



A.C.N. 004 247 214

**Lakes Oil N.L.
ASX
Announcement
And Media
Release
28 November
2016**

www.lakesoil.com.au

Registered Office:
Level 14,
500 Collins Street
Melbourne Vic 3000
Ph: +61 3 9629 1566
Fax: +61 3 9629 1624



**Lakes Oil NL
ASX Announcement
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Acquisition of Navgas

The Board of Directors of Lakes Oil NL (**Lakes Oil** or **Company** ASX: LKO) is pleased to advise that the Company has entered into a Share Purchase Agreement (**SPA**) pursuant to which the Company will acquire Navgas Pty Ltd. Execution of the SPA formalises the arrangement announced on 6 October 2016, when the Company entered into a Heads of Agreement relating to the acquisition of Navgas.

Key terms of the SPA include:

- The counterparties to the SPA (**Vendors**) are Dark Horse Resources Limited (which owns 92.78% of Navgas) and two individuals (together owning 3.22% of Navgas). Lakes Oil already owns 4.00% of Navgas.
- Consideration for the purchase will be the issue to the Vendors of 9.6 billion shares in the Company.
- The SPA is conditional upon Lakes Oil obtaining the approval of its Shareholders for the acquisition of Navgas. This will be sought at the Company's Annual General Meeting, details of which will be provided to Shareholders imminently, together with an Independent Expert Report that reviews the fairness and reasonableness of the Navgas acquisition.
- Completion of the acquisition is to take place within 5 days of Shareholder approval being obtained by Lakes Oil.
- The Vendors and the Company have provided each other with reasonable, customary and balanced warranties and indemnities.

In addition to executing the SPA, the Company has also entered into a conditional Underwriting Agreement with DGR Global Limited (**DGR**) pursuant to which DGR will provide a \$1.5 million underwriting for a capital raising by rights issue of shares in the Company. DGR's underwriting commitment is subject to the Navgas acquisition being completed and to agreement on specified matters relating to the capital raising. It is envisaged the capital raising will take place early in 2017, to provide funds for ongoing Company activities, including exploration of the Navgas acreage.

Benefit of Navgas Acquisition

Through the acquisition of Navgas, Lakes Oil will gain ownership of highly prospective exploration acreage in Queensland and South Australia. The new acreage will complement Lakes Oil's existing petroleum exploration acreage in Victoria and Queensland and, in view of the Victorian Government's adverse decisions to prohibit onshore exploration activity in Victoria, will be the principal focus of Lakes Oil's exploration effort over coming years.

Brief details of the exploration acreage being acquired by Lakes Oil are attached.

For further information please contact:

Mr Chris Tonkin, Chairman, +61 (0)412 110 955

Mr Roland Sleeman, Chief Executive Officer, +61 (0)412 691 365

or visit website www.lakesoil.com.au