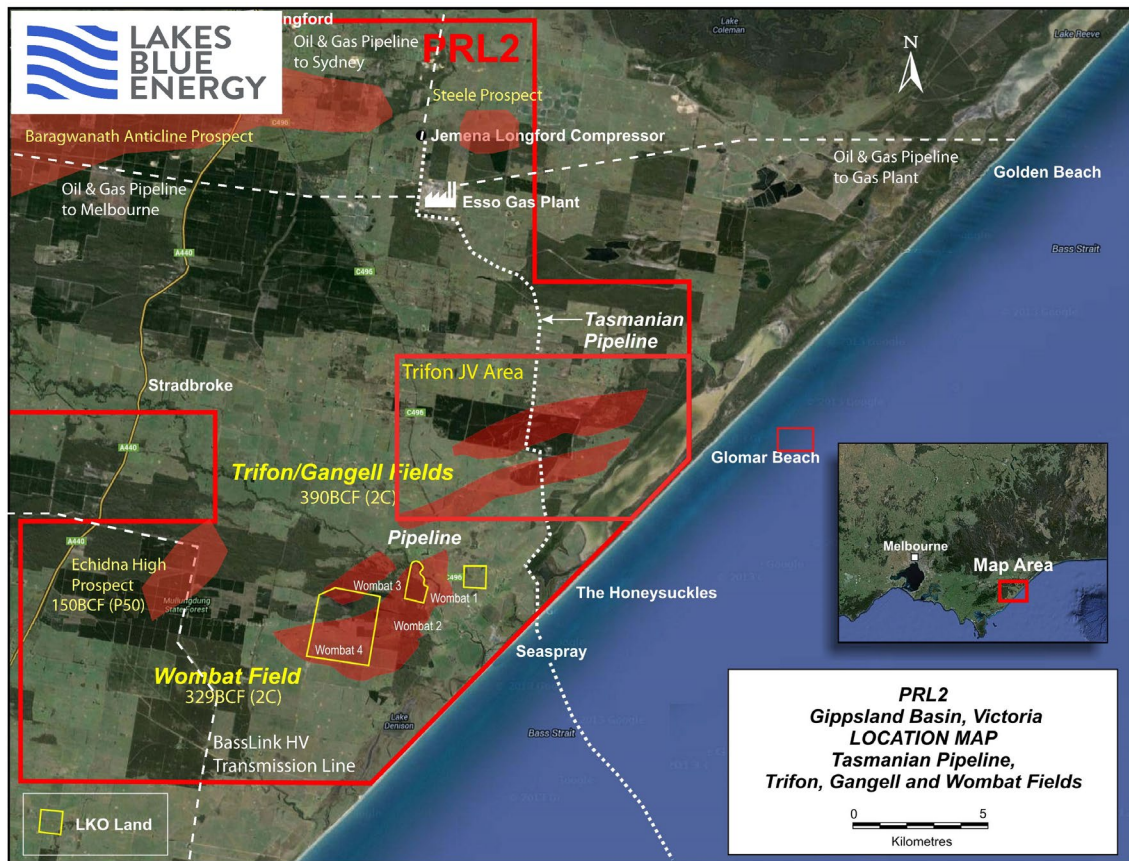


The independently estimated contingent recoverable gas resources of the Wombat and adjoining Trifon-Gangell gas fields are 329 PJ and 390 PJ, respectively, at the 50%

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 8: Location of Wombat and Trifon-Gangell Gas Fields



- Otway-1 Gas Well (Petroleum Exploration Permit 169)

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 well was first proposed in 2013, at which time all regulatory and access requirements were fully satisfied (as advised in writing by the Victorian Department of Economic Development, Jobs, Transport and Resources).

The Waarre Sandstone is very productive, with gas flow rates up to 50 TJ/d having previously been achieved at other nearby locations. The Waarre Sandstone is the basis of historic gas production at the Iona gas field which is now utilised as a gas storage reservoir.

The Eumeralla Formation is 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 9: Location of Otway-1 Gas Well



- Portland Energy Project (Petroleum Exploration Permit 175)

The proposed Greenslopes-2 and Portland Energy-1 gas wells are proof-of-concept wells, deigned 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 10: Location of Focus Area Within PEP 175

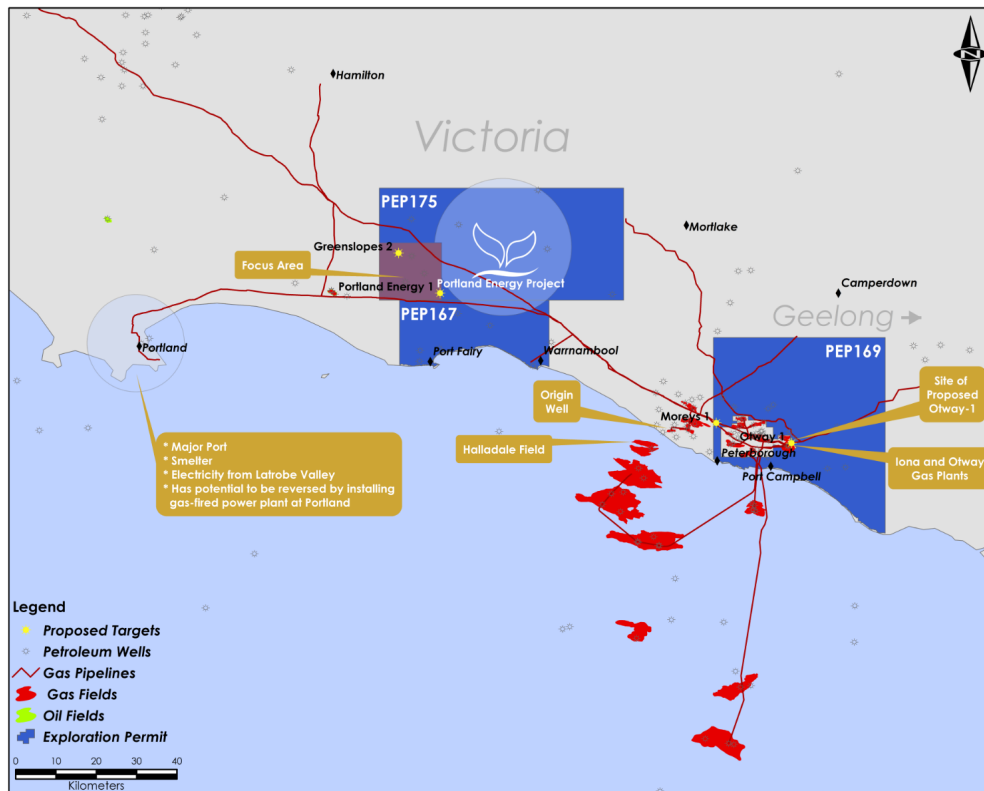
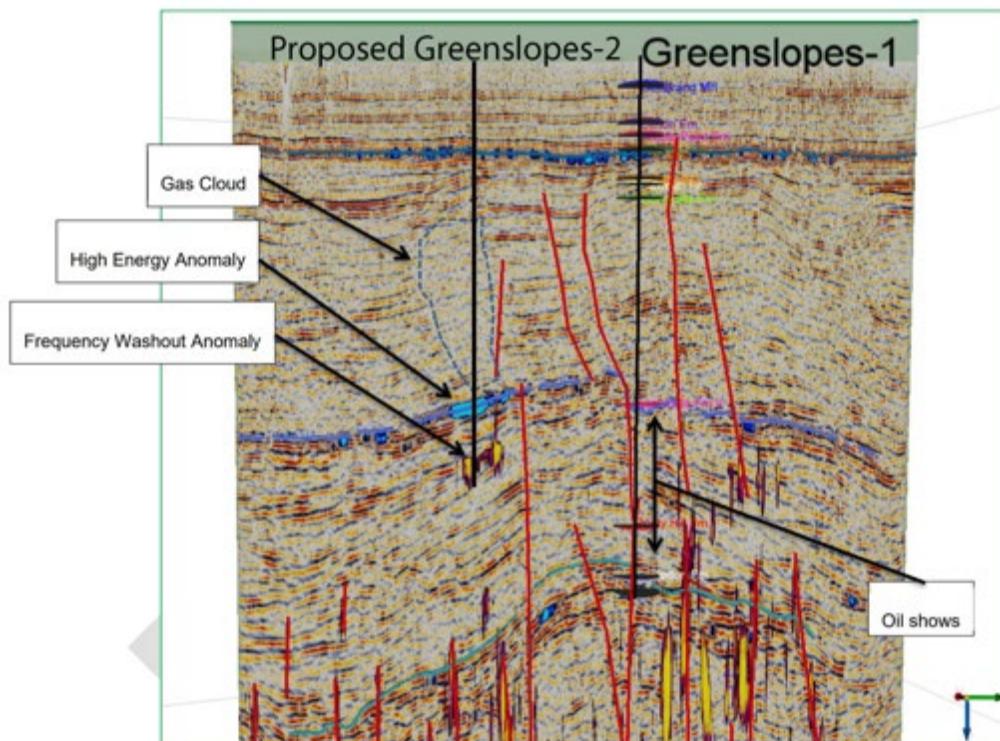


Figure 11: Cross-section through proposed Greenslopes-2 Well (showing seismic attributes)



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)*

Near-shore Victoria (Gippsland Basin)

VIC/P43(V) and VIC/P44(V) (Lakes: Operator, 100% interest)

- There are presently no plans in place for exploration within these permit areas.
- For cost efficiency reasons it is desirable that work within these permit areas be coordinated with onshore activity.

Queensland, Eromanga Basin

ATPs 642P and 662P (Lakes: Operator, 100% interest)

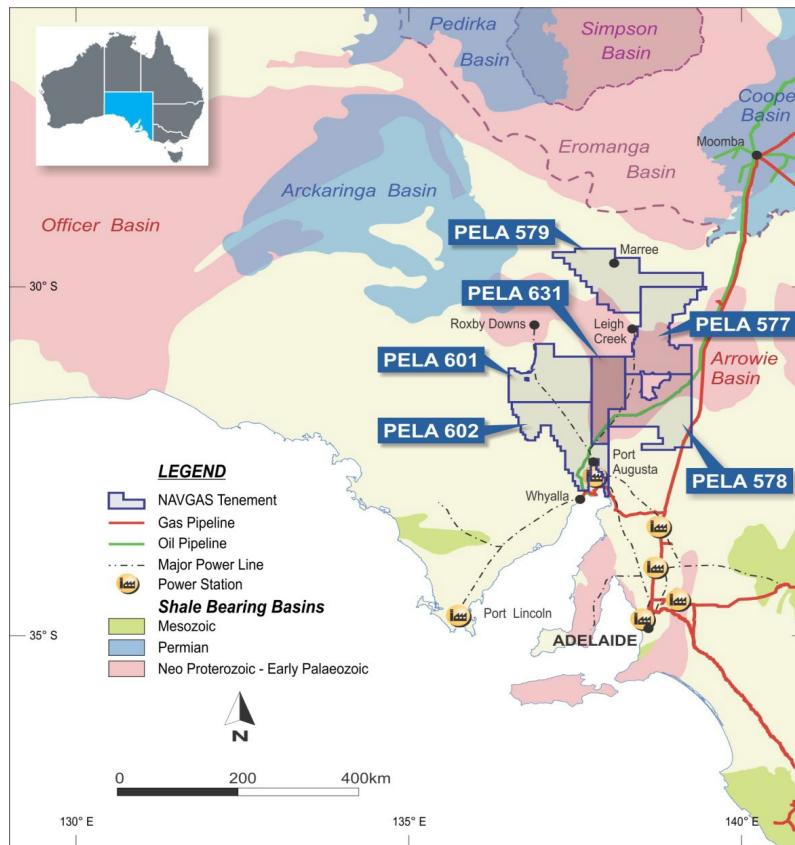
- Lakes Blue Energy was not successful in finding a joint venture partner for pursuit of the western Queensland opportunities. Since the Company considers other projects within its portfolio to be of greater prospectivity, these permits have subsequently been relinquished.

South Australia, Pirie Torrens Oil & Gas Project

PELAs (Lakes: Operator, 100% interest)

- The 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.
- The Company has been advised that the South Australian Department of Energy and Mining has received tenure applications that overlap the Company's PELAs. The Company is in the process of addressing this matter and is also arranging for native title matters to be addressed. Resolution of native title matters is a key step toward granting of the exploration licences.
- Lakes proposes to review and reprocess historic data, including more recent seismic information gathered by Geoscience Australia, and to investigate potential for drilling of a stratigraphic core hole to further geological knowledge of the basin.
- Of particular near-term interest to the Company are:
 - the potential for oil production to the north of Wilkatana (in an area of closure, associated with the Torrens Hinge Zone, that can be identified on modern seismic data but which has not yet been drilled); and
 - the potential for production of gas from the Tindelpina Shale, which has been demonstrated to contain gas but has not been explored using modern techniques.

Figure 12: South Australian Licence Application Areas

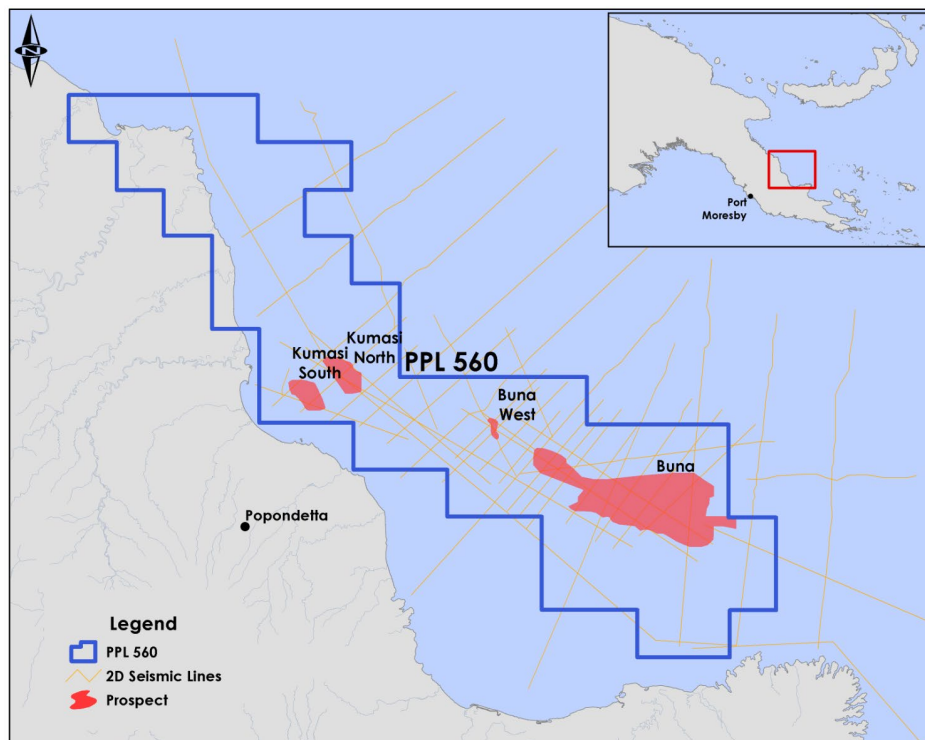


Papua New Guinea

PPL 560 (Lakes: Operator, 100% interest)

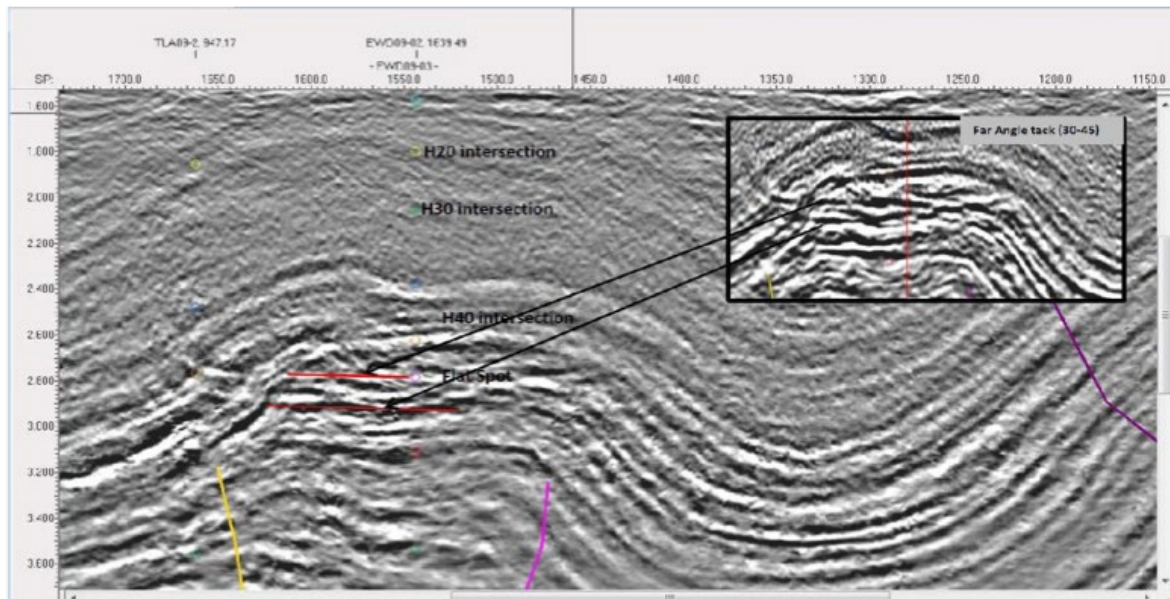
- The Company has control of a portfolio of highly prospective exploration acreage in Papua New Guinea. One key tenement is Petroleum Prospecting Licence (PPL) 560, which contains the multi-trillion cubic feet Buna prospect.

Figure 11: PNG Interests



- The Company is working on plans for expedited exploration and development of the PNG tenements, especially the Buna prospect, and is progressing discussions with potential farminees to help fund the drilling of the Buna Prospect.

Figure 12: Buna Prospect Seismic Cross-section



Eagle Prospect, Onshore California, USA

(Lakes: 17.97% interest. Operator: Strata –X Inc.)

- The Eagle Prospect contains the Mary Bellochi-1 well, which was drilled in 1986 by Lakes and its joint venture partners, and flowed oil to surface for several weeks before withering out. Indications at the time were that failure of the well was the result of a mechanical problem, rather than oil ceasing to be present.
- The Company is seeking to dispose of its Eagle Prospect interest.

This announcement is authorised for release to the market by the Board of Directors of Lakes Blue Energy NL.

For further details please contact:

Roland Sleeman
Chief Executive Officer
Lakes Blue Energy NL
Ph: +61 3 9629 1566

Lakes Blue Energy NL Tenement holding summary

Below is a listing of the tenements held by Lakes Blue Energy NL as at 31 March 2022:

Joint operation or Permit name	Location (basin name)	Interest owned %	Interest acquired/farmin during the quarter	Interest disposed/farmout during the quarter
PEP 163	Otway	100	-	-
PEP 167	Otway	100	-	-
PEP 169	Otway	49	-	-
PEP 175	Otway	100	-	-
PRL 2-Overall Permit	Gippsland	100	-	-
PRL 2 - Trifon Field	Gippsland	57.50	-	-
PRL 3	Gippsland	100	-	-
PEP 166	Gippsland	75	-	-
VIC/P43(V)	Gippsland	100	-	-
VIC/P44(V)	Gippsland	100	-	-
ATP 642P	Eromanga/Cooper E	0	-	100
ATP 662P	Eromanga/Cooper E	0	-	100
ATP 1183	Surat/Bowen	100	-	-
Eagle Prospect	California USA	17.97	-	-
PELA 577*	Pirie Torrens, SA	100	-	-
PELA 578*	Pirie Torrens, SA	100	-	-
PELA 579*	Pirie Torrens, SA	100	-	-
PELA 601*	Pirie Torrens, SA	100	-	-
PELA 602*	Pirie Torrens, SA	100	-	-
PELA 631*	Pirie Torrens, SA	100	-	-
EL 5694	Pirie Torrens, SA	100	-	-
PEL 155	Otway	50	-	-
PPL 549	PNG	100	-	-
PPL 560	PNG	100	-	-
APPL 550*	PNG	100	-	-
APPL 594 *	PNG	100	-	-
APPL 633 *	PNG	0	-	100

*Tenements in application phase only, remain subject to government approvals.

Cautionary statement

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).

Appendix 5B

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

Name of entity

LAKES BLUE ENERGY NL

ABN

62 004 247 214

Quarter ended ("current quarter")

31 MARCH 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(34)	(83)
	(e) administration and corporate costs	(774)	(1,020)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	7
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other Receipts	-	29
1.9	Net cash from / (used in) operating activities	(808)	(1,067)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(1,317)	(1,386)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,317)	(1,386)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,405	5,551
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(173)	(239)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Funds held for securities yet to be issued)	-	-
3.10	Net cash from / (used in) financing activities	4,232	5,312

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,214	462
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(808)	(1,067)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,317)	(1,386)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,232	5,312

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,321	3,321

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	3,250	55
5.2 Call deposits	71	71
5.3 Bank overdrafts	-	-
5.4 Other (restricted or funds held in escrow)	-	1,088
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,321	1,214

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	97
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(808)
8.2	Payments for exploration & evaluation classified as investing activities (item 2.1(d))	(1,317)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,125)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,321
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,321
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.56
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<p>Answer:</p> <p>No. As detailed in the replacement prospectus released on 20 January 2022, an estimated \$1.6m was budgeted for the drilling of the Wellesley-2 Gas Well. Of this, the majority of this expenditure (\$1.3m) was incurred in the March 2022 quarter with the balance committed to in the following quarter.</p> <p>In addition, administration and corporate costs are expected to significantly decrease in the following quarters.</p>	

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

Answer:

In the Annual General Meeting held on 25 March 2022, the Company received shareholder approval to issue a further 2,005,000,000 shares to the value of \$1,604,000 to the underwriters of the prospectus. These funds are anticipated to be received in the June 2022 quarter.

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

Answer:

Yes, given its successful history of capital raising initiatives, the Company is confident that it will be able to raise funds as and when required to continue its operations and to meet its business objectives.

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

Compliance statement

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

Date: 29 April 2022

Authorised by: The Board of Directors

Notes

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