

Lakes Oil N.L

ASX Announcement

Proposal to Victorian Government - Update

For the information of Shareholders, Lakes Oil NL (**Lakes Oil**, ASX: LKO) provides the following update regarding the Company's proposal to the Victorian Minister for Resources.

As previously announced, Lakes Oil wrote to the Minister for Resources on 5 October 2017 offering to cooperatively carry out conventional drilling within the parameters of the state's petroleum legislation and in consultation with the state's onshore gas program. The objective of the drilling activity would be to bring competitively priced onshore Victorian natural gas to market as quickly as possible.

A response to Lakes Oil's proposal, copy attached, was received from the Minister for Resources on 4 December 2017. The Minister has refused to enter into dialogue with Lakes Oil.

Mr Roland Sleeman, Chief Executive Officer of Lakes Oil, said "The Government's response is disappointing, particularly given recent high gas and electricity prices in Victoria. Lakes Oil's gas resources can be brought on line relatively quickly to ease the cost burden on Victorian industry and households, and the company remains ready and willing to work with the Victorian Government".

The Victorian Government's continued refusal to harness the state's wealth of clean and low-cost conventional onshore natural gas is in stark contrast to the proactive approach adopted by the Australian Government in working with industry. The recently announced Heads of Agreement dated 3 October 2017 between the Australian and East Coast Liquefied Natural Gas Exporters is very encouraging. As set out in the final paragraph of that agreement, the Australian Government is committed to removal of state based gas exploration and development moratoria, and to opening up new sustainable and safe sources of gas supply.

Chris Tonkin
Chairman
Lakes Oil NL
Ph: 0412 110 955



A.C.N. 004 247 214

Lakes Oil N.L.

**ASX
Announcement
and Media Release
8 December 2017**

www.lakesoil.com.au

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





A.C.N. 004 247 214

Lakes Oil N.L.

**ASX
Announcement
and Media Release
8 December 2017**

www.lakesoil.com.au

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



Minister for Resources

23 NOV 2017

Ref: CMIN179019R

1 Treasury Place
GPO Box 4379
Melbourne, Victoria 3001 Australia
Telephone: +61 3 9651 5201
Facsimile: +61 3 9651 0759
DX 210759

Mr Chris Tonkin
Chairman
Lakes Oil
PO Box 300
MELBOURNE VIC 8007

Dear Mr Tonkin

LAKES OIL PROPOSAL

Thank you for your correspondence of 5 October 2017 to the previous Minister for Resources describing Lakes Oil's proposal on onshore petroleum exploration and production in Victoria. Your letter has been referred to me for my consideration and response as the new Minister for Resources.

As the matter you have raised is currently before the courts, it would be inappropriate to comment.

The Victorian Government remains committed to the ban on hydraulic fracturing and the moratorium on onshore petroleum exploration and production.

If you require further information, please contact Peter Betson, Deputy Secretary, Resources division of the Department of Economic Development, Jobs, Transport and Resources, on telephone (03) 9452 8903.

Thank you for raising this matter.

Yours sincerely

TIM PALLAS MP
Minister for Resources

