



A.C.N. 004 247 214

Lakes Oil N.L.

**ASX
Announcement
And Media
Release
15 September
2016**

www.lakesoil.com.au

LAKES OIL NL

**Listed Unsecured Converting Notes
Third Interest Payment & Early Conversion**

Lakes Oil NL provides the following letter to be sent today to holders of Unsecured Converting Notes (ASX: LKOGA).

Lakes Oil N.L.

Melanie Leydin
Company Secretary

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LAKES OIL N.L.

(ABN 62 004 247 214)

Computershare

All correspondence to:

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GPO Box 2975 Melbourne
Victoria 3001 Australia
Enquiries (within Australia) 1300 850 505
(outside Australia) 61 3 9415 4000
Facsimile 61 3 9473 2500
www.investorcentre.com

LKO

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)

SRN WITHHELD DEC

Dear Noteholder

Lakes Oil NL (ASX: LKO) Listed Unsecured Converting Notes

We write to remind you of the upcoming interest payment and early conversion dates relating to the Lakes Oil NL (**Company**) Listed Unsecured Converting Notes (**Notes**).

Third Interest Payment

The Third Interest Payment on the Notes is scheduled to be paid on 7 October 2016 to each registered holder of Notes in the Company bought before 29 September 2016 (Ex-Date) and still holding Notes as at 7.00 p.m. (AEST) on 30 September 2016 (Record Date). The payment amount is \$0.50 per Note held at Record date.

Interest payments will be paid in Australian dollars by direct credit or cheque to a nominated Australian financial Institution account.

If you have not already done so, we encourage you to provide us with your Tax File Number (TFN) or Australian Business Number (ABN) as well as your payment instructions, so that we can make payment to you by direct credit. If you do not provide your TFN or ABN, tax may be deducted from your interest payment at the highest marginal rate. Your instructions can be provided online at www.investorcentre.com/lko.

Use your SRN/HIN which is located at the top of this letter to login to the secure Investor Centre website. If you do not have internet access you may call 1300 850 505 (if outside Australia call + 61 3 9415 4000) and follow the voice instructions to provide your security holder information over the phone and receive any necessary forms at your registered postal address.

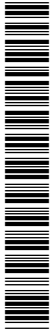
Early Conversion

We also remind you that you may elect to convert some or all of your Notes to fully paid ordinary shares, under the terms set out in the Prospectus dated 11 March 2015, by sending notice to the Company by 30 September 2016. This Notice is attached. You may only elect to convert your Notes in multiples of 50 (\$500). If you elect to take early conversion you will still be eligible to receive the Third Interest Payment.

If you elect to convert any of your Notes, they will each be converted to 5,000 ordinary fully paid shares in the Company (**Converted Shares**) within 10 business days of the Record Date. Upon conversion of the Notes you will lose any right to interest payments other than the Third Interest Payment. The Converted Shares you receive will hold the same rights as all other ordinary fully paid shares in the Company.

Yours sincerely

Chris Tonkin
Chairman



LKO
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

SRN WITHHELD DEC

Use a **black** pen.
Print in **CAPITAL** letters.

A B C 1 2 3 Where a choice is required, mark the box with an 'X' X

Convertible Note Exit Notice

A **Exit Notice**

I/We, hereby give notice to convert 10% unsecured convertible notes (LKOGA Notes) in the above named into ordinary fully paid shares of the issuer, pursuant to the LKO Notes Trust Deed and the terms and conditions of the LKO Notes.

I/We, apply for such number of fully paid ordinary shares in the capital of Lakes Oil NL (LKOGA) as is equal to the number of ordinary shares that the noteholder is entitled to upon conversion, as calculated in accordance with the terms and conditions of the LKOGA Notes.

B **Contact Details**

Please provide your contact details in case we need to speak to you about this form

Name of contact person Contact person's daytime telephone number

C **Sign Here - This section must be signed for your instructions to be executed.**

I/We authorise you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions in respect to my/our securities.

Individual or Securityholder 1 Securityholder 2 Securityholder 3

Director Director/Company Secretary Sole Director and Sole Company Secretary

Note: When signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.

Day / Month / Year



Convertible Notes Terms and Conditions

This is a summary of the material terms of the LKOGA Notes and should be read in conjunction with the Terms of Issue in section 7 of the prospectus.

| | |
|-------------------------------|---|
| Issuer | Lakes Oil NL (ABN 62 004 247 214) |
| Trustee | Equity Trustees Limited |
| Issue Price | \$10 per Note |
| Issue Date | 24 April 2015 |
| Maturity Date | 31 March 2017 (unless converted earlier) |
| Term | From the Issue Date until 31 March 2017, unless earlier converted into Ordinary Shares. |
| Interest Payment Dates | Interest is payable half yearly at the rate of 50 cents per Note within 10 business days following each Interest Payment Date (30 September 2015, 31 March 2016, 30 September 2016, 31 March 2017), equating to 10% per annum. |
| Conversion | LKOGA Holders can elect to convert the Notes early by notice to Lakes Oil before 30 September 2015, 31 March 2016 and 30 September 2016 (Early Conversion Dates). Any Notes subject of early conversion will be the subject of a share issue at the conversion ratio within 10 business days of the early conversion date, when the final payment of interest up to the early conversion date will be made. |
| Voting | Holder of Notes do not have a right to vote at general meetings of shareholders of Lakes Oil prior to conversion. |

**Please return the completed form to
the address opposite:**

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

