

Investor Presentation

Lakes Oil NL Entitlement Offer of Shares and Bonus Performance Rights

14 February 2017



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Investment Highlights

- Attractive Offer of Shares and Bonus Performance Rights.
- Performance Rights give VWAP-linked upside.
- Important drivers of Share Price:
 - Near-term exploration opportunities:
 - ✓ Multiple, low-cost, highly-prospective conventional targets.
 - ✓ Capable of quick development / monetisation.
 - Legal proceedings against Victorian Government:
 - ✓ \$2.7 billion damages claim.



Lakes Oil - History

- Australia's oldest operating petroleum exploration company.
- Formed in 1946 with Victorian focus.
- Taken over by Woodside in 1959, and delisted.
- Relisted 1985, again with Victorian focus.
- Has spent ~\$100m on exploration activities across Victoria.
- Owing to Government actions, virtually no exploration since 2012.
- Process of 'Reinvention' now well advanced.



Reinvention.....

- New, Non-Victorian Focus:
 - Acquisition of Navgas complete.
 - Near-term, highly-prospective exploration opportunities.
- Protection of Shareholders' Rights and Interests:
 - Victorian Government sued for damages.
 - Victorian Exploration Acreage retained for future pursuit.
- Corporate Costs Reduced:
 - Maximise funds employed in exploration.



The Offer

- 1 for 4 Entitlement Offer, priced at 0.2 cent per Share.
- Bonus Performance Right for each new Share issued.
- Offer partially Underwritten (\$1.5m) by DGR Global Limited.
- Features of Offer:
 - Up to 6,300,605,519 Shares and Performance Rights issued.
 - Up to \$12,601,211 raised.
 - Top-up facility for holders of 'Unmarketable Parcels'.
- Closing Date of Offer: 17 March 2017



Performance Rights

- Provide generous uplift potential linked to Company performance
- Each Performance Right can automatically convert to 1.25 shares:
 - Conversion is free – no cost to right holder.
 - Trigger for conversion is 60-day VWAP being above 0.8 cent.
- Important Drivers of Share Price Performance:
 - Legal Proceedings against Victorian Government.
 - Near-term exploration.
- Performance Rights are unlisted and non-transferrable.



Use of Funds

For 12 month period ending 31 January 2018

Activity	Minimum	Low-range	Target
Exploration ATP 1183	\$0.1m	\$1.5m	\$5.3m
Exploration SA	-	-	\$1.0m
Legal Proceeding	\$0.5m	\$0.5m	\$0.5m
Capital Raising Costs	\$0.2m	\$0.2m	\$0.5m
Mortgage Repayment	-	-	\$0.6m
Corporate Costs	\$0.7m	\$1.1m	\$1.7m
Production Facilities	-	-	\$3.0m
Total	\$1.5m	\$3.3m	\$12.6m



Legal Proceedings

- Government has prevented LKO from using its Exploration Permits:
 - Company has suffered material losses.

- Legal Proceedings against Victorian Government:
 - Claim for damages arising from ‘Derogation from Grant’.
 - \$2.7 billion damages claim.
 - Final claim and defence to be lodged February to May 2017.
 - Directions hearing (to set ongoing timetable) on 5 May 2017.

- Third-party ‘Litigation Funding’ is being investigated.

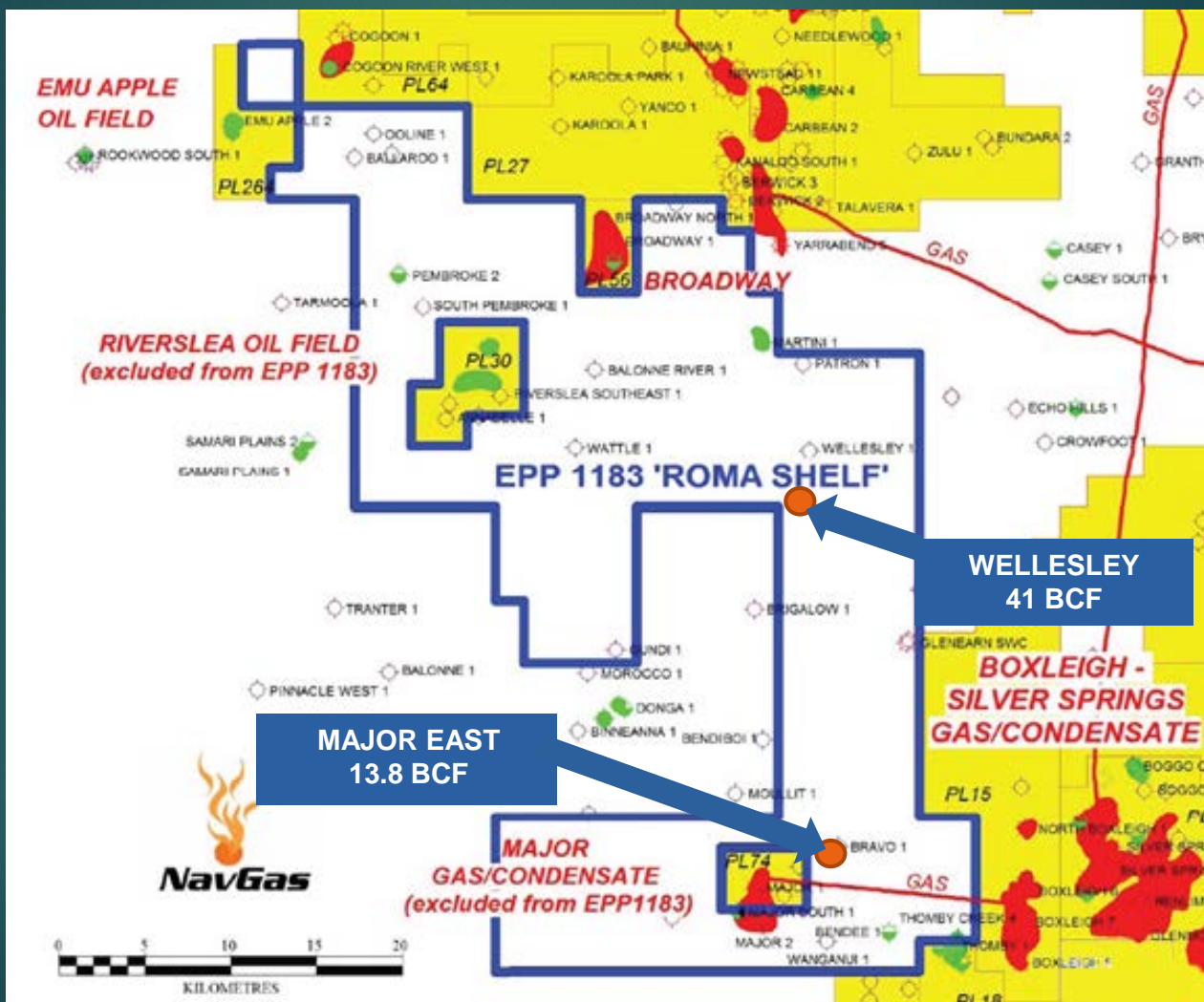


Near-term Exploration

- ATP 1183 offers exploration potential:
 - Existing gas and oil infrastructure in close proximity.
 - East Coast gas market undersupplied and high priced.
- Focus on largest, most prospective ATP 1183 opportunities:
 - Bendee-1: recompletion to monetise bypassed oil pay.
 - Wellesley Dome: 41 Bcf prospective gas resource¹.
 - Major East Lead: 13.8 Bcf prospective gas resource¹.
- South Australian Licence Application Areas:
 - Potential information sharing opportunities.

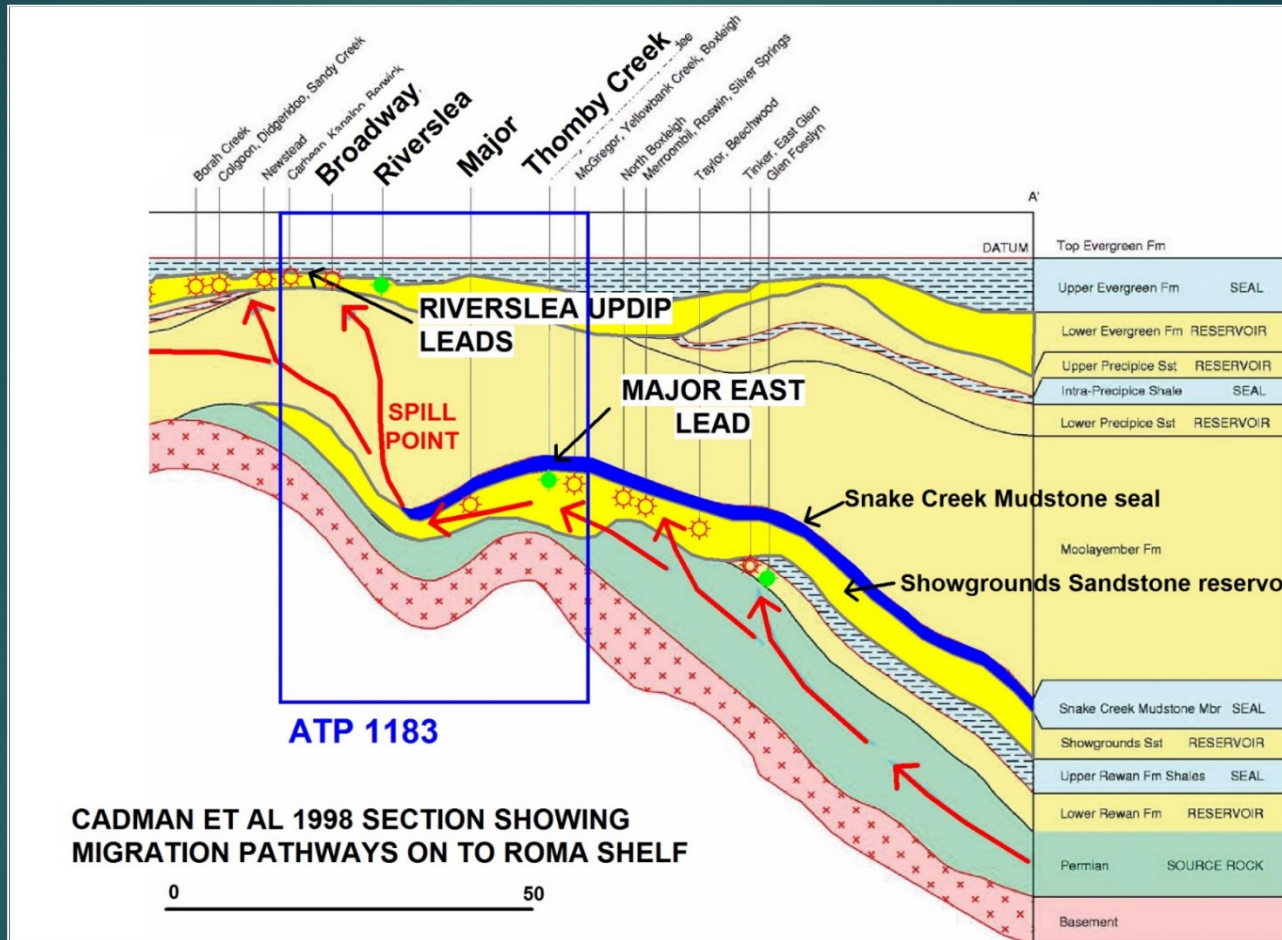


ATP 1183 - Queensland





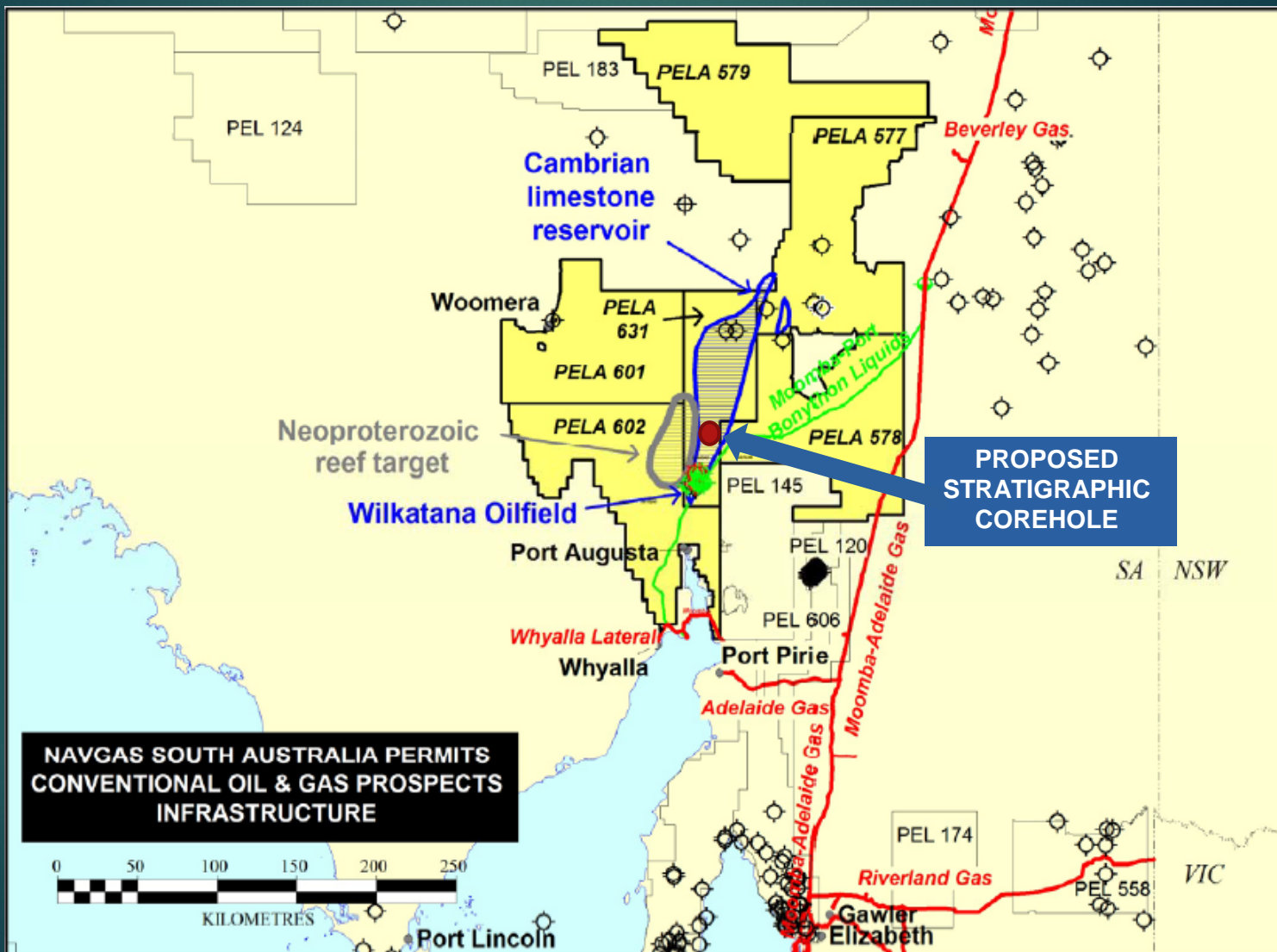
ATP 1183 - Queensland

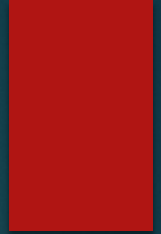


Permian coal and shale is source of oil and gas that is trapped in the Showgrounds reservoir, under the Snake Creek Mudstone (blue), and also in the shallower Evergreen sands



South Australia

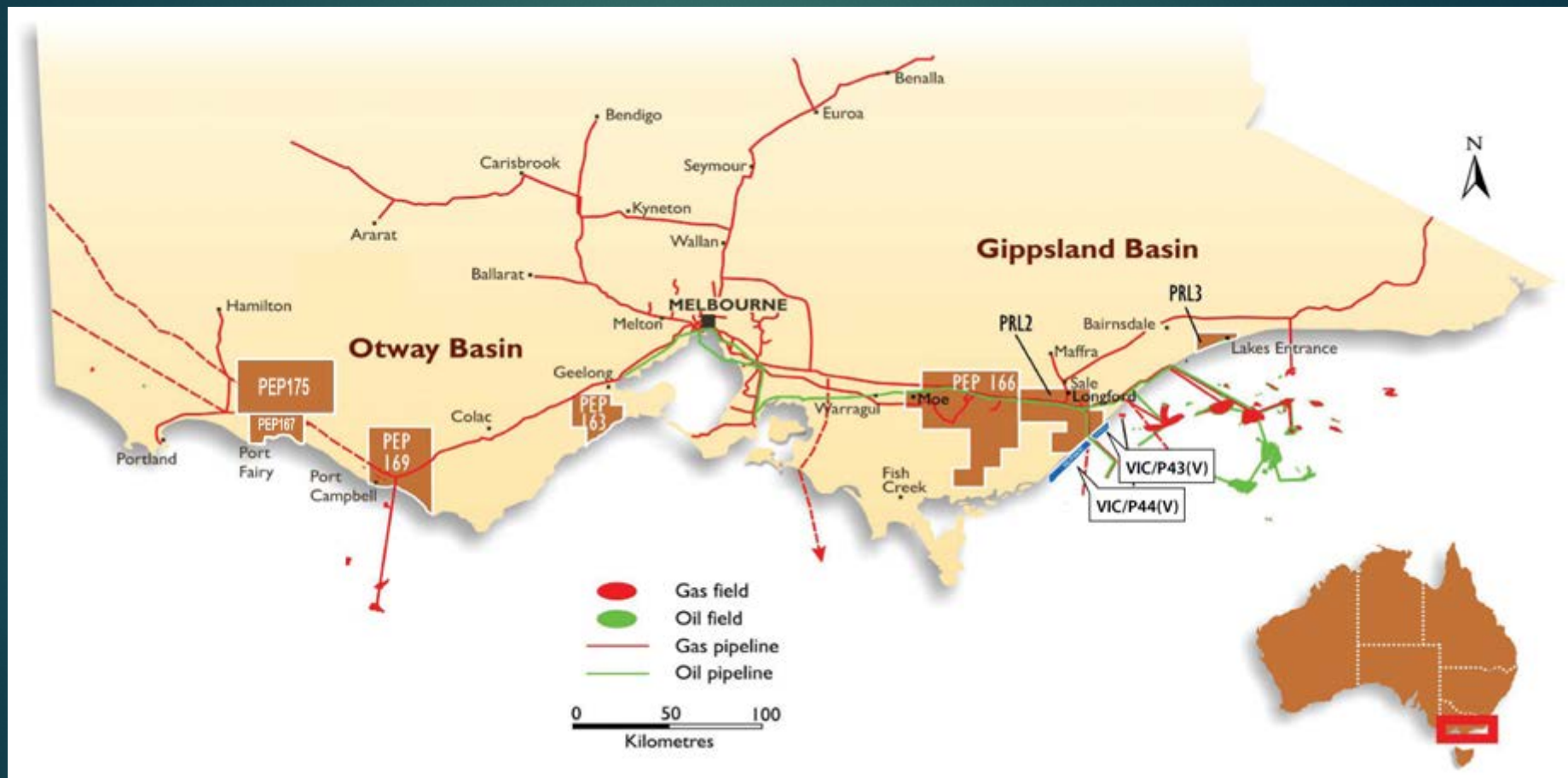




Appendix:
Reference Information
Regarding *Victorian Acreage*
(as provided at 2016 Annual General Meeting)



Lakes Oil's Victorian Permits



Highly Prospective - Gas resources already demonstrated



Lakes Oil's Victorian Potential

Prospect	Estimated Recoverable Gas ²
Wombat	329 Bcf (2C)
Trifon-Gangell	390 Bcf (2C)
PEL 175 Focus Area	11,469 Bcf (P50)



Sources of Estimates

1. Lakes Oil NL Quarterly Report for 3 months ended 31 December 2016.
2. Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL, SRK Consulting (Australasia) Pty Ltd, 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.