



LAKES OIL N.L.

(A.B.N. 62 004 247 214)

(A.C.N. 004 247 214)

Registered Office:

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5 August 2015

Dear Shareholder

Proposed General Meeting

A General Meeting of the Company has been convened and will be held at 10AM on **Wednesday 9th September 2015** at 10:00AM at Laneway Rooms 2&3, Intercontinental Hotel, 495 Collins Street Melbourne, Vic 3000.

On 15 July 2015 the Company announced to the ASX that Armour Energy Limited had issued it with a notice of intention to move resolutions for the removal of 2 of its directors, namely Executive Chairman Rob Annells and Non-Executive Director Barney Berold. Subsequently the appointments of the additional nominees below have been proposed as set out below, being 1 nominee from Armour Energy Ltd and 2 nominees from Timeview Enterprises Pty Ltd. The Company has convened this meeting in view of the above, and the Board has determined that all such proposed resolutions should be considered at the same meeting.

Each of Armour Energy and Timeview Enterprises (which is a wholly subsidiary of Hancock Prospecting Pty Ltd) are substantial shareholders in the Company and have each provided statements in support of their resolutions which are included in this Explanatory Memorandum. The Directors have also provided recommendations and statements in relation to each resolution.

The following is a summary of the proposed resolutions and the recommendations by the Directors:

Item	Resolution	Proposed by	Recommendations of Mr Annells, Mr Berold, Professor Plimer and Mr Wightman	Recommendations of Mr Mather and Mr Stubbs
1	Removal of Mr Annells	Armour Energy	Against	For
2	Removal of Mr Berold	Armour Energy	Against	For
3	Appointment of Mr Sleeman	Armour Energy	Against	For – in addition, Mr Mather and Mr Stubbs recommend that Mr Sleeman be appointed as Chief Executive Officer
4	Appointment of Mr Davis	Timeview Enterprises	For	Against
5	Appointment of Mr Tonkin	Timeview Enterprises	For	Against

This is an important meeting regarding the future Board composition of your company. If you cannot attend the meeting in person you are encouraged to complete and return your Proxy Form by following the instructions set out on it.

The Notice of this Meeting is attached.

Leslie Smith
Secretary

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of shareholders of Lakes Oil N.L. will be held on **Wednesday 9th September 2015 at 10:00AM at Laneway Rooms 2&3, Intercontinental Hotel, 495 Collins Street Melbourne, Vic 3000**

BUSINESS

1. Removal of Mr Robert Annells as a Director

This resolution has been proposed by a shareholder, Armour Energy Ltd.
To consider and, if thought fit, pass the following resolution as an ordinary resolution;

“That Robert J. Annells be **removed** as Director of the Company.”

2. Removal of Mr Barney Berold as a Director

This resolution has been proposed by a shareholder, Armour Energy Ltd.
To consider and, if thought fit, pass the following resolution as an ordinary resolution;

“That Barney I. Berold be **removed** as Director of the Company.”

3. Appointment of Mr Roland Sleeman as a Director

This resolution has been proposed by a shareholder, Armour Energy Ltd.
To consider and, if thought fit, pass the following resolution as an ordinary resolution;

“That Roland Sleeman be **appointed** as Director of the Company.”

4. Appointment of Mr Andrew Davis as a Director

This resolution has been proposed by a shareholder, Timeview Enterprises Pty Ltd.
To consider and, if thought fit, pass the following resolution as an ordinary resolution;

“That Andrew Davis be **appointed** as Director of the Company.”

5. Appointment of Mr Chris Tonkin as a Director

This resolution has been proposed by a shareholder, Timeview Enterprises Pty Ltd.
To consider and, if thought fit, pass the following resolution as an ordinary resolution;

“That Chris Tonkin be **appointed** as Director of the Company.”

By order of the Board

Leslie Smith
Company Secretary

5th August 2015

The Chairman intends to vote any undirected proxies **against** resolutions 1 to 3.

The Chairman intends to vote any undirected proxies **for** resolutions 4 to 5.

No voting exclusions apply, and all shares can be voted on the resolutions.

NOTES:

Entire Notice: The details of the resolutions contained in the Explanatory Memorandum accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.

HOW TO VOTE:

To vote on the resolutions to be put to the Meeting follow these steps:

- EITHER** 1. Complete and return the proxy form by following the instructions set out below or vote online at www.investorvote.com.au by not later than 10:00AM Monday 7th September 2015.
- OR** 2. Attend the Meeting.

The sending of a proxy form will not prevent you from attending and voting at the Meeting.

Proxies and Other Information

A Shareholder who is entitled to attend and vote at the meeting has a right to appoint a proxy. The proxy need not be a Shareholder of the Company. If a Shareholder is entitled to cast two or more votes at the meeting, that Shareholder may appoint two proxies and may specify the proportion of the votes that each proxy is appointed to exercise. Where two proxies are appointed, but the appointments do not specify the proportion of votes, which each proxy may exercise, each proxy may exercise half of the votes (fractions being disregarded).

If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit. If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority. Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.

If you wish, you can appoint the Chairman as your proxy and direct the Chairman to cast your votes contrary to the above stated voting intentions or to abstain from voting on a Resolution. Simply mark your voting directions on the proxy form before you return it.

A Proxy Form accompanies this Notice of General Meeting and to be effective must be received at the Lakes Oil NL Share Registry:

- (a) **by mail or in person** to Computershare Investor Services Pty Limited:
by mail: GPO Box 242, Melbourne Victoria 3001 (an envelope is enclosed)
in person: Yarra Falls, 452 Johnston Street, Abbotsford Victoria 3067
- (b) **by Facsimile to:** Computershare Investor Services Pty Limited
1800 783 447 (within Australia)
(+61 3) 9473 2555 (outside Australia)
- (c) **online at:** www.investorvote.com.au
To use this facility please follow the instructions on your enclosed Proxy form
- (d) **online for Intermediary Online Users only at:** www.intermediaryonline.com

by no later than **10:00AM** on Monday 7th September 2015.

An appointment of a proxy will not be valid unless the proxy's appointment, and (if relevant) the Power of Attorney or other authority under which it is signed (or a certified copy of that power or authority), are received by the Company at its registered office, or at one of the addresses or the fax number set out above, at least 48 hours before the meeting.

In accordance with the Corporations Act, the Directors have determined that, for the purposes of the meeting all shares in the Company are to be taken as being held by the persons who are registered as holding them at 7:00PM on 7th September 2015, being the second last day prior to the meeting. For the purposes of the meeting transfers registered after that time will be disregarded. This determination applies to all shares which are quoted shares at the specified time.

EXPLANATORY MEMORANDUM

The information in this document relates to the resolutions to be considered at the General Meeting of Shareholders of the Company to be held on 9th September 2015. The Explanatory Memorandum should be read in conjunction with the Notice of Meeting and form part of the Notice of Meeting.

BACKGROUND INFORMATION

On 15 July 2015 the Company announced to the ASX that Armour Energy Limited had issued it with a notice of intention to move resolutions for the removal of 2 of its directors, namely Executive Chairman Rob Annells and Non-Executive Director Barney Berold. Subsequently the appointments of the additional nominees below have been proposed as set out below, being 1 from Armour Energy and 2 from Timeview Enterprises Pty Ltd. The Company has convened this meeting in view of the above, and the Board has determined that all such proposed resolutions should be considered at the same meeting. The Board is not insisting on strict timing or notification requirements in this regard.

Each of Armour Energy and Timeview Enterprises (which is a wholly subsidiary of Hancock Prospecting Pty Ltd) are substantial shareholders in the Company. They have each provided statements in support of their resolutions which are included in this Explanatory Memorandum.

The following is a summary of the proposed resolutions and the recommendations by the Directors:

Item	Resolution	Proposed by	Recommendations of Mr Annells, Mr Berold, Professor Plimer and Mr Wightman	Recommendations of Mr Mather and Mr Stubbs
1	Removal of Mr Annells	Armour Energy	Against	For
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4	Appointment of Mr Davis	Timeview Enterprises	For	Against
5	Appointment of Mr Tonkin	Timeview Enterprises	For	Against

Item 1. Removal of Mr. Robert Annells as a Director

By way of summary:

Item	Resolution	Proposed by	Recommendations of Mr Annells, Mr Berold, Professor Plimer and Mr Wightman	Recommendations of Mr Mather and Mr Stubbs
1	Removal of Mr Annells	Armour Energy	Against	For

Mr Annells' biography

Mr. Annells is a former member of the Australian Stock Exchange with over forty years' experience in the securities industry, and is also a qualified accountant. His experience includes provision of corporate and investment advice to the business and resources industries. Mr Annells has served on the Lakes Oil NL Board since 1984 and is currently the Chairman of Lakes Oil NL and Greenerth Energy Limited. He was non-executive director of Rum Jungle Resources Limited from 2006 until 2015 (serving as Chairman from 2012 to June 2014). He was also Chairman of Central Australian Phosphate Limited from July 2013 until its delisting in January 2014 following compulsory acquisition by RUM

In relation to the proposed resolution **Mr Annells** has provided the following comment:

Since my appointment to the position of Executive Chairman of Lakes Oil N.L. I have guided the Company through many challenges in pursuit of a commercial discovery of oil and gas.

As the industry knows we are currently on the verge of commerciality in both the east and west of Victoria. Our Gippsland discoveries attracted Beach Petroleum who planned to spend \$50million to earn up to 50% of the "Wombat" project and take the area into commerciality.

However, the government moratorium in 2012 thwarted Beach's aspirations and they withdrew. In the west of the State I was able to secure for the Company two permits PEP175 and PEP167.

Studies have shown the potential of these leases to be large – but "two proof of concept wells" to confirm that gas will flow in commercial quantities are needed. Again we are being held up by the Government's moratorium on all onshore exploration for oil and gas in Victoria.

At this time I believe the Company needs my steady strategic direction to guide it through the current governmental inquiry and requires continual communication with Government departments, the media and the public.

After the conclusion of the inquiry I believe my direction will be needed if we are allowed to move into production. Remember that I have already successfully negotiated two letters of intent for gas contracts with Dow Chemicals and Simplot Foods with the full support of the existing Board.

Again with the Board's support I have continued to engage with industry in Victoria – to hopefully supply cheaper Victorian gas to Victorian Industry.

Victoria is fortunate enough to be well covered by pipelines – any commercial discovery of onshore gas can be bought into production quickly – with resulting cash flow. Success will relieve the burden on the shareholders for capital and bring rewards to all long patient shareholders.

Seeking oil and gas is no easy task and involves years of hard work and vision.

I believe my reputation and that of the Company is held in high esteem by the industry. Through my personal motivation and enthusiasm I have brought a very large number of shareholders into the Company and am proud of the relationships that I have developed over the years.

I strive to keep the best interests of all shareholders at heart, and continue to be passionate about achieving success for the Company.

I reject the assertions made by Armour, Mr Mather and Mr Stubbs in their statements and believe that they are unwarranted.

In particular I reject the assertions of lack of transparency and timely and full disclosure. The position regarding the Otway permits has been explained in the most recent Quarterly Report in some detail, and we are required to comply with legal requirements which we have done. I share a high level of optimism in relation to the Company's permits and enthusiastically support the Company's direction.

I categorically reject the suggestion that 3 directors from the Armour Board should also be on the Lakes Board. I also reject as well the recommendation to appoint one of these Armour directors, Mr Sleeman as Chief Executive Officer. This would be contrary to good corporate governance principles, is disproportionate to Armour's shareholding, potentially gives Board control to Armour depending on the outcome of the resolutions, and conflicts with Lakes existing joint venture arrangements with Armour even assuming they excuse themselves from those deliberations.

In relation to the proposed resolution, **Armour Energy Limited** has provided the following comment:

Armour is urging you to vote in favour of the resolutions to remove Robert Annells and Barney Berold as Directors of Lakes Oil.

Armour Energy Ltd (Armour) is the equal largest shareholder in Lakes Oil NL (Lakes), having acquired 2.125 billion shares in Lakes since December 2011. Armour strongly believes it is time for a change in order to rejuvenate Lakes and stop the erosion of shareholder value via the removal of the 2 Lakes Directors that, in its view, have presided over the poor corporate governance culture and inadequate management practices to date.

Armour implores you as owners of Lakes to read this statement, and carefully consider the issues identified below. You are welcome to call Mr Mather and Mr Schlobohm of Armour about these matters. It is open to Lakes to withhold this statement from their meeting materials if it exceeds 1,000 words, which Armour feels is inadequate to document its observations and position. Armour notes that Lakes decided to call this meeting, at your expense, to be held a mere 6 days before the date on which Armour had formally notified Lakes that it intended to convene a meeting of Lake's shareholders. That meeting would have been at Armours' expense rather than at your expense.

What is wrong with Lakes Oil and what can be done differently?

Lakes' stagnant share price and the lack of any concrete progress in the progress of any of its tenements is, in Armour's opinion, largely as the result of poor leadership from the Lakes Board, and in particular that of its Executive Chairman Mr Annells, and Non-Executive Director Mr Berold. These two directors have been at the helm of Lakes since (and long before) Armour invested in Lakes.

Their poor leadership is best illustrated by the following (non-exhaustive) examples:

1. Lack of transparency and lack of timely and full disclosure of market sensitive information

Armour is very concerned about what it believes to be an apparent lack of transparency and the lack of timely and full disclosure of potentially market sensitive information.

Lakes' submission to "the inquiry into unconventional gas" referred to a number of independent reports related to gas deposits in PEP175 and PEP167 that are apparently in possession of Lakes, but which despite a request by Armour to do so, have not been made public. Given the repeated public references to these reports by Lakes and the volume of gas which it believes is present, we can only assume (in the absence of any explanation to the contrary by Lakes), that these reports contain materially sensitive information. In any event, they would have left shareholders better informed, and may have influenced their decision to take up their rights in respect of the recent convertible note issue.

2. Incurring excessive and unnecessary expenses

Armour believes that Lakes' current level of expenditure is indefensible considering the moratorium on drilling in Victoria. If the current burn rate continues there is a genuine risk that the cash will be almost completely expended on corporate overheads in well under 2 years. It is Armour's position that the current level of Lakes general and administrative expenditure is simply not acceptable whilst Lakes is unable to undertake field work in its core permit areas. Armour believes that reducing staffing, the size of office accommodation and by introducing JV partners the current rate of cash burn at Lakes would be reduced, negating the need for further capital raisings continually diluting shareholders.

If left in place, the current management will, Armour predicts, continue to arrange ever increasingly dilutive issues of capital.

3. Lakes and the Victorian drilling moratorium

Armour doesn't believe that elements of the current strategy to lift the moratorium on drilling in Victoria is effective. We don't believe that continual criticism is effective. We don't believe that enough is being done to demonstrate the economic importance of onshore gas production and exploration in Victoria.

4. Where is Lakes going

Armour does not rate the projects acquired by Lakes in Queensland highly, and believes that their acquisition was a mistake. The tenements are all marginal on the northwest flank of the Cooper Basin, and are highly speculative. Armour continues to believe in the potential of the Victorian permits in the Otway and Gippsland Basins respectively. Accordingly, pursuing these expensive and speculative tenures in Queensland is not in our view in Lakes shareholders best interests.

5. Unharnessed growth of Lakes capital

Lakes issued share capital has grown to a current fully-diluted level of over 13 billion shares if the current notes on issue were converted.

We don't believe there is a necessity to issue more capital to raise cash for exploration activities which cannot currently be conducted, particularly when the resultant capital would be expended on non-productive corporate overheads. This has become a systemic, protracted and unhealthy pattern of capital management at Lakes which is not in the best interests of its shareholders.

6. The length of tenure of the 2 Directors against the background of the above issues

Armour believes that it is time for change at Lakes Oil.

The current Executive Chairman Mr Rob Annells has been on the Board of Lakes for more than 30 years. Non-Executive Director Barney Berold has been on the Lakes Board since 2007. All other Lakes Board members were appointed in 2012 or later.

Armour believes that the removal of Messrs Annells and Berold will allow corrective actions to be implemented at Lakes to re-align the Company with shareholder interests and stop the ongoing cycle of capital dilution and the erosion of shareholder wealth.

Armour's experience and involvement in Lakes

Armour's Board and executive management include several members of the highly successful Arrow Energy team, and have between them, vast entrepreneurial, listed company and geological experience, particularly in the oil and gas industry. To date Armour has invested in excess of \$12m in Lakes equity and JV project funding. Accordingly, Armour is the single biggest contributor to capital investment in Lakes and its projects.

In relation to the proposed resolution **Mr Berold** has provided the following comment:

I write in support of Mr Rob Annells, and against the resolution to have him removed as a director of the Company. I have known Rob for over a decade, and I have known of his good reputation for much longer. He is a person of real integrity, who cares about those who work for the Company, be they employees or consultants.

Rob is a tireless servant of Lakes Oil, who continually challenges "conventional thinking" as applied to unlocking the commercial value of Lakes Oil exploration tenements. So we find that Lakes Oil, in Australia, has been among the first movers and early adopters of horizontal drilling, nitrogen drilling, well-stimulation, and other technologies. His ability to remain in touch with hydrocarbon extraction technology derives from a desire to learn, and is supported by a network of contacts in the North American upstream oil industry built up over some three decades.

Rob brings to the Company more than his deep knowledge of oil and gas exploration. He is a gregarious person who has been able to learn about, and from, the communities in which the Company seeks to operate, and to tap into the local knowledge around oil seeps, gas leaks and the geological observations made by families who have lived on the land for generations – observations which encouraged his quest to explore the areas over which the company now holds tenements.

Rob has been a consistent and persistent representative for Lakes Oil's interest to the relevant sectors of the Victorian community – power companies, industrial and household energy consumers, private and professional investors, regulators and Government. He is well recognised as the spokesperson for the Company in the print and electronic media, which have sought his views on numerous occasions.

To suggest that Rob has been an ineffective, unsuccessful Director of Lakes Oil is categorically rejected.

Mr Stubbs and Mr Mather are recommending the appointment of a new Director as Chief Executive Officer. Quite aside from the appropriateness of this from an Armour perspective, any such appointment would appear to conflict with Rob's executive role. The Company can ill afford any such conflict and it would be detrimental if that were to occur or if the Company loses Rob's services.

I reject the various assertions contained in comments made by Armour, Mr Mather and Mr Stubbs.

In relation to the proposed resolution **Mr Mather** has provided the following comment:

I am seeking your assistance to put your company, Lakes Oil NL (Lakes), back on track to becoming a significant Australian oil and gas producer, operating and progressing its business in the interests of all shareholders. This can now, in my view, only be accomplished by changing the Lakes Board structure to afford the company the opportunity for a fresh change.

Accordingly, I am supporting the removal of Messrs Annells and Berold as Directors of Lakes, and your vote to assist with their removal is important.

As you may know, I am the Executive Chairman of Armour Energy Ltd, a junior oil and gas exploration company listed on ASX. I am a geologist of some 30 years' experience in all facets of the exploration process in a number of different counties and jurisdictions. My experience has been in a number of different commodities including, notably, oil and gas. I was the founding executive and board member of Arrow Energy and Bow Energy, both companies involved in the gas exploration business in Queensland. I personally underwrote the \$75m capital raising and listing of Armour Energy and was the driver for the investment by Armour of \$4.7m into the shares and convertible notes in Lakes, and the expenditure by Armour of over \$7m into joint ventures with Lakes on the tight gas projects in the Gippsland Basin and the Otway Basin. I have well over 25 years of corporate and ASX experience. To date, nine (9) companies I have either founded or been instrumental in have been the subject of take-over offers which have resulted in the flow of some \$5.2Bn to shareholders of those companies. I am committed to the delivery of value-driven results for shareholders, which is why I have become exasperated by the conduct of Lakes, led by its two longest serving Directors.

In my view Lakes has been run by Mr Annells as the Chief Executive and the Chairman for long enough. He has been in the employment of Lakes for over 30 years and has acted as the Chairman for 23 years. That in my view is far too long given that during that time the share capital of the company has grown from 100 million shares to a fully diluted 13.359 billion shares (taking into account the convertible notes currently on issue, and those being contemplated for placement) whilst the share price hovers around 0.2 cents per share.

Under a meeting convened by Lakes, I am unfortunately limited to 1,000 words in this statement, which is insufficient for me to fully address in any detail the various matters giving rise to my discontent. However, I am not satisfied with the capital management of Lakes, and nor am I satisfied with a number of other elements, including:

1. The level of disclosure to shareholders. This is exemplified by the Company's failure to release information in respect of the Company's tenements in the Otway Basin as detailed below;
2. The level of reporting and provision of data and reports to the board, with timely notice for consideration.
3. The effectiveness of the campaign to allow onshore drilling on Lake's tenements in Victoria;
4. Too much reliance in my view on unconventional untested and unproven technical exploration methods;
5. The geological capabilities of the Company;
6. Despite subleasing space to another company, and sharing the time of some employees, dissatisfaction with the level of administrative costs and overheads;

Of greatest concern to me is what I consider to be the Company's lack of transparency and lack of timely and full disclosure of information which I believe the share price would be sensitive to. There are a number of recent instances that give rise to my concern, including most recently in respect of the Company's tenements in the Otway Basin. It is a matter of public record that:

1. Lakes has issued quarterly and half-yearly reports which mention a "detailed re-evaluation" of well logs and seismic data and a "preliminary evaluation" of existing geological and geophysical data;
2. Lakes issued a presentation in February which referred to a "re-interpretation" of old well logs and a further "laterally extensive Eumeralla Formation and Lakes would only need to recover a small percentage of this estimate too have a major commercial development";

3. On 1 July 2015, at the Victoria Parliamentary "Inquiry into unconventional gas", Mr Annells stated that the Company would "provide data" suggesting a significant accessible onshore gas resource and that the Company has "all the proof on paper". However, when asked about profit and production numbers Mr Annells stated "We are subject to the ASX requirements; it is not really an answer we would like floating around out there." When pressed by the inquiry Mr Annells stated "We are happy to disclose those numbers in confidence, but I do not think they should be public."

In March 2015, the Company issued a prospectus to raise further funds by way of convertible notes. One of the stated purposes of raising funds was to undertake preparatory work relating to the Otway Basin permits. However, despite telling shareholders that the Company was obtaining reports, those reports have not been disclosed by the Company.

Shareholders should rightly be asking the questions, what information does the Company have, when was the information available to the Company, why has it not been released to the market and does anyone outside the Company have the information as well? I believe that information should be provided to shareholders.

You will also note that I am supporting the appointment of Roland Sleeman as a Lakes director. Mr Sleeman is an outstanding independent member of the Armour Energy board and has over 30 years' experience with AGL, Eastern Star Gas as well as other companies. We believe he will assist with the important business development direction for Lakes and I commend him to you.

Further, 31 July 2014, Lakes announced to the ASX its planned acquisition of exploration tenements in Queensland. While the prospectivity of these tenements is questionable in my opinion, the release contained no detail about, for example, the geology, the acquisition costs and the activity program. Timely and full disclosure of information which I believe to be share price sensitive at all times, but particularly during capital raisings in the above circumstances should be the rule in all cases, because of the benefits that it brings to existing shareholders and new investors alike.

The fact that Armour is in joint venture with Lakes is not a block to the board examining and making resolutions in respect of those ventures because clearly Armour nominees would excuse themselves from Lakes discussions in respect of that as we have done before.

In relation to the proposed resolution **Professor Plimer** has provided the following comment:

During my time as Director, I have attended most Board and board committee meetings personally, attended the Annual General Meetings and attended the rest of the meetings by telephone. This has required me to work closely with the Executive Chairman, Mr Rob Annells. I note that Armour Energy Ltd wish to to remove Mr Annells as a Director of Lakes Oil. Mr Annells has been on the Board since 1984, he is credited with the rebuilding of Lakes Oil, he has considerable experience in the broking and securities industries and this experience has enabled Mr Annells to raise funds for Lakes Oil if and when required.

Furthermore, Mr Annells has surrounded himself by an extremely competent technical team and, as a result, has created new opportunities in the Gippsland Basin in parts of the sequence that have been traditionally regarded as barren. They are not, as the Wombat wells have shown. These Gippsland areas contain an old land surface wherein the rocks are naturally fractured, these fractures hold gas as do the sandstone pores and this gas derives from deeper in the sequence. This is a new concept.

In the Otway Basin, it was Mr Annells who identified an opportunity and purchased two Petroleum Exploration Permits for Lakes Oil last year. There is an extensive data base on these 2 permits, 14 wells have been previously drilled for oil deep in the sequence up to 50 years ago and there was limited testing for gas in the upper part of the sequence. This highly prospective upper part of the sequence, geologically equivalent to the gas-bearing sequence identified in the Wombat wells in Gippsland needs to be tested. In order to test the Otway Basin sequence two proof of concept wells need to be drilled.

In 2013, the Victorian government declared a moratorium on onshore oil and gas drilling. At present, an Upper House Standing Committee on Planning and Environment Inquiry into Unconventional Gas in Victoria is sitting. Mr Annells and his team have been very active in dealing with shareholders, the community, bureaucrats, government and the media in trying to remove this moratorium such that shareholders can benefit from the known unconventional gas in the Gippsland and Otway Basins. Testing in both Basins does not need hydraulic fracturing and drilling and testing would be no different from the scores of wells previously drilled in these Basins. Mr Annells has built considerable goodwill in government community, financial and petroleum circles over a number of decades.

At all times during the rebuilding of Lakes Oil, Mr Annells has been a passionate, knowledgeable, competent gentleman. It will come as no surprise to shareholders that Mr Annells has backed his judgement, has purchased all of his shares on market and is the third biggest shareholder of Lakes Oil.

It is my opinion that removal of Mr Annells from his position as a Director of Lakes Oil would be highly disruptive and a time when Lakes Oil is poised to capitalise on years of hard work. I urge you to vote against the resolution to remove Mr Annells which I consider is not in the interest of all shareholders.

Each of Armour, Mr Mather and Mr Stubbs have made a number of statements which are critical of the Board. I consider that these statements are unwarranted. In my opinion this action by Armour Energy Ltd to seek the removal of two directors and the appointment of a third director of its own can be considered as an attempt to control Lakes Oil without paying a control premium.

In relation to the proposed resolution **Mr Stubbs** has provided the following comment:

I am urging you to vote in favour of the resolutions to remove Robert Annells and Barney Berold as Directors of Lakes Oil.

I am a Non-Executive Director of Armour Energy Ltd, a corporate and mining industry lawyer by background, and an experienced ASX listed company Director, having served on various boards over a 30 year period.

It is time to appoint new Directors, including a new independent Chairman, who will act in the best interests of our company, and set about establishing Lakes as a significant player in the Australian oil and gas industry. This can only be accomplished by creating the opportunity for a fresh change.

I fully support the actions taken by Armour Energy Ltd in extending to shareholders the opportunity to refresh the Board and Management of Lakes Oil NL (Lakes). Mr Annells, for whom I have a personal regard, has been associated as a Director of Lakes for over 30 years, has acted as Chairman for 23 years, and has acted as the Company's CEO for a number of years as well.

Mr Berold has been a Non-Executive Director of Lakes for 8 years.

As indicated in Armour's statement, during this period whilst Lakes' share capital has expanded dramatically, it has failed to achieve success in its activities and in recent years its major drilling activity has largely been funded by Armour.

It is never easy as a Director to instigate the move for change that the resolution put forward by Armour seeks to achieve. It must come at some cost to personal relationships built up over time, and is not meant in any way to be a personal criticism or reflection on the character of the incumbents we seek to remove. It is done after much thought and reflection to enable the company to refresh and progress under new management, energy and expertise.

In the interim Armour has proposed the election of Mr Roland Sleeman as a Director of Lakes to act as Chief Executive Officer. This is to assist the ongoing day-to-day management of the company until a Board decision is made in keeping with the intent for consensus amongst the Board in relation to these appointments.

Mr Sleeman, also an independent Director of Armour, has well over 30 years' experience in the oil and gas industry, including over 20 years in the upstream energy business including its commercial and pipelining aspects. He has spent 7 years with each of AGL and Eastern Star Gas in successful business development roles. I commend his election to you.

Should shareholders, whom I urge to support us, share our view we wish to work amicably and positively with the remaining Board members and with their support, input and agreement to select a new Chairman who has the confidence of the full Board and likewise a new permanent Chief Executive Officer.

I respectfully ask you to support the motion.

In relation to the proposed resolution **Mr Wightman** has provided the following comment:

I encourage you to vote against this resolution.

I am the most recent appointee to the Board of the Company, having been appointed on 4 August 2014.

Since my appointment, I have attended all Board Meetings held, the Annual General Meeting on 24 November 2014, and a number of other meetings with the Executive Chairman Rob Annells, and his staff, Rob has been present at all of those Board Meetings and the AGM.

I respect the fact that Rob is independent of all shareholder groups and has the best interests of all shareholders at heart.

In my opinion, Mr Annells is extremely knowledgeable, enthusiastic, reliable, active and competent in his role as Executive Chairman of the Board.

He has considerable experience in the securities industry and the resources sector.

Under the difficult and extraordinary circumstances of the ongoing moratorium declared by the Victorian Government in 2013 on all conventional and unconventional drilling for onshore oil and gas in Victoria, for conventional gas reservoirs as well as unconventional sources of gas such as tight gas, oil shale and coal seam gas, Rob has been consistently assiduous in seeking the removal of the moratorium, in engagement with Government, with the bureaucracy and with local communities in the areas where their highly prospective tenements are located.

As Shareholders know, Lakes Oil is the holder of significant tenements in both Gippsland and in the Warnambool/Portland region in the Western District, which are highly prospective for oil and gas. These endeavours seeking removal of the moratorium on the part of Rob include presentations to, and the preparation of, the Lakes Oil submission to the Victorian Upper House Standing Committee on Planning and the Environment's Inquiry into Unconventional Gas in Victoria and the continuance or removal of the moratorium. The Lakes Oil submission additionally requests the support of the Committee, for the Government to approve Lakes Oil's request for permission to drill two proposed conventional wells in their tenements in the Western District prior to completion of the Inquiry's final report. This would be to demonstrate to the Committee the prospectivity of defining and recovering highly significant onshore low cost gas resources for Victorian industry, in finalising their recommendations to the Government.

Armour's investment in Lakes is \$4.70 million and any suggestions that their investment in Lakes is more than this are not true. Any additional expenditure by Armour had been to earn joint venture interest for their own account.

Each of Armour, Mr Mather and Mr Stubbs have made a number of statements which are critical of the Board. I consider that these statements are unwarranted.

In my opinion, the removal of Rob as a Director of the Company would be unwarranted and highly disruptive to the Company, and against the interests of all Shareholders. I urge you to vote against this resolution.

Item 2. Removal of Mr. Barney Berold as a Director

By way of summary:

Item	Resolution	Proposed by	Recommendations of Mr Annells, Mr Berold, Professor Plimer and Mr Wightman	Recommendations of Mr Mather and Mr Stubbs
2	Removal of Mr Berold	Armour Energy	Against	For

Mr Berold's biography

Mr. Berold is an investment banker previously with a major European-based banking group. Appointed to the Board in 2007, he has had considerable experience in corporate finance advising on strategy, mergers and acquisitions, and funding. He is a former Stockbroker, and served on the boards of The Stock Exchange of Melbourne as well as the Australian Stock Exchange. Mr. Berold was appointed to the Audit Committee in 2007 and appointed Chair of that Committee in March 2013. He is also Chair of the Remuneration Committee, which was established in July 2013..

In relation to the proposed resolution **Mr Berold** has provided the following comment:

In my previous roles as a broker, and as a director of major European investment banks, I have been engaged in providing advice on corporate strategy, mergers, acquisitions and funding for listed companies. The experience gained from these activities, as well as from being deputy chairman of the ASX Listing Committee, and a director of ASX Limited, supports my contribution to the Board of Lakes Oil an independent director of the company I look forward to continuing to represent all shareholders, particularly through my memberships of the Audit Committee and the Remuneration Committee, where I serve as chairman.

In its various joint ventures with Armour Energy, Lakes Oil has a duty to represent its shareholders above all others. If a majority of Lakes Oil directors are to be nominated by Armour Energy, then the Lakes Oil shareholders, as a whole, will be unprotected against joint venture decisions which are prejudicial to their interests.

In relation to the proposed resolution **Mr Annells** has provided the following comment:

I would like recommend against the removal of Mr. Barney Berold as a director of Lakes Oil. Barney has been a truly independent director of Lakes Oil, to remove him and to replace him with a nominee of one of the major shareholders (which is a joint venturer with Lakes Oil) would be a big mistake.

As an independent director on the board, he has accepted governance and scrutiny roles that have drawn on his long association and experience in the Securities Industry and Merchant Banking. He has also participated in Lakes' community activities in Gippsland, with active participation with our football and cycling sponsorships.

Barney Berold represents all shareholders big and small, and I feel that it is important that he continues in this role. His long experience in the financial world and his past involvement in the listing committee of the ASX have been invaluable to Lakes Oil. I therefore would ask you to vote against the resolution to remove Barney Berold from the board.

In relation to the proposed resolution **Armour Energy's** comments above should also be considered.

In relation to the proposed resolution **Mr Mather** has provided the following comment:

I am supporting the removal of Mr Berold as a Director of Lakes. This is for the same reasons as set out above in my comments relating to Mr. Annells. Mr Berold has sat with Mr Annells on the Board of Lakes for too long. During this time the share price of Lakes has declined to a flatline and the share capital has expanded to over 11 billion shares. It would be nearly 13.5 billion on a fully diluted basis. Other than supporting Mr Annells and sitting on Audit and Remuneration Committees I am unclear exactly what it is that Mr Berold does contribute to the growth of Lakes. I have in my time as a listed public company director been instrumental in the creation of over \$5.2 billion in shareholder returns and 8 successful change of control transactions to deliver that to shareholders.

In relation to the proposed resolution **Professor Plimer** has provided the following comment:

I recommend that you vote against the removal of Mr Berold as a Director. This is for the same reasons as set out above in my comments relating to Mr Annells.

Mr Barney Berold is an independent Director of your company. He has been an independent Director since 2007.

Mr Berold brings to Lakes Oil considerable experience and connections in the securities industry and the resources sector of the economy. Furthermore, as the only independent Director on the Board, he has considerable committee, governance and scrutiny roles requiring him to spend additional time in the Lakes Oil office. He is a very active Director, attends all Board meetings, attends community activities on behalf of Lakes Oil in the Gippsland area and is an enthusiastic knowledgeable gentleman. In my experience, Mr Berold has brought great wisdom and balance to the Board of Lakes Oil and has more than fulfilled his role as the only independent Director on the Board.

It is my opinion that removal of Mr Berold from his position as a Director of Lakes Oil would be highly disruptive as your company needs an experienced independent Director with a knowledge of the corporate history of Lakes Oil. I urge you to vote against the resolution to remove Mr Berold which I consider is not in the interest of all shareholders.

In relation to the proposed resolution **Mr Stubbs** has provided the following comment

I am supporting the removal of Mr Berold as a Director of Lakes. This is for the same reasons as set out above in my comments relating to Mr. Annells.

In relation to the proposed resolution **Mr Wightman** has provided the following comment:

I wish to advise Shareholders that as a Director of Lakes Oil, I encourage you to vote against this resolution. This is for the same reasons as set out above in my comments relating to Mr. Annells.

In my opinion, Barney is extremely knowledgeable, enthusiastic, reliable, active and competent in his roles on the Board. I am aware that Barney has been an Independent Director since 2007. He has considerable experience in the securities industry and the resources sector.

The Company has faced the difficult and extraordinary circumstances of the ongoing moratorium declared by the Victorian Government in 2013 on all conventional and unconventional drilling for onshore oil and gas in Victoria. Barney in his role as the Independent Director has been actively involved in endeavours to have the moratorium removed.

In my opinion, the removal of Barney as a Director of the Company would be unwarranted and highly disruptive to the Company, and against the interests of all Shareholders. I urge you to vote against this resolution.

Item 3. Appointment of Mr Roland Sleeman as a Director

By way of summary:

Item	Resolution	Proposed by	Recommendations of Mr Annells, Mr Berold, Professor Plimer and Mr Wightman	Recommendations of Mr Mather and Mr Stubbs
3	Appointment of Mr Sleeman	Armour Energy	Against	For – in addition, Mr Mather and Mr Stubbs recommend that Mr Sleeman be appointed as Chief Executive Officer

Mr Sleeman's biography

Roland Sleeman *BEng (Mech), MBA* has over 30 years' experience in oil and gas as well as utilities and infrastructure. Mr. Sleeman has served in various senior management roles within the oil and gas industry including with Eastern Star Gas Limited as Chief Commercial Officer and AGL as General Manager of the Goldfields Gas Pipeline. Mr. Sleeman has extensive engineering and business experience including negotiation of gas sales agreements that provided a foundation for development of the North West Shelf Project, commercialisation of new gas and power station opportunities and management of major gas transmission pipeline infrastructure. Mr. Sleeman has provided specialist commercial, regulatory and project development advice to both the public and private sectors. Mr. Sleeman has served as a Director of Armour Energy Limited since 2011.

In relation to the proposed resolution **Mr Annells** has provided the following comment:

I do not support the appointment of Mr Roland Sleeman to the Board of Lakes Oil. His appointment would result in 3 non-independent Armour Energy directors serving on the Board of Lakes Oil and this is patently disproportionate to their Company's shareholding. All other shareholders in Lakes Oil would be further disadvantaged in that none of the Armour Energy appointees would be resident in Victoria where Lakes Oil's activities are concentrated and in addition would leave them under-represented in the various existing joint ventures with Armour Energy.

In relation to the proposed resolution **Mr Berold** has provided the following comment:

I do not support the nomination of Mr Roland Sleeman as a director of Lakes Oil on a number of grounds. His appointment would result in Armour Energy having three of its directors on the board of Lakes Oil, completely out of proportion to their company's investment in Lakes Oil. Moreover, it could compromise the independence of Lakes Oil in its several joint ventures with Armour Energy even assuming they excuse themselves from those deliberations. Finally, it could result in the Lakes Oil board having too few directors resident in Victoria where almost all its exploration effort is concentrated, and where relationships with Government and communities are all important in gaining the social licence needed to conduct its business.

In relation to the proposed resolution **Mr Mather** has provided the following comment:

I am supporting the appointment of Mr Sleeman. This is for the same reasons as set out above in my comments relating to Mr. Annells. Mr Sleeman is a highly experienced Oil and Gas industry executive. Mr Sleeman is a mechanical Engineer by profession and has spent 5 years in downstream business development activities with Eastern Star Gas and three with AGL. He has also served as Manager fuel supply for the State Energy Commission of Western Australia and has consulted to numerous Government bodies including the ACCC, state owned generation corporations and various industry groups in Queensland, Western Australia and the Gorgon gas project. He is a personable and disciplined and constructive Board member of Armour Energy and demonstrates considerable skills in business development. Mr Sleeman's presence on the board of Armour is not considered to present a limit to his ability to run or constructively contribute to the development of Lakes Oil's assets. I believe that Mr Sleeman will bring the necessary level of rigour and discipline required to the Executive of Lakes Oil. It should be noted that his position (if elected as a director and then if appointed) as CEO of Lakes is proposed to be only temporary. The dismissal of Mr Sleeman simply because he is an Armour nominee would be a lost opportunity for Lakes.

In relation to the proposed resolution **Professor Plimer** has provided the following comment:

I do not support the election of Mr Roland Sleeman. I have not met Mr Sleeman. I note that he is a Director of Armour Energy Ltd and that Armour Energy Ltd are in a Joint Venture with Lakes Oil on various tenements in Victoria. If elected to the Board of Lakes Oil N.L., the Board of Lakes Oil N.L. would then comprise a material number of gentlemen (Mather, Stubbs, Sleeman) who are both Directors of Armour Energy Ltd and Directors of Lakes Oil N.L. Furthermore, it is proposed that Mr Sleeman become Chief Executive Officer in place of Mr Annells and Lakes Oil N.L. then will have Queensland-domiciled CEO managing a Victorian-based company.

In relation to the proposed resolution **Mr Stubbs** has provided the following comment:

I am supporting the appointment of Mr Sleeman. This is for the same reasons as set out above in my comments relating to Mr. Annells.

In relation to the proposed resolution **Mr Wightman** has provided the following comment:

- I encourage you to vote against this resolution to appoint Mr Sleeman. If Mr Sleeman were to be elected then:
- a. Armour would have three nominees to the Board who are Armour directors and potentially control the Board of your Company depending on the outcome of the other resolutions;
 - b. Mr Stubbs and Mr Mather have stated that they intend to seek to appoint Mr Sleeman to the Chief Executive Officer role, a role which would be in conflict with Mr Annells' role as Executive Chairman;
 - c. This would be contrary to corporate governance principles;
 - d. Because the Company is in joint venture with Armour Energy in a number of tenements, there would be a significant potential conflict of interest in relation to such tenements even assuming that they excuse themselves from those deliberations.

Item 4. Appointment of Mr Andrew Davis as a Director

Item	Resolution	Proposed by	Recommendations of Mr Annells, Mr Berold, Professor Plimer and Mr Wightman	Recommendations of Mr Mather and Mr Stubbs
4	Appointment of Mr Davis	Timeview Enterprises	For	Against

Mr Davis' biography

Mr Davis was born and educated in Sydney and has practised as a barrister. He has been a director of and involved in the management of a number of private and public companies in various industries. He was involved in quarrying as the Chairman of Gosford Quarries, the well-known dimension stone company. His other interests included outdoor advertising, publishing and the motor vehicle industry. He was for a number of years Managing Director of Territorial Resources Inc., a small public oil and gas company headquartered in Houston Texas with interests in Texas and a number of other states in the United States. He has been involved in coal seam gas exploration in NSW and as a director of a variety of mineral exploration companies with interests both in Australia and overseas.

In relation to the proposed resolution **Mr Annells** has provided the following comment:

I support the nomination of Mr Davis to the Board of Lakes Oil. He is independent of the Company's substantial shareholders. He is an experienced businessman who has been involved in a range of commercial and extractive industries including oil and gas. He is well qualified to make a meaningful contribution to the future success of the Company.

In relation to the proposed resolution **Mr Berold** has provided the following comment:

I support the nomination of Andrew Davis as an independent director to the board of Lakes Oil. He is a person with a considerable background in a variety of businesses including oil and gas and other extractive industries. His exposure to oil and gas, includes time spent in the "oil patch" of Texas. Andrew will be a valuable contributor to board discussions.

In relation to the proposed resolution **Mr Mather** has provided the following comment:

I do not believe that the appointment of Mr Davis is appropriate. The appointment of two more Timeview nominees would provide Timeview (a company owned by Hancock Prospecting) with a disproportionately large representation on the Board, totalling four nominees on a board of up to 9 people if Armours resolutions failed and all new nominees were elected. If Armours resolutions to appoint Mr Sleeman failed then Timeview nominees would hold half of the board spots and without paying a premium for such dominance. Further I do not consider that Mr Davis experience in the oil patch in Texas or his association with the coal seam industry in a capacity the details of which I am not aware, is relevant to Lakes Oil.

In relation to the proposed resolution **Professor Plimer** has provided the following comment:

I support the nomination of Andrew Davis as an independent director to the board of Lakes Oil. I have known him since 1970 and have over the last 45 years served on various Boards with him. He is a barrister by training, has been Managing Director and Chairman of various resource companies and has been Managing Director of a Texas oil and gas company. Mr Davis has no relationship with Armour Energy Ltd or Hancock Prospecting Pty Ltd and would strengthen the Board of Lakes Oil N.L. with his independence and long history in the resources sector.

In relation to the proposed resolution **Mr Stubbs** has provided the following comment:

I do not support the election of the nominee of Timeview Enterprises Mr Andrew Davis to the Board. I do not know Mr Davis. I am concerned to minimise the costs incurred by Lakes in Directors fees and operational expenses. I also oppose the election of the other Director proposed by Timeview Enterprises Mr Chris Tonkin who is also unknown to me. The election of these two gentlemen would give Timeview nominees 4 places on the Board and would in my opinion constitute an overrepresentation of Timeview nominees and a board far greater in number and cost than is appropriate for a company in Lakes position. I reject the suggestion that these appointments are necessary to prevent Armour gaining control of the Board and unfairly using its position to unfairly benefit its joint venture negotiations and interests. Armour nominated Directors have and will always absent themselves when matters involving its Joint Venture negotiations with Lakes are the subject of Board discussion or decision. As I indicated in my earlier statement Mr Sleeman's appointment is seen as of a temporary nature to assist continuity and operational control and it has always been the intent of Armour to work with the remaining Directors to appoint a mutually selected CEO and Chairman.

In relation to the proposed resolution **Timeview Enterprises** has provided the following comment:

Timeview Enterprises Pty Ltd, a wholly owned subsidiary of Hancock Prospecting Pty Ltd (“HPPL”), has nominated two appointees to the Board of Lakes Oil N.L. These appointees, Andrew Davis and Chris Tonkin, are independent of HPPL and will bring significant commercial and operational skills to the Board to the benefit of all shareholders. HPPL is also nominating them due to concerns that the Lakes Oil N.L. board may become dominated by a majority of nominees from a shareholder where that shareholder is also in a joint venture and has contractual arrangements with Lakes Oil N.L.

In relation to the proposed resolution **Mr Wightman** has provided the following comment:

I encourage you to vote in favour of the resolution to appoint Andrew Davis. His extensive experience as a lawyer and as a senior executive, Executive Director, Non-Executive Director and Chairman in the resources and other sectors qualifies him well to be appointed as a Director of your Company.

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Item 5. Appointment of Mr Chris Tonkin as a Director

Item	Resolution	Proposed by	Recommendations of Mr Annells, Mr Berold, Professor Plimer and Mr Wightman	Recommendations of Mr Mather and Mr Stubbs
5	Appointment of Mr Tonkin	Timeview Enterprises	For	Against

Mr Tonkin's biography

Chris Tonkin BSc (Hons.), BA, MBA, GAICD, CFTP (Snr) is a Non-Executive Director and a former Managing Director of Arafura Resources Limited, and is an Executive Director of advisory companies Catalyst Capital Solutions and Capital Advisory Services. He began his career as a metallurgist and environmental specialist and diversified into commercial roles at several major industrial companies and subsequently project finance, corporate and project advisory roles at AIDC, The Chase Manhattan Bank, KPMG Corporate Finance and ANZ, where his roles included Head of Project and Structured Finance and Head of Natural Resources. He has over 35 years' experience as a senior business executive with an extensive industry background in business development and management, finance and strategy development across all major industry sectors and particularly natural resources as an advisor and financier to the mining and metals and oil and gas industries.

In relation to the proposed resolution **Mr Annells** has provided the following comment:

I support the nomination of Chris Tonkin to the Board of Lakes Oil. Chris has had considerable experience in advising on infrastructure, financing and strategic development for companies in the resources sector where he has also been involved in hands-on management roles. His infrastructure experience will be particularly welcome as lakes Oil moves into productions

In relation to the proposed resolution **Mr Berold** has provided the following comment:

I support the nomination of Chris Tonkin to the board of Lakes Oil as an independent director. His career encompasses consulting to, and assisting, companies in the resources sector, specialising in project finance, capital raising and management. His experience, including hands-on management, spans a wide range of industries and he will add insight to board deliberations.

In relation to the proposed resolution **Mr Mather** has provided the following comment:

Mr Tonkin is a nominee of Timeview (a Hancock Prospecting subsidiary) and as with my comments on Mr Davis, in my view will deliver disproportionately large dominance to Timeview nominees on the board of Lakes Oil.

In relation to the proposed resolution **Professor Plimer** has provided the following comment:

I support the nomination of Chris Tonkin as an independent director to the board of Lakes Oil. I met Mr Chris Tonkin some years ago when he was Managing Director of Arafura Resources Ltd. He is well known in the resources, finance and investment industries, has grown companies, has experience in both the minerals and oil/gas sectors and is Melbourne-based. Mr Tonkin has no relationship with Armour Energy Ltd or Hancock Prospecting Pty Ltd and would strengthen the Board of Lakes Oil N.L. with his independence, his experience with fund-raising and corporate governance and his experience in the resources sector.

In relation to the proposed resolution **Mr Stubbs** has provided the following comment:

I oppose Mr Tonkin's election as a Director for the reasons detailed under my statement opposing the election of Timeview Enterprises other nominee Mr Andrew Davis.

In relation to the proposed resolution **Timeview Enterprises'** comments above should also be considered.

In relation to the proposed resolution **Mr Wightman** has provided the following comment:

I encourage you to vote in favour of the resolution to appoint Chris Tonkin. I have been acquainted with Chris for many years and have a high regard for his integrity, experience, intelligence and capabilities. His extensive experience as a senior executive in the resources and finance sectors, and his former role as CEO and now a Non Executive Director of Arafura Resources qualify him well to be appointed as a Director of your Company.



LAKES OIL N.L.

(ABN 62 004 247 214)

Lodge your vote:



Online:

www.investorvote.com.au



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MR SAM SAMPLE
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SAMPLEVILLE VIC 3030



Proxy Form

XX



Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10:00AM (Melbourne time) on Monday, 7 September 2015

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

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

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Lakes Oil N.L. hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Lakes Oil N.L. to be held at Laneway Rooms 2&3, Intercontinental Hotel, 495 Collins Street Melbourne, Vic 3000 on Wednesday, 9 September 2015 at 10:00AM (Melbourne time) and at any adjournment or postponement of that Meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Item 1 Removal of Mr Rob Annells as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Removal of Mr Barney Berold as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Appointment of Mr Roland Sleeman as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Appointment of Mr Andrew Davis as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Appointment of Mr Chris Tonkin as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies **against** resolutions 1 to 3 and **for** resolutions 4 to 5.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

LKO

203192A

Computershare +