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Lakes Oil N.L.
ASX
Announcement
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Lakes Oil NL ASX Announcement 1 May 2017

Lakes Oil Acquires 100% of Mingoola Gold Pty Ltd

Lakes Oil NL (**Lakes Oil** or **Company** ASX: LKO) is pleased to announce that it has completed the acquisition of Mingoola Gold Pty Ltd (**Mingoola**) for consideration of \$1. Mingoola was acquired from Dark Horse Resources Limited, the same company from which Lakes Oil recently acquired Navgas Pty Ltd (**Navgas**) and its highly prospective Queensland and South Australian petroleum exploration acreage.

Mingoola holds mineral exploration tenements that overlap the area of Lakes Oil's South Australian petroleum exploration permit applications, as illustrated in Figure 1.

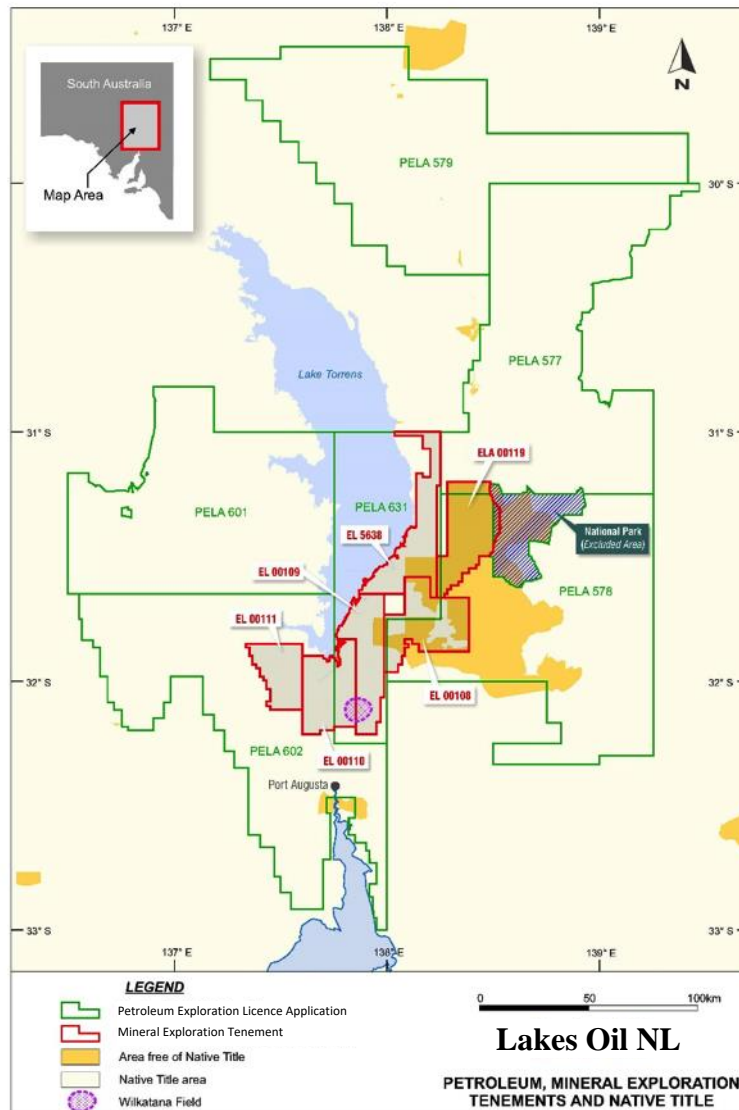


Figure 1: Location of Mineral Exploration Tenements

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Mingoola has near-term commitments in place to undertake exploration activity within the mineral exploration tenements. If these commitments, which range between \$170,000 and \$250,000 per tenement, are not satisfied then the tenements may have to be relinquished. Lakes Oil will, over coming months, undertake desktop studies to ascertain which of the tenements offer the best prospects for exploration success in order to prioritise exploration expenditure. In carrying out these studies the likelihood that information from mineral exploration activities will be of material value in assessing the potential of the overlapping petroleum exploration acreage will be taken into account.

Further Information Regarding Lakes Oil's South Australian Petroleum Exploration Acreage

The Pirie Torrens oil & gas project incorporates six (6) PELA's (Petroleum Exploration Licence Applications) covering approximately 53,000km² in South Australia, as illustrated in Figure 2. The project is 100% owned by Lakes Oil through its subsidiary, Navgas.



Figure 2: Pirie Torrens Project area in South Australia held by Lakes Oil.

The Pirie Torrens project has potential for oil production to the north of Wilkatana, in an area of closure associated with the Torrens Hinge Zone, and for production of gas from the Tindelpina Shale, which has been historically demonstrated to contain gas. Neither of these prospects has been explored using modern techniques.

The project area is favourably located adjacent to gas pipeline infrastructure, and is positioned to take advantage of the expected current forecast increases in local demand for gas in the eastern and southern states of Australia in the next five (5) plus years, particularly given the current gas exploration bans imposed in the state of Victoria.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Chris Tonkin', written in a cursive style.

Chris Tonkin
Non-Executive Chairman

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