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Lakes Oil NL

Annual General Meeting

13 November 2017



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“The Past”



Flashback – 2015/16

- Management change.
- Navgas acquisition announced.
- Victorian onshore exploration ban extended to 2020.
- Legal proceedings against Victorian government.
- Funding problems.



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“The Present”



Navgas Acquisition

2016/17 Update

- Acquisition completed 18 January 2017.
- 100% ownership of ATP 1183, Queensland.
- Compelling drilling opportunities identified.
 - Wellesley Dome – prospective 41 Bcf gas resource.
 - Emu Apple North – estimated 3.4 million barrels oil.

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Victorian Exploration Ban

2016/17 Update

■ “Fracking Ban Act”.

- Hurried through Parliament in March 2017.
- Aims to legitimise Government’s onshore ban AND avoid liability for damages resulting from ban.
- Existing obligations specifically excluded from ban.
- \$42.5m Victoria Gas Program – investigating impacts.

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Legal Proceedings

2016/17 Update

- Initiated 2016; Amended June 2017
- Focus is on interpretation of the amended Petroleum Act.
- Listed for hearing 14 March 2017, over 2 – 3 days.
- Gov't Defence concedes LKO interpretation is correct.
- DEDJTR* proposed to unilaterally change terms of LKO tenements to circumvent legislation!

* DEDEJTR is Victorian Department of Economic Development, Jobs, Training and Resources



Open Offer to Government

Post 2016/17

- 'Open Offer' made to Victorian Gov't on 5 Oct 2017.
 - Offer to cooperatively address Victorian gas crisis.
 - Drill specified conventional wells in accordance with legislation and coordinated with Victoria Gas Program.
 - Priority supply of gas to Victorian consumers.
 - Royalty will be paid to landowners and communities.
 - Relinquish sensitive surf-coast tenement, PEP 163.
- Government (Minister for Resources) has not responded.



Share Purchase Plan

Post 2016/17

- Market strength post Vic. Coalition policy announcement.
- \$1.76m raised in October through 0.15 cent placements.
- SPP announced 7 November – affords shareholders opportunity to acquire shares at placement price.
- Use of funds: Operating and legal costs;
Queensland exploration;
Preparations for Victorian exploration.



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“The Future”



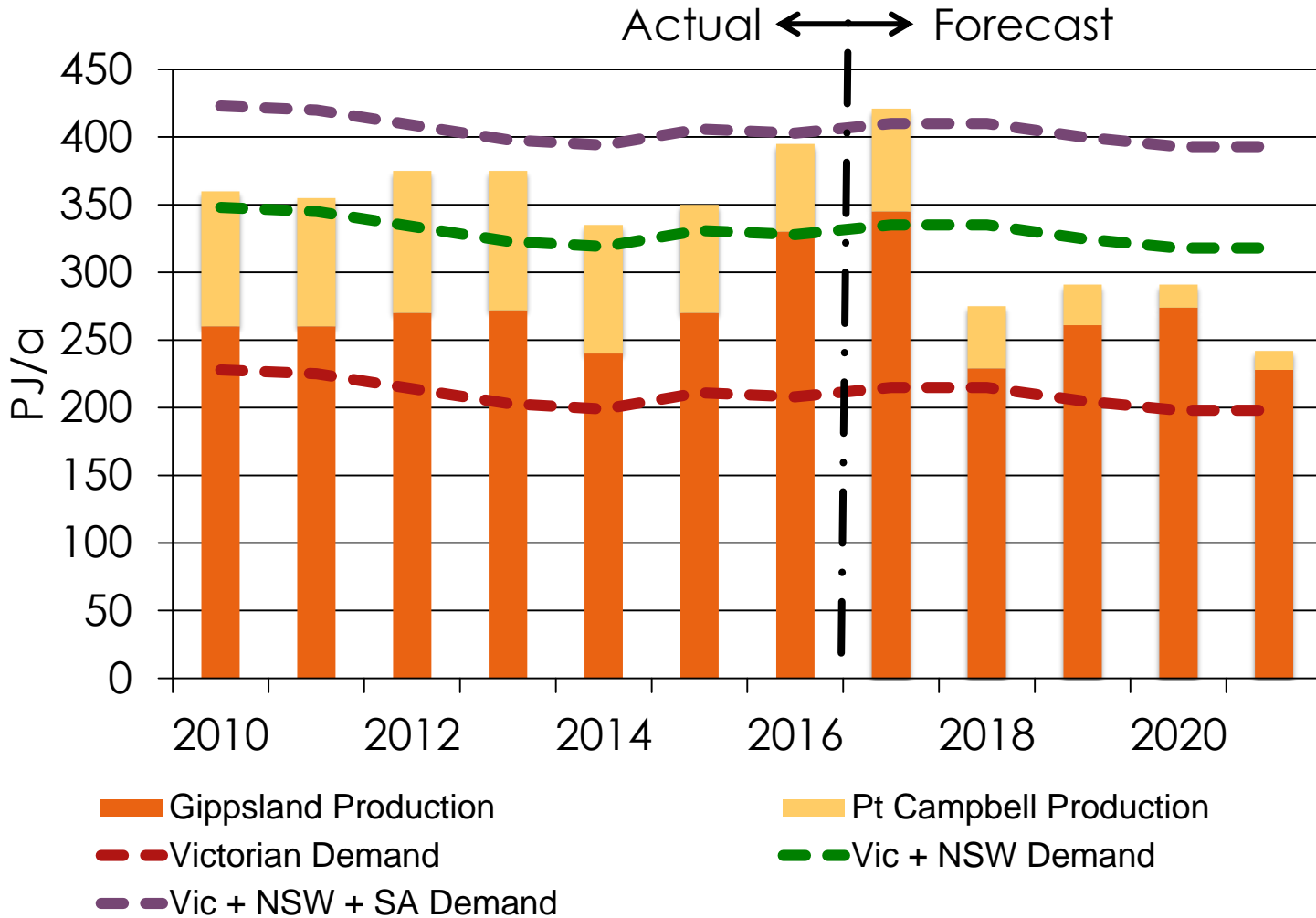
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Victoria



S.E. Australian Gas Crisis



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Victorian Outlook

- Southeastern Australian gas market is in crisis.
- Supply is tight and gas prices are rising, causing difficulty for households, industry and jobs.
- Victoria's onshore gas resource could solve problems, but
- Victorian Government doesn't acknowledge this potential.
- We know the gas is there – it flows naturally.....



Wombat-1 Flow Test

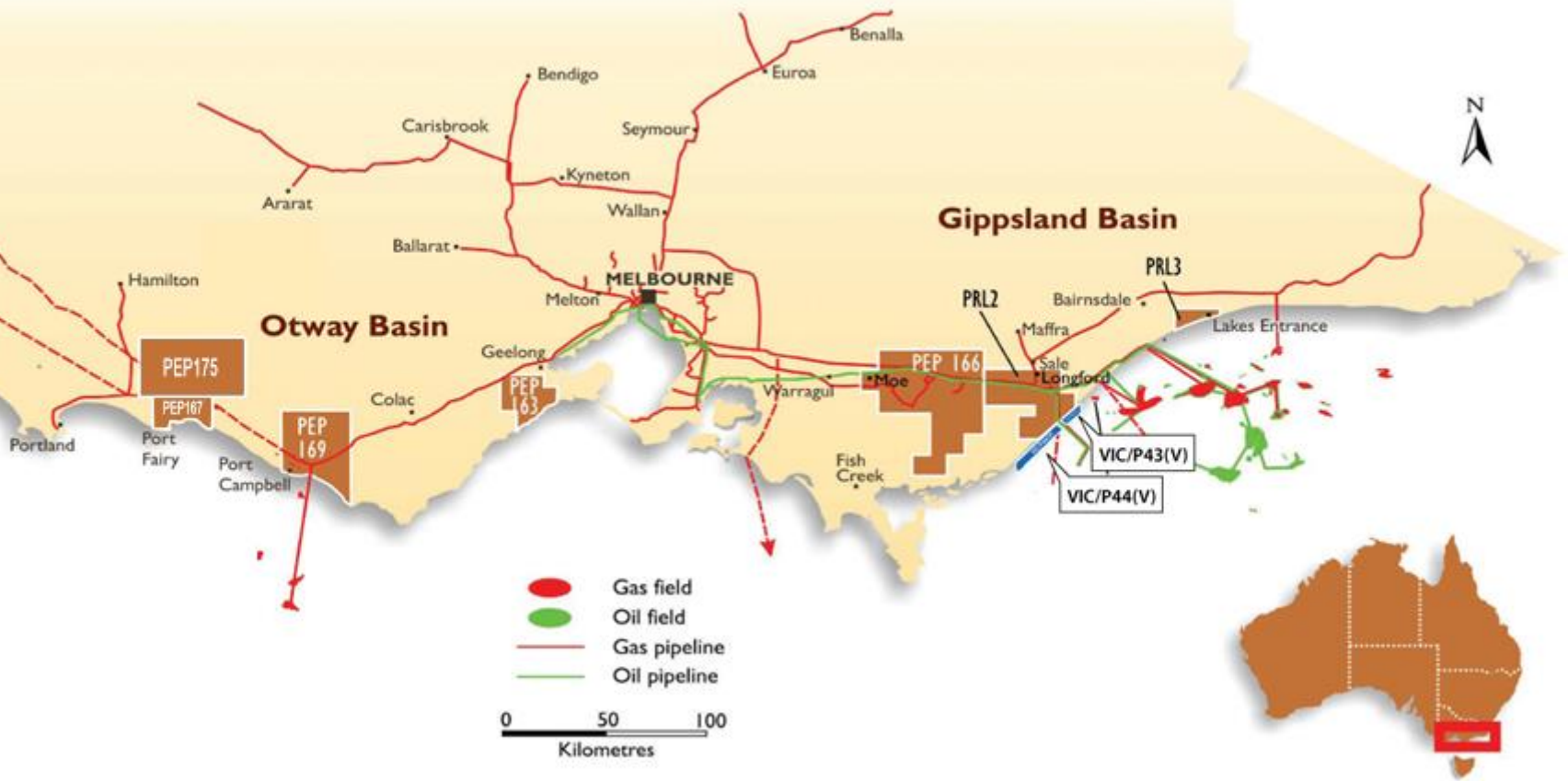


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Lakes Oil's Victorian Potential

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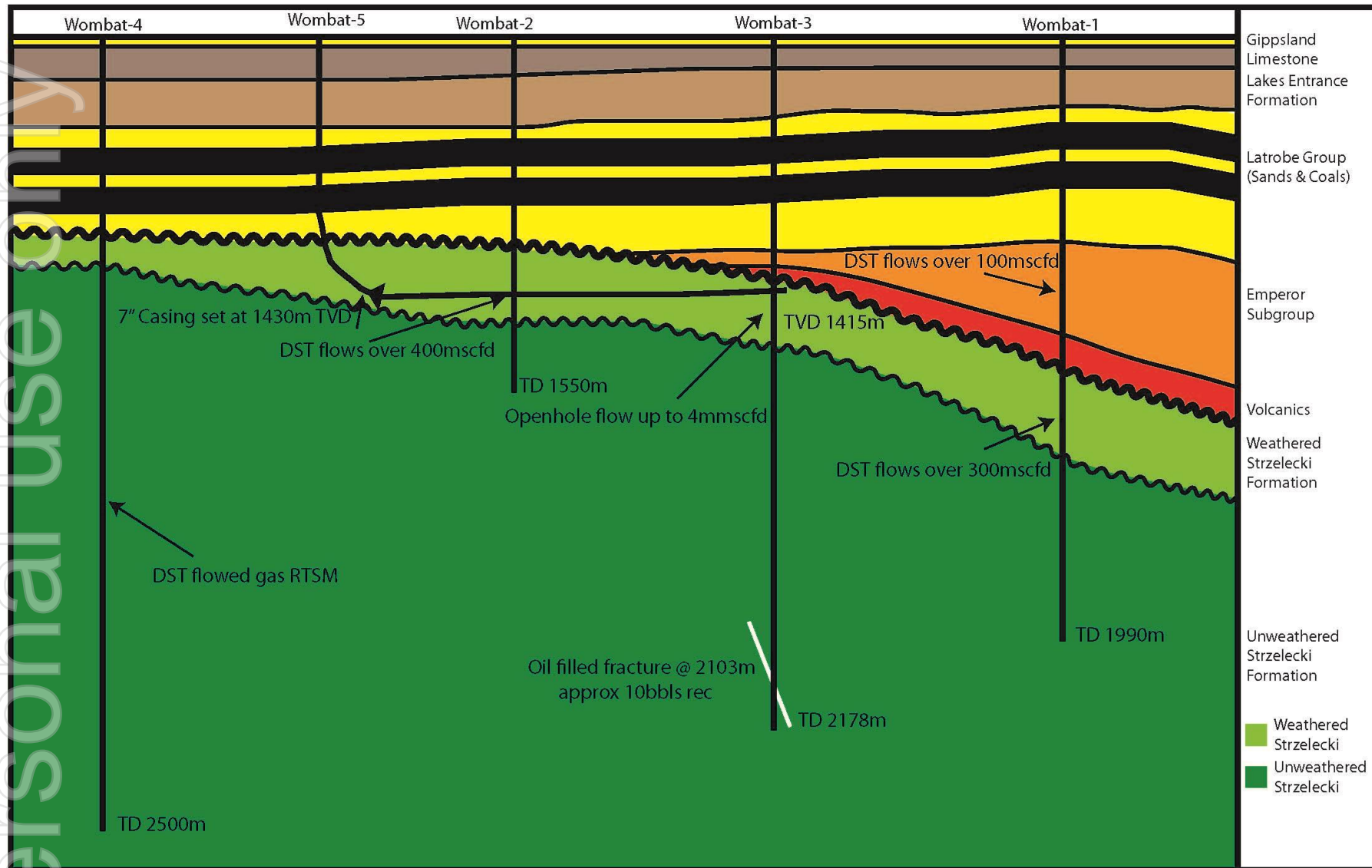
Wombat Gasfield

- Wombat gasfield contains Contingent Resource*.
- Wombat-5 conventional well is ready for drilling.
 - Independent modelling predicts 10 TJ/d gas flow rate.
 - Well will establish Proven Reserves of gas.
- Gas can be brought to market within ~18 months.
- Gas will be low cost – it is onshore and good quality.
- Can supply around 10% of Victoria's gas requirements.

* Contingent Resource is gas estimated to be recoverable from known accumulations of gas with commerciality dependent upon one or more contingencies.

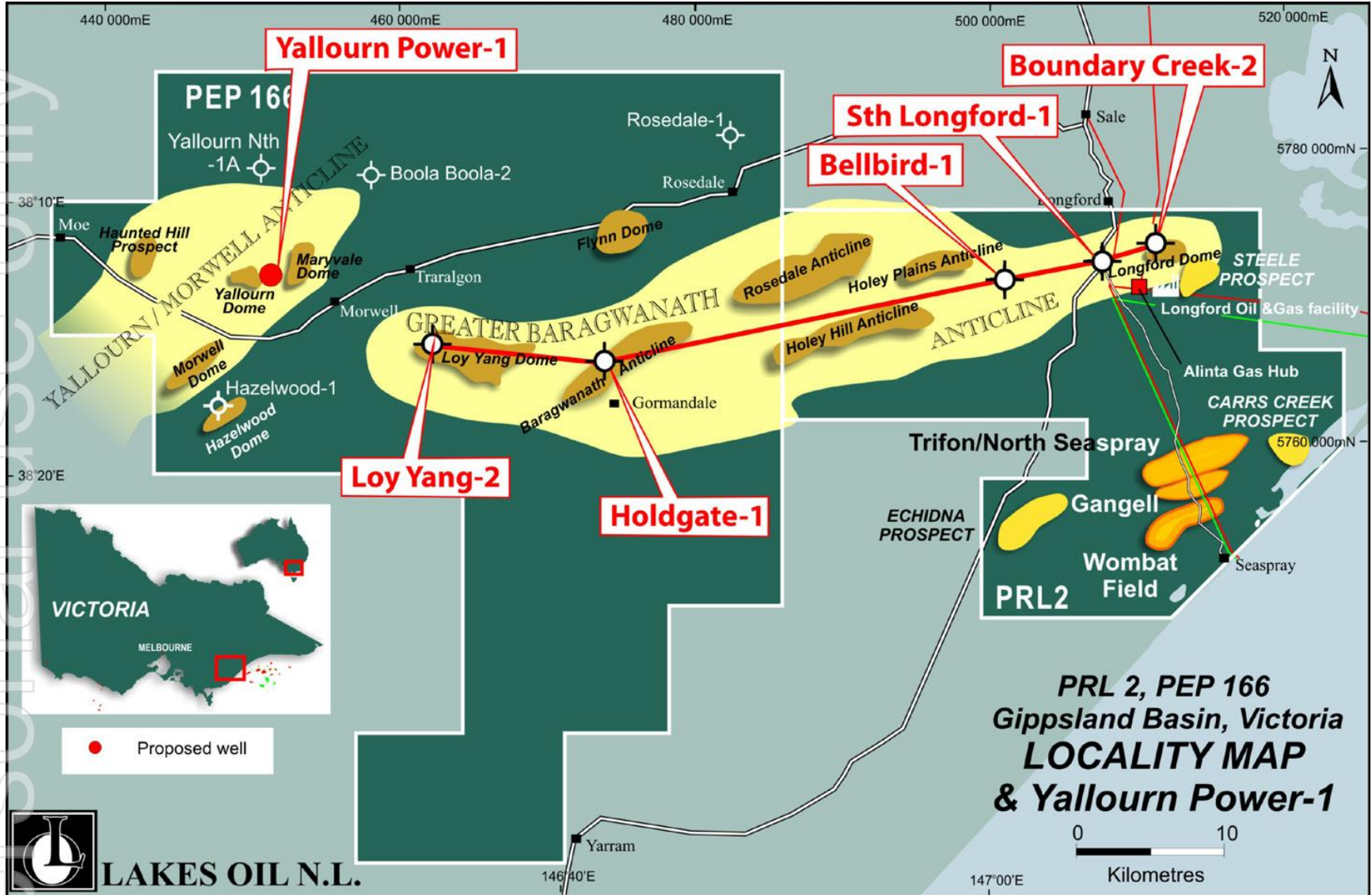


Proposed Wombat-5 Well





Gippsland Permits



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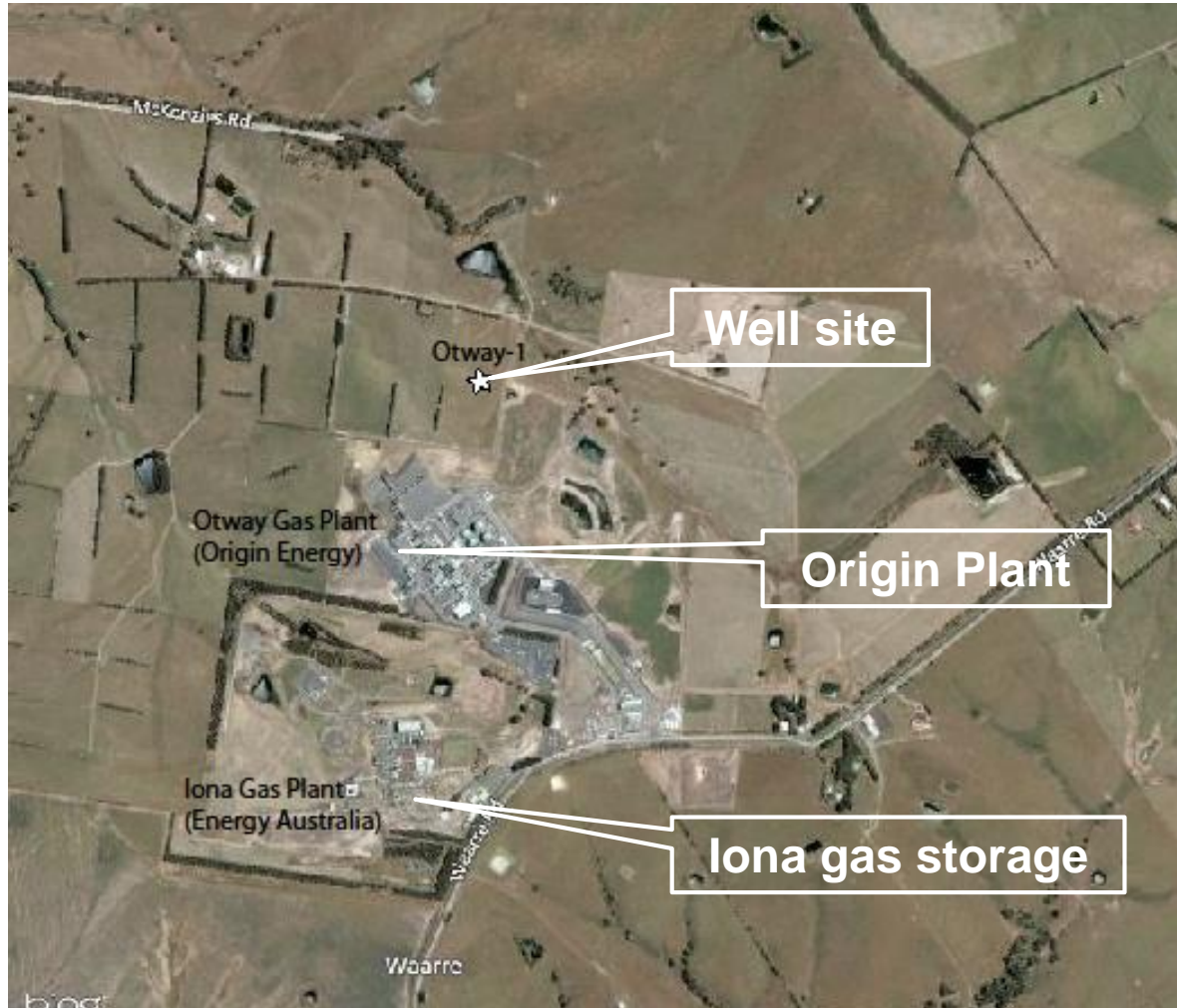


Otway-1 Gas Well

- Conventional well, 400 m north of Iona gas field.
- Well targets Warre Sandstone and Eumeralla Formation.
 - Known to contain and have historically produced gas.
- Otway-1 well is ready to be drilled.
- Gas can be brought to market within months of drilling.
- Gas will be low cost – it is onshore and good quality.



Otway-1 Well



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Portland Energy Project

- Targeting conventional gas from Eumeralla Formation.
- Gas present in all historic wells intersecting Eumeralla.
 - But gas potential not tested – search was for oil!
- Potential of Focus Area has been independently verified.
 - Project is a ‘game-changer’ for southeastern Australia.
- Sites selected for 2 wells to demonstrate potential.



Portland Energy Project





Lakes Oil's Victorian Potential

Prospect	Independently Estimated Potential	
	Annual	Total
Wombat (PRL 2)	20 Bcf	329 Bcf (2C)
Trifon-Gangell (PRL 2)		390 Bcf (2C)
PEP 175 Focus Area	~150 Bcf	>11 Tcf (P50)
Otway-1 (PEP 169)	3-5 Bcf tbd	tbd

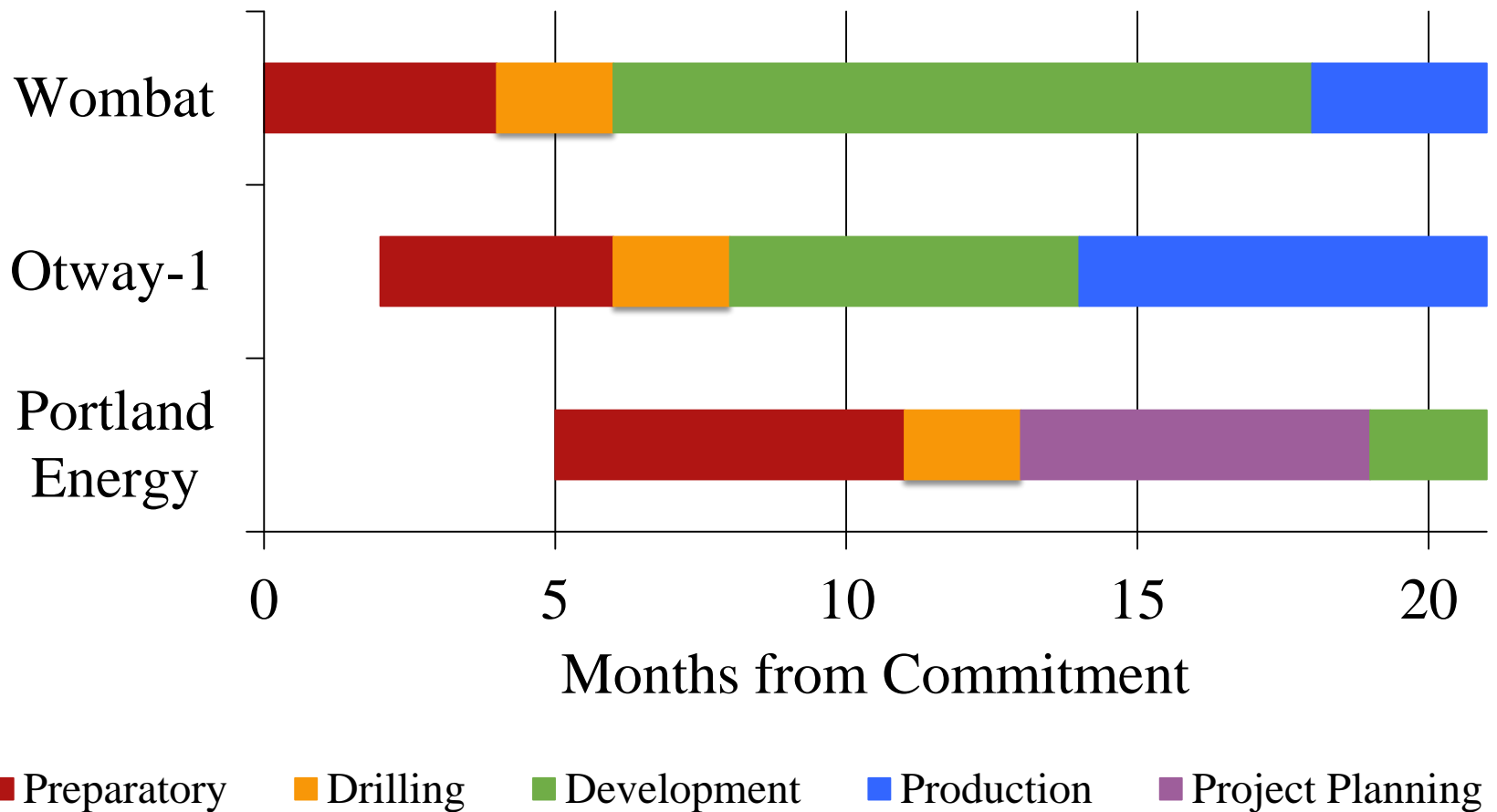
PRL 2 potential alone is 5 to 10% of Victorian gas demand.

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Lakes Oil's Victorian Potential

Timetable for Project Development





Victorian Outlook - Overview

- Victoria has lost its historic energy cost advantage.
- Victoria has significant gas resources waiting to be used.
- Pressure is mounting for common-sense to prevail.
- Optimistic outlook for Victorian onshore exploration.
- Lakes Oil has the most advanced, drill-ready prospects.
- Lakes Oil stands ready to work cooperatively with Government to benefit of all Victorians.



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Queensland

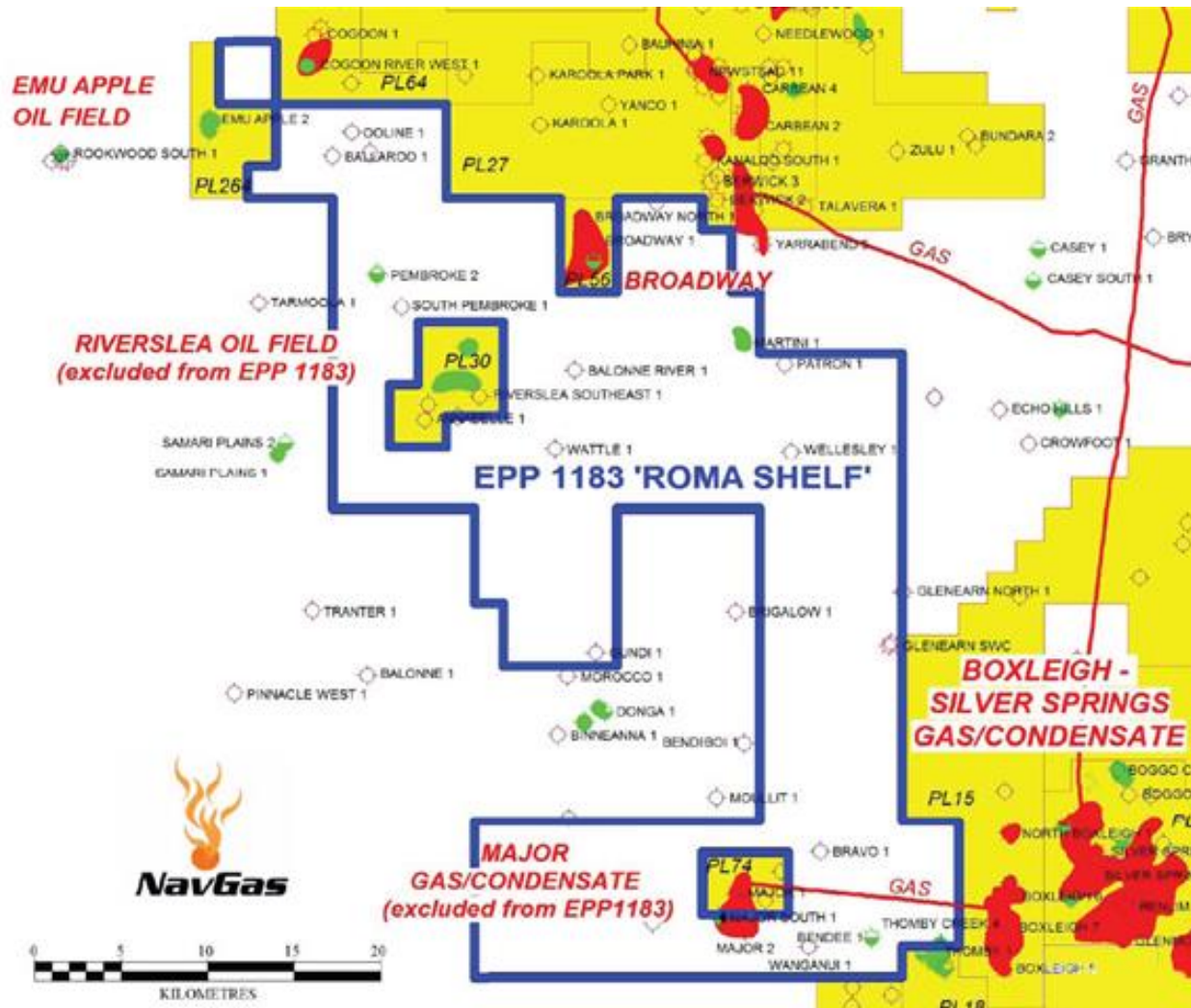


ATP 1183, Queensland

- Highly prospective acreage 100% owned by Lakes Oil.
- High success rate for wells drilled on structural closure.
- Prospects identified for expedited pursuit:
 - Wellesley Dome – 41 Bcf prospective gas.
 - Emu Apple North – 3.4 million barrels oil potential.
 - Bendee Prospect – 1 million barrels oil potential.
 - Major East Lead – 13.8 Bcf prospective gas.
- Exploration success can be quickly monetised:



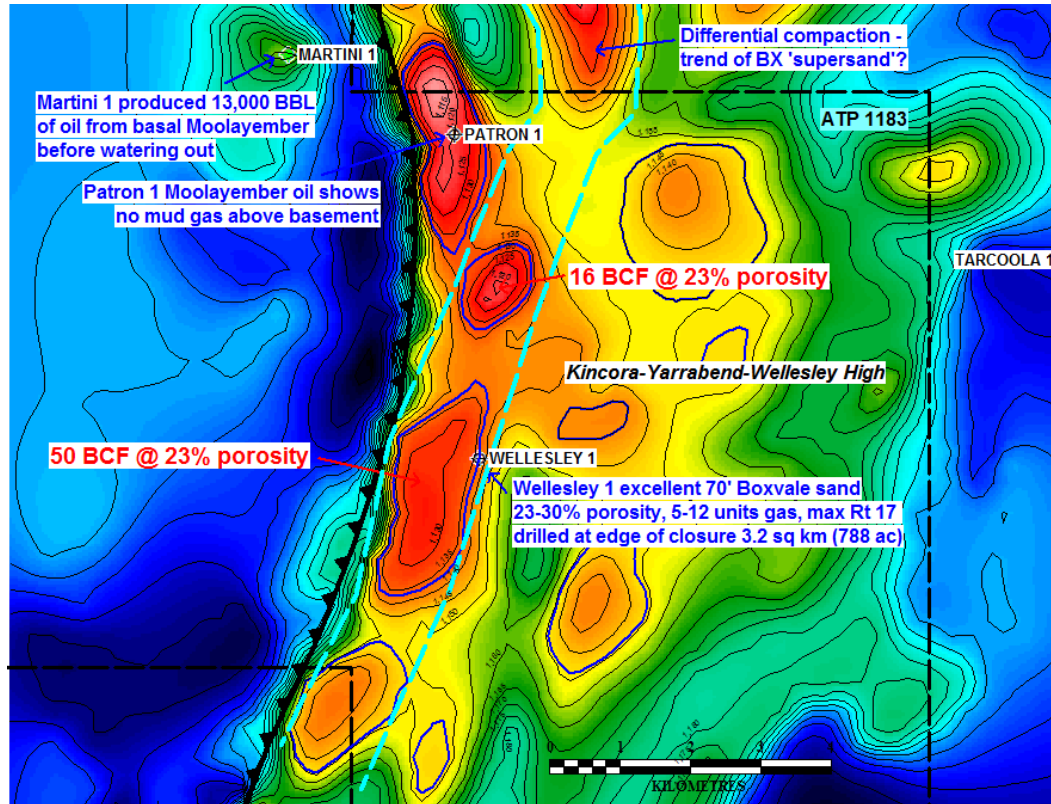
ATP 1183 - Queensland



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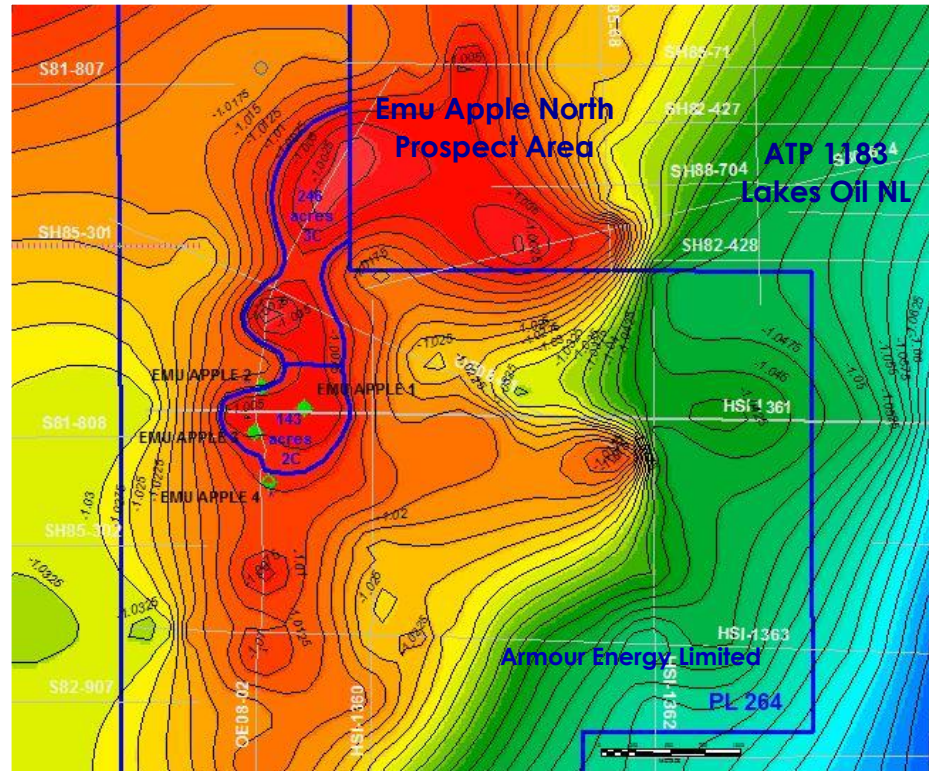
Wellesley Dome



- Fault-bound 3-way dip closure, 4.4 km², south of productive field.
- Intersected by BHP in 1979 – good gas and porosity but not tested.
- 1,650 metre well proposed at location southwest of original well.



Emu Apple North



- Northern extension of Emu Apple oilfield, covering 382 acres.
- Entire area hydrocarbon charged from Permian rocks to southeast.
- Shallow (~1,450 metre) well proposed.



Source of Resource Estimates

Source: Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL, SRK Consulting (Australasia) Pty Ltd, December 2016.

The Company is not aware of any new information or data that materially affects the information included in the relevant market announcement and confirms that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.