

23 October 2023

ASX Release
Farmout of Petroleum Exploration Permit 169, Victoria

Highlights:

- *Lakes Blue Energy has agreed binding terms for farmout to Cooper Energy of a 25.1% interest in PEP 169, Victoria.*
- *Cooper Energy will make an up-front payment to Lakes and will fund a capped portion of Lakes' share of the cost of drilling the Enterprise North-1 well.*

The Directors of Lakes Blue Energy NL (**Lakes**, or the **Company**; ASX:LKO) are pleased to announce that binding terms have been agreed with Cooper Energy Limited (**Cooper**) for farmout to Cooper of an interest in Petroleum Exploration Permit 169 (**PEP 169**), in the Otway Basin, Victoria. PEP 169 contains the promising Enterprise North Prospect, which is now targeted for drilling around mid-2024.

The farmout terms include:

- Completion of the farmout is subject to completion of due diligence, finalisation of transaction agreements and receipt of requisite consents and approvals. This includes consent of Armour Energy Limited which, under existing PEP 169 joint venture arrangements, has a pre-emptive right to match the proposed transaction.
- Upon signing of the transaction agreements:
 - Cooper will make an upfront payment of \$1.2 million to Lakes that, together with the proceeds of the Company's recent rights issue, will see Lakes fully funded through 2024; and
 - A 25.1% interest in PEP 169 will be transferred to Cooper; and
- Lakes' share of the cost of drilling the Enterprise North-1 well will be funded by Cooper, up to an agreed maximum A\$1.25 million cap.

Mr Richard Ash, Chairman of Lakes, noted that Cooper Energy's interest in Enterprise North underlines the quality of the Prospect and the farmin agreement heralds the next phase of Lakes' development. With drilling of the Enterprise North-1 well funded the Company has a line-of-sight to becoming cashflow positive.

Mr Roland Sleeman, Chief Executive Officer of Lakes, paid tribute to Cooper Energy, noting that Cooper's experience and existing operations in the area of PEP 169 will contribute to expedited development of the Enterprise North project. Cooper has existing gas flowline and processing capacity in close proximity to the project, and Cooper's farmin is a strong endorsement of the project's potential.

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This announcement has been authorised and approved by the Board of Lakes Blue Energy NL for lodgement with ASX.

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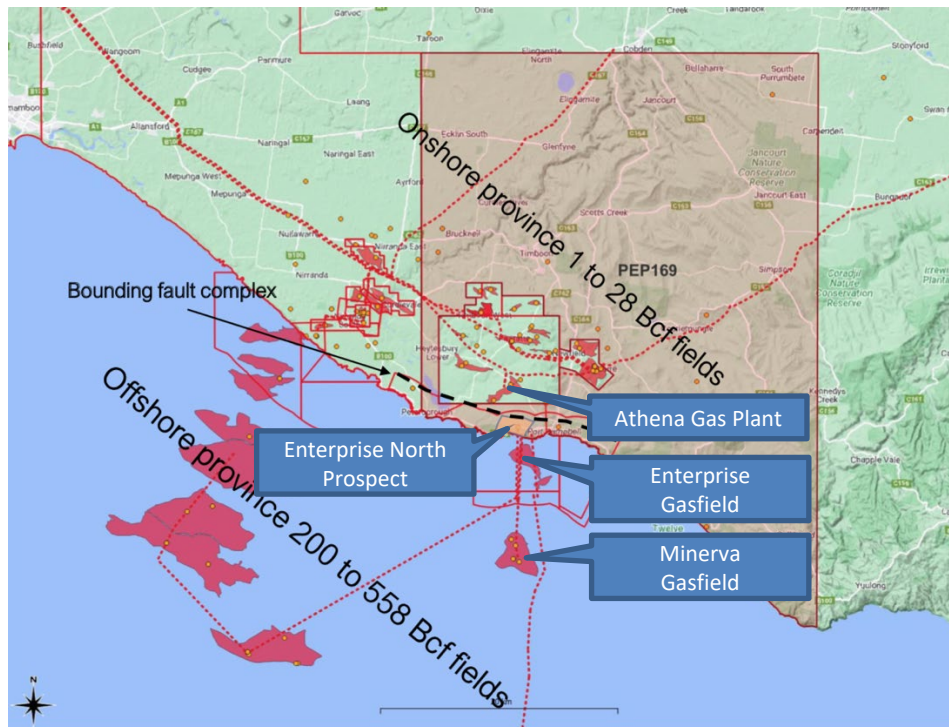
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Background Information

The location of Petroleum Exploration Permit 169 is illustrated in the following figure, along with the location of the Enterprise North Prospect. PEP 169 is presently owned by Lakes Blue Energy (49%) and Armour Energy Limited (51%).



Cooper Energy operates the Athena Gas Plant, which was developed to process gas from the now-abandoned, offshore Minerva gas field. The Athena gas plant has spare capacity available.

The Enterprise North Prospect is on trend with, and analogous to, both the Minerva and Enterprise Gas Fields. The following diagram shows a comparison of the seismic cross-sections of the three fields.

