



LAKES OIL N.L.

ABN 62 004 247 214

Registered Office:
Level 4,
100 Albert Road,
South Melbourne VIC 3205
Phone: +61 3 9629 1566



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

21 December 2018

Dear Security Holder,

Notification of non-renounceable entitlement issue – ineligible to participate

On 19 December 2018, Lakes Oil N.L. (**Company**) announced a non-renounceable entitlement issue of fully paid ordinary shares (**Entitlement Offer**). An offer document setting out the terms and conditions of the Entitlement Offer was lodged with ASX Limited (**ASX**) on 19 December 2018 (**Offer Document**) and will be sent to all eligible security holders together with a personalised Entitlement and Acceptance Form on 2 January 2019.

The Company has determined that it would be unreasonable to make offers under the Entitlement Offer to all security holders with addresses outside of Australia, New Zealand or Papua New Guinea (**Ineligible Security Holders**) having regard to the Company's current shareholding and the costs of complying with legal and regulatory requirements in those jurisdictions. Accordingly, the Entitlement Offer is not being extended to Ineligible Security Holders. Any entitlements to such shares will lapse and the relevant shares will form part of the additional shares and shortfall under the Entitlement Offer.

The Company has determined that you are an Ineligible Security Holder given that you reside outside of Australia, New Zealand or Papua New Guinea. This letter constitutes the notice that the Company is required to give each Ineligible Security Holder under ASX Listing Rule 7.7.1(b).

For your information, details of the Entitlement Offer are as follows:

Type of issue	Non-renounceable entitlement issue of fully paid ordinary shares (Shares) of 1 Share for each 5 Shares held.
Issue price	\$0.001 (0.1 cent) per Share.
Number of shares to be issued	Up to 6,129,095,028 Shares.
Amount to be raised	Up to \$6,129,095.
Rights Trading of Entitlement	Entitlements to subscribe for Shares cannot be traded or sold.

Additional Shares and shortfall

Eligible security holders can apply for additional Shares in excess of their entitlement. Additional Shares will be allocated in accordance with the allocation policy set out in the Offer Document. Any entitlement and additional Shares not taken by eligible security holders will form part of the shortfall. The directors of the Company reserve the right to place the shortfall Shares at their absolute discretion.

Listing

The Company has applied to ASX for quotation of the Shares.

Key indicative dates*

Announcement of Offer	19 December 2018
Lodgement of Cleansing Notice, Offer Document and Appendix 3B with ASX	19 December 2018
Notice sent to security holders	21 December 2018
Ex Date	24 December 2018
Record Date for determining entitlements	27 December 2018
Offer Document despatched to eligible security holders and Company announces despatch has been completed	2 January 2019
Closing Date	1 February 2019
Shares quoted on a deferred settlement basis	4 February 2019
ASX notified of under subscriptions	6 February 2019
Issue date	8 February 2019

**The above timetable is indicative only and subject to change.*

The Entitlement Offer is only open to eligible security holders whose registered address is in Australia, New Zealand or Papua New Guinea at 7.00pm (AEDT) on 27 December 2018.

Full details of the terms and conditions of the Entitlement Offer are contained in the Offer Document which is available on the ASX website <http://www.lakesoil.net.au> by searching under the ASX Code "LKO."

Yours faithfully



Chris Tonkin

Non-Executive Chairman
Lakes Oil N.L