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Lakes Oil N.L.

**ASX
Announcement
and Media Release
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ASX Announcement

Papua New Guinea Update

Highlights:

- *Judicial review of the PNG Petroleum & Energy Minister's purported cancellation of PPL 560 was scheduled for 17 May 2019.*
- *The Petroleum Minister's legal counsel has advised that the cancellation will be revoked.*
- *Judicial review has been adjourned to 7 June 2019 to allow parties time to finalise settlement arrangements.*
- *Confirmation of PPL 560 tenure will allow resumption of exploration activity and will make the judicial review unnecessary.*

The Directors of Lakes Oil NL (**Lakes Oil**, ASX:LKO) are pleased to provide the following update regarding legal proceedings between Dondonald Limited, a majority owned subsidiary of Lakes Oil, and PNG's Minister for Petroleum & Energy (**Minister**).

The legal proceedings, which involve a judicial review of the Minister's April 2018 cancellation of Petroleum Prospecting Licence (**PPL**) 560, were scheduled to be heard on Friday 17 May 2019.

The Minister's legal counsel, however, advised the Court that the Notice of Cancellation of PPL 560 will be revoked and that the validity of Dondonald Limited's tenure will be confirmed. Given this favourable development, the Judge adjourned proceedings until 7 June 2019 to afford time for Dondonald Limited and the Minister to finalise the settlement arrangements. As part of the settlement, Dondonald Limited will be seeking an extension of the term of PPL 560 to compensate for time lost while legal proceedings were underway.

Providing the issues relating to PPL560 are settled on terms acceptable to Dondonald the judicial review of the Minister's 2018 decision to cancel PPL 560 will not proceed and the current legal proceedings will be discontinued.

If for any reason an acceptable settlement is not reached then the judicial review will proceed on 7 June 2019 as scheduled.

Mr Chris Tonkin, Chairman of Lakes Oil, said "PPL 560 contains highly promising exploration targets, including the multi-Tcf Buna prospect. Favourable settlement of the legal proceedings will allow Lakes Oil to solicit invitations from parties interested in participating in the tenement with a view to resuming exploration activity as soon as possible".

Chris Tonkin

Chairman

Lakes Oil NL

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