TARGET MARKET DETERMINATION

MADE BY:	Lakes Blue Energy NL ACN 004 247 214 of 24-26 Kent Street, Millers Point NSW 2000 (the **Company**)
PRODUCT:	Attaching options (**Attaching Options**) to acquire fully paid ordinary shares in the capital of the Company (**Shares**) that are to be issued under a prospectus dated 29 July 2026 (**Prospectus**).
EFFECTIVE DATE:	29 July 2026

Capitalised terms used but not otherwise defined in this target market determination (**TMD**) have the meaning ascribed to them in the Prospectus.

This TMD has been approved by the Company in relation to the offers of Attaching Options made by the Company in the Prospectus (**Offers**). The Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on 29 July 2026.

The Attaching Options entitle participants in the Offers (**Participants**) to receive one (1) Share on the exercise of any Attaching Option.

The Offers will be made in the Prospectus. This TMD is not a disclosure document for the purposes of the *Corporations Act 2001* (Cth) (**Corporations Act**) and therefore has not been lodged, and does not require lodgement, with ASIC.

This TMD does not take into account your investment objectives, financial situation or particular needs. This TMD is not, and should not be treated as, a full summary of the terms and conditions of the Attaching Options and is not intended to provide financial advice. You should refer to the Prospectus for the terms and conditions of the Attaching Options when making a decision in respect of the Attaching Options. The Company is not licensed to provide financial product advice in relation to the Attaching Options.

<u>Target market</u>

The following persons are entitled to receive Attaching Options pursuant to the Offers as Participants:

(a) Shareholders of the Company who:

    (1) are recorded as at the Record Date in the Company's register of members as having a registered address in Australia or New Zealand; and

    (2) as far as the Company is aware, are not located in the United States of America (United States) and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States or is not otherwise ineligible under all applicable securities laws to receive an offer under the Offer; and

(b) sophisticated and professional investors who participated in the private placement announced to the ASX on the date of the Prospectus; and

(c) other persons whom the Company is satisfied, in its sole discretion, that it would not be unlawful to offer Attaching Options to, with or without any such conditions as the Company sees fit (in its sole discretion), based on the local laws of the country in which that person may reside.

Shares that are issued on exercise of the Attaching Options will rank equally in all respects with the then issued Shares.

The information below summarises the overall class of investors that fall within the target market for the Attaching Options.

The Company expects an investment in Attaching Options will be suitable to Participants, on the basis that they are likely to be investors who take a short to medium term outlook on their investment and who will be in a financial position to have sufficient available funds so as to facilitate an exercise of the Attaching Options over the period for which the Attaching Options can be exercised.

Investors with a short-term outlook for their investment will benefit from the ability to, prior to 5:00pm (AEDT) on the date that is five (5) years after the date of issue of Attaching Options under the Entitlement Offer (**Expiry Date**), exercise the Attaching Options and trade the underlying Shares on exercise of the Attaching Options should the exercise price be lower than the Share price at that time.

Investors with a medium-term outlook will benefit from the ability to exercise the Attaching Options prior to the Expiry Date and increase their shareholding in the Company and exposure to potential upside of the Shares into the future.

An exercise price is required to be paid to acquire Shares on the exercise of Attaching Options. As such the capacity to realise the underlying value of the Attaching Options could require that they be exercised on or before the Expiry Date. Investors in the target market will need to be in a financial position to have sufficient available funds so as to facilitate an exercise of the Attaching Options prior to the Expiry Date. Prior to the Expiry Date, investors' ability to liquidate the Attaching Options may be limited by the terms of the Attaching Options (they are not quoted), and a lack of liquidity in the trading of the Company's securities and the price of the Shares.

While the Company does not have an established eligibility framework for investors such as age, expected return or volatility, it is expected that the target market of investors will be able to withstand potential fluctuations in the value of their investment and will be those who wish to obtain optionality for exposure to the Company's ongoing operations. The Attaching Options offer no income guarantee or capital protection for investors.

The Company considers that an investment in the Attaching Options is highly speculative, such that an investment in the Attaching Options may not be appropriate for an investor who would not be able to bear the loss of some or all of their investment. Investors should also have sufficient financial literacy and resources (including appropriate advisers) to understand and appreciate the potential risks of investing in the Company (including the Attaching Options).

The Attaching Options are not suitable for investors:

(a) who are not seeking to have the potential to increase their investment in the Company; and

(b) who do not understand and appreciate the risks of investing in options as an asset class generally and the more specific risks of investing in the Company.

Distribution conditions

The Offers of Attaching Options are made under the Prospectus to be sent to Participants.

Attaching Options will only be issued to Participants who have subscribed for New Shares and/or Attaching Options in accordance with the instructions in an application form that accompanies a copy of the Prospectus. The Company will include a copy of this TMD on its website.

The Company considers that these distribution conditions will ensure that persons who invest in the Attaching Options will fall within the target market.

Review triggers

The Attaching Options are being offered for a limited period, between 29 July 2026 (being the date of the Prospectus) and the date by which the Company receives Shareholder approval of the offer and issue of the Attaching Options to participants in the Placement (which the Company expects to receive in early September 2026) (**Offer Period**).

The Attaching Options will not be available following the end of the Offer Period. Accordingly, this TMD applies for the duration of the Offer Period.

To allow the Company to determine whether circumstances exist indicating this TMD is no longer appropriate for the Attaching Options, the following review triggers apply for the Offer Period:

(a) the Company receiving notice that:

  (1) there is a material statement in the Prospectus that is false or misleading;

  (2) there is an omission from the Prospectus of material required by the Corporations Act to be included in the Prospectus;

  (3) there is a significant change affecting any matter contained in the Prospectus; or

  (4) the Company becoming aware of any significant new matter having arisen, the inclusion of information in respect of which would have been required to be included if the matter had arisen prior to the lodgement of the Prospectus;

(b) the Company issuing, or becoming aware of the need to issue, a supplementary or replacement prospectus for the Offers;

(c) the Company identifies a substantial divergence in how the Attaching Options are being distributed from this TMD;

(d) ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Attaching Options or this TMD; or

(e) the Company becoming aware of any material change to the legislative regime applying to the Offers in Australia or New Zealand.

Review period

If a review trigger occurs during the Offer Period, the Company will review this TMD in light of the review trigger. The Company will otherwise complete a review of the TMD immediately prior to the end of the Offer Period, and after such time the TMD will no longer apply.

Review Trigger information reporting requirements

Distributors of the Attaching Options must provide the following information to the Company, within the required timeframes:

Information type	Description	Timeframe for reporting
Complaints about the Attaching Options	Information relating to the number of complaints received and a summary of the nature of each complaint or a copy of each complaint	If any complaints are received, a report is to be made within 10 business days after the end of the Offer Period
A significant dealing of the Attaching Options that is not consistent with this TMD	Information to include details of the significant dealing and reasons the distributor considers the significant dealing is not consistent with this TMD	Report as soon as reasonably practicable, and in any event no more than 10 business days after the significant dealing occurs

Contact

For further information please contact the Company Secretary, Elissa Hansen, by email at elissa.hansen@cosecservices.com.au.