

**Attn. Company Announcements Office**  
Australian Securities Exchange

31 July 2018  
ASX Market Announcements  
Electronic Lodgements  
For immediate release

**Rawson Oil and Gas has Exercised Call Option for Dondonald Limited Shares**

- **The takeover offer announced by Lakes Oil N.L. on 31 July 2018 for Rawson represents a Liquidity Event under a pre-existing Put and Call Option Agreement between Rawson and a PNG-based Dondonald Limited Shareholder, James Sinton Spence and Associates “SSA”**
- **On this Liquidity Event Rawson has exercised its Call Option under the Agreement, requiring SSA to transfer 1,744,186 Dondonald Limited Shares to Rawson**
- **In exchange, Rawson will issue 14,707,072 Rawson Shares to SSA on the terms set out in the Put and Call Option Agreement**
- **Upon completion of the Call Option transaction Rawson will hold 93% of Dondonald Limited and the total number of Rawson shares that will be on issue will be 112,754,222.**

Rawson Oil and Gas Limited “**Rawson**” has exercised its Call Option under a pre-existing Put and Call Option Agreement requiring the transfer of 1,744,186 Dondonald Limited “**Dondonald**” Shares from James Sinton Spence and Associates “**SSA**”. With this Call Option exercised Rawson will hold 93% of Dondonald, increasing from 60% previously.

In exchange for the transfer of the Dondonald Shares to Rawson SSA will receive 14,707,072 Rawson Shares. Upon completion of the Call Option transaction total Rawson Shares on issue will be 112,754,222.

The Call Option transaction has not required prior existing Shareholder approval as, under Listing Rule 7.1, it does not constitute more than 15% of the issued capital in Rawson.

The Call Option was triggered by the takeover offer for Rawson, made by Lakes Oil N.L. “**Lakes**” as announced to the market on 31 July 2018. Pursuant to the terms and conditions of the Put and Call Option Agreement the Lakes takeover offer for Rawson is considered a Liquidity Event, requiring Rawson to exercise its Call Option.

**Rawson – Dondonald Background**

As part of a strategic move to build a petroleum exploration portfolio in Papua New Guinea, Rawson held a majority interest in Dondonald. Dondonald is the Operator of Petroleum Prospecting Licences (PPL’s) 549 and 560 and Petroleum Prospecting Licence Applications (APPL’s) 550, 594, 622 and 633.

The Put and Call Option Agreement, announced to the market on 18 July 2016, was executed to secure a capital investment into Dondonald from PNG-based investors to allow exploration work program commitments to be met. Once the Put and Call Option Agreement was executed with SSA

Rawson held 60% of Dondonald, SSA as a party to the Put and Call option Agreement held 33%, with the remaining 7% held by other PNG-based Shareholders.

### **Lakes' Takeover Offer**

On 31 July 2018 Rawson and Lakes jointly announced that Lakes have made an off-market takeover Offer to acquire all of the issued shares in Rawson. Lakes is offering 15 (fifteen) Lakes shares for every 1 (one) Rawson share. The Lakes Offer values at Rawson at \$3.75m<sup>1</sup>.

As part of the Offer Lakes have entered into a Pre Bid Acceptance Deed with major Rawson shareholders in respect of 19.99% of the Rawson shares on issue. Lakes have also agreed to provide Rawson with a \$750,000 secured working capital facility, subject to Rawson obtaining waivers from applicable ASX Listing Rules relating to Rawson providing its assets as security to Lakes for this facility when Lakes is a substantial shareholder in Rawson and Rawson complying with conditions imposed by the ASX for the waivers.

Current Rawson Director, Richard Ash will be offered a position on the Lakes Board as soon as Lakes have acquired more than 50% of Rawson Shares on issue and the Offer has become unconditional.

It is considered that the acquisition of Rawson by Lakes will allow the companies' highly prospective exploration positions to be integrated and more efficiently pursued, with particular focus on both near-term and longer-term potential of Otway Basin opportunities

The Board of Directors of Rawson have unanimously recommended that Rawson shareholders accept the Offer, in the absence of a Superior Proposal. All of the Directors of Rawson intend to accept, or procure the acceptance of, the Offer in respect of any Rawson shares that they own or control, in the absence of a Superior Proposal.

### **About Rawson**

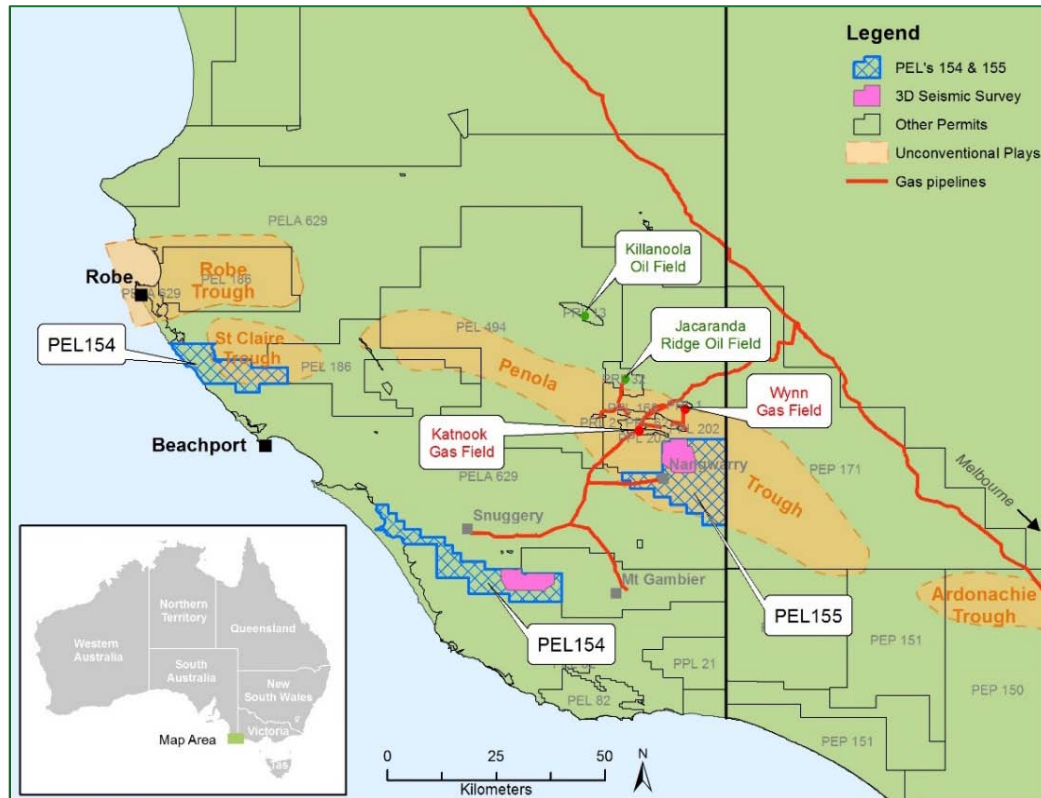
Rawson Oil and Gas Limited is an Australian-listed company focused on commercialising its existing assets in the Otway Basin in South Australia by conducting a drilling program whilst at the same time building a high impact oil and gas portfolio in Papua New Guinea.

In the Otway Basin, South Australia (Map 1), we hold two onshore licences, targeting conventional gas prospects, located close to infrastructure, with multiple gas-sales options available in a discovery case. The upcoming onshore Nangwarry-1 well in PEL 155 has been awarded a PACE Gas Grant of A\$4.95 million from the South Australian Government and is targeting a best estimate prospective resource of 57 Bcf gas recoverable.

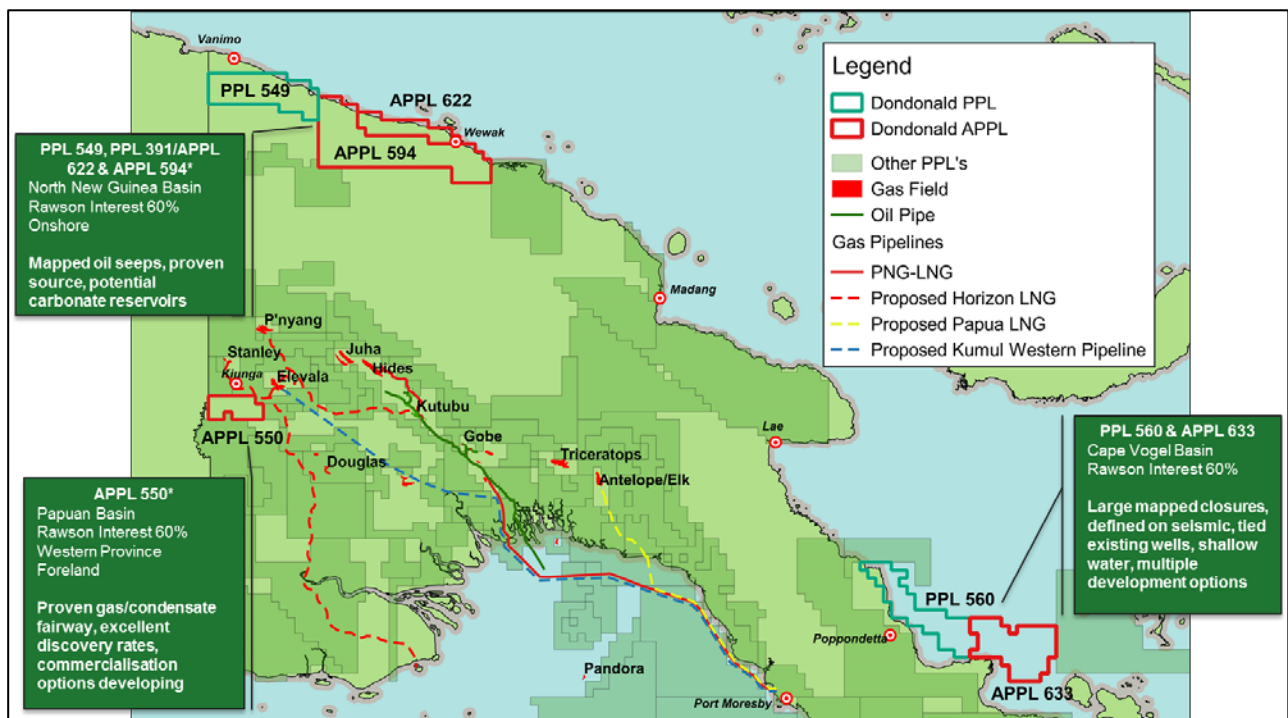
Rawson's PNG portfolio (Map 2) includes two licences along the North Coast of Papua New Guinea, in the North New Guinea and Cape Vogel basins. In particular, PPL 560 in the Cape Vogel Basin offers multi-TCF gas potential in a shallow water setting potentially providing multiple development pathways.

<sup>1</sup> Based upon a 30 day volume weighted average Lakes Oil share price of \$0.00221456 and allowing for the issue of Rawson shares pursuant to the Put and Call Option announced by Rawson on 18 July 2016 (for a total Rawson issued share capital of 112,754,222).

For more information, please visit us at: <http://www.rawsonoilandgas.com>



Map 1. Rawson exploration portfolio in onshore Otway Basin, South Australia.



Map 2. Dondonald's exploration portfolio in Papua New Guinea.