



A.C.N. 004 247 214

**Lakes Oil N.L.**

**ASX  
Announcement  
and  
Media Release  
15 June 2017**

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## **ASX Announcement**

### **Litigation Update**

The Board of Directors of Lakes Oil NL (**Lakes Oil** or **Company**, ASX: LKO) advises that it has filed a Further Amended Statement of Claim in continuance of the Company's legal proceedings against the Victorian Government. For information of Shareholders, the following summary provides an overview of proceedings and an update of present status.

- Legal proceedings were first commenced on 27 October 2016, following 3 years of Government refusals to allow the Company to carry out any petroleum exploration. At that time a motion was filed with the Victorian Supreme Court to initiate a Judicial Review of the conduct of the Minister for Resources. The Judicial Review involves consideration of whether the Minister has complied with the law in refusing to allow the Company to carry out its exploration activities.
- On 6 December 2016, a claim for damages for Derogation from Grant was filed with the Victorian Supreme Court. The Derogation from Grant claim was based upon a fundamental legal principle that a party, having given something with one hand, is not to take away the means of enjoying it with the other. The Company alleged that the Victorian Government's actions, in depriving the Company of its opportunity to use its exploration permits for the purpose for which they were intended, constitutes a Derogation from Grant. Damages exceeding \$2.7 billion were sought for the losses suffered by the Company as a result of the Minister's conduct. The Judicial Review proceeding was subsequently rolled in to the Derogation from Grant proceeding.
- With effect on 16 March 2017 the Victorian Government enacted the *Resources Legislation Amendment (Fracking Ban) Act 2017* 1 ("**Fracking Ban Act**") in an attempt to permanently ban fracking, to empower Government to refuse to grant approvals for any exploration operations over a moratorium period to mid 2020, and to retrospectively provide that Government will not be liable for damages for its previous refusals to allow exploration (even if those refusals were improper).
- On 2 May 2017, the Victorian Government filed an application to have the Company's legal proceedings summarily dismissed on the grounds that the Fracking Ban Act prevents the proceedings from being successful.
- On 14 June 2017 the Company amended its Statement of Claim to recognise the effect of the section of the Fracking Ban Act which protects the Government from liability for damages, and also to contend that the Fracking Ban Act specifically excludes from the moratorium any work commitments the Company has under its existing exploration permits and retention leases. Therefore, Government cannot rely on its moratorium as a reason to refuse to grant approvals for the exploration activities required by the Company's existing permits and leases.
- While the Company's Further Amended Statement of Claim has yet to be considered by the Victorian Supreme Court, on advice from leading Queens Counsel the Company is confident that its interpretation of the Fracking Ban Act is correct.

Chris Tonkin

*Chairman*

*Lakes Oil NL*

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