



HopgoodGanim

LAWYERS

10 August 2018

Australian Securities Exchange
Company Announcement Platform

By facsimile: 1300 135 638

Our ref: 1898964 - Luke Dawson

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Dear Sir/Madam

Lakes Oil NL ACN 004 247 214 - Off-Market Takeover Bid for Rawson Oil & Gas Limited ACN 082 752 985 (ASX:RAW) – Bidder's Statement and offers sent to shareholders

We are the solicitors for Lakes Oil NL (ASX: LKO) (**Lakes Oil or Company**).

We refer to the off-market takeover bid made by Lakes Oil pursuant to its bidder's statement dated 8 August 2018 (**Bidder's Statement**) for all of the fully paid ordinary shares in Rawson Oil & Gas Limited ACN 082 752 985 (**Rawson**) under Part 6.5 of the *Corporations Act 2001 (Cth)* (**Corporations Act**).

In accordance with Item 8 of Section 633(1) of the Corporations Act Lakes Oil hereby gives notice that it has completed sending the Bidder's Statement and offers to Rawson shareholders today as required by Item 6 of Section 633(1) of the Corporations Act.

The Offer is dated 8 August 2018.

We **enclose** a copy of the Bidder's Statement as sent.

Yours faithfully


HopgoodGanim Lawyers

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Lakes Oil NL

ACN 004 247 214

Bidder's Statement

ACCEPT the Recommended Offer

By

Lakes Oil NL

ACN 004 247 214

To acquire all of your fully paid shares in

Rawson Oil and Gas Limited

ACN 082 752 985

For

15 (fifteen) Lakes Oil Shares for every 1 (one) of your Rawson Shares

If you have any questions about the Offer or this document or about how to accept the Offer, please call the Lakes Oil information line on 1300 153 346 (within Australia) or +61 3 9415 4158 (outside Australia).

This document contains important information and requires your immediate attention. If you are in any doubt as to how to deal with this document, you should consult your legal, financial or other professional adviser immediately. The date of the Offer is 8 August 2018 and the Offer will close at 7.00pm (Sydney time) on 10 September 2018, unless extended or withdrawn.



HopgoodGanim
LAWYERS

Australian Legal Adviser

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IMPORTANT DATES

Announcement Date	31 July 2018
Date of this Bidder's Statement	8 August 2018
Date of Offer (Offer opens)	8 August 2018
Offer closes (unless extended or withdrawn)	7.00pm (Sydney time) on 10 September 2018

These dates may vary as permitted under the Corporations Act.

IMPORTANT NOTICES

Bidder's Statement relating to an offer from Lakes Oil NL ACN 004 247 214, to acquire all of the ordinary shares in Rawson Oil and Gas Limited ACN 082 752 985

This document is the Bidder's Statement given by Lakes Oil under Part 6.5 of Chapter 6 of the Corporations Act and in compliance with the requirements of sections 636 and 637 of the Corporations Act, in relation to the Offer contained in section 8 of this Bidder's Statement.

The document contains the formal terms of the Offer by Lakes Oil and other information relevant to your decision whether to accept the Offer.

Australian Securities and Investments Commission

A copy of this Bidder's Statement was lodged with ASIC on 8 August 2018. Neither ASIC nor any of its officers takes any responsibility for the content of this Bidder's Statement.

Date of the Offer

This Bidder's Statement is dated 8 August 2018. It includes an Offer dated 8 August 2018 (the **Offer Date**) in section 8 of this document.

Investment Decisions

This Bidder's Statement does not take into account the individual investment objectives, financial situation, taxation implications and particular needs of each Rawson Shareholder. You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer for your Rawson Shares.

Privacy

Lakes Oil has obtained your information from the register of Rawson Shareholders for the purpose of making the Offer and, if accepted, administering holdings of Lakes Oil Shares. The Corporations Act requires the names and addresses of Lakes Oil Shareholders to be held in a public register. Your information may be disclosed to Lakes Oil's related bodies corporate and external service providers. It may also be required to be disclosed to regulators such as ASIC. The registered address of Lakes Oil is Level 14, 500 Collins Street Melbourne VIC 3000.

Defined Terms and interpretation

Unless otherwise noted, terms used in this Bidder's Statement and Offer are defined in section 10.1 below. That section also sets out certain rules of interpretation that apply to this Bidder's Statement.

Foreign Shareholders

The distribution of the Bidder's Statement in jurisdictions outside of Australia may be restricted by law, and persons who come into possession of it should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify Lakes Oil or to otherwise permit a public offering of

Lakes Oil Shares outside Australia. It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept the Offer.

You should note that the Offer has been conducted in accordance with the laws enforced in Australia and the ASX Listing Rules. The disclosure requirements in relation to the Offer applicable in Australia may differ from those applying in your jurisdiction. Foreign Shareholders may have difficulties in enforcing their rights and any claims they may have arising under the laws of their jurisdiction. It may also be difficult to compel Lakes Oil to subject itself to a foreign court's judgment.

The securities referred to in this Bidder's Statement have not been and will not be registered under the *US Securities Act of 1933 (Securities Act)*, as amended, or other securities laws of any jurisdiction of the US and therefore may not be offered or sold in the US without registration or an applicable exemption from the registration requirements of the Securities Act. **This Bidder's Statement does not constitute an offer to issue or to sell or the solicitation of any offer to buy any such securities or any securities to be issued in exchange for such securities in any jurisdiction in which the issue of shares under the Offer would be unlawful.**

Foreign Shareholders in New Zealand and Papua New Guinea, whom Lakes Oil has determined are entitled to accept the Offer and receive Lakes Oil Shares, should refer to the specific offering and cautionary language below and in section 9.24.

Warning statement for Rawson Shareholders in New Zealand

This Bidder's Statement is not a New Zealand disclosure document under New Zealand law and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 (or any other relevant New Zealand law). The offer of Lakes Oil Shares under the Offer is being made to existing Rawson Shareholders with registered addresses in New Zealand in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016, and, accordingly, this Bidder's Statement may not contain all the information that a disclosure document is required to contain under New Zealand law.

Warning statement for Rawson Shareholders in Papua New Guinea

This Bidder's Statement may be distributed in Papua New Guinea (**PNG**) only to Rawson Shareholders. This document has not been registered as a prospectus in PNG and no notice of the Offer will be submitted to the Registrar of Companies. No other documents are being lodged with the Registrar of Companies or the PNG Securities Commission in respect of the Offer. Any offer of Lakes Oil Shares is not, and should not be construed as, an offer of securities to the public in PNG.

Forward Looking Statements

This Bidder's Statement includes certain forward looking statements. If such statements relate to future matters, they are subject to inherent risks and uncertainties. These risks and uncertainties include factors and risks specific to the industry in which Lakes Oil and Rawson operates as well as matters such as general economic conditions, many of which are outside the control of Lakes Oil, Rawson and their respective directors. These factors may cause the actual results, performance or achievements of Lakes Oil and Rawson, the merged entity of Lakes Oil and Rawson if the Offer is successful to differ, perhaps materially, from the results, performance or achievements expressed or implied by those forward looking statements. The past performance of Lakes Oil and Rawson is not a guarantee of future performance. None of Lakes Oil, its officers or employees, any persons named in the Bidder's Statement with their consent or any person involved in the preparation of the Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement or any events or results, express or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in the Bidder's Statement reflect view held only as at the date of this Bidder's Statement.

Disclaimer as to Rawson and Merged Group Information

Information in this document about Rawson has been prepared based on publicly available information and certain non-public information provided by Rawson. Lakes Oil has not independently verified such information. Accordingly, subject to the Corporations Act, Lakes Oil does not make any representation or gives any express or implied warranty as to the accuracy or completeness of such information.

Further information relating to Rawson's business may be included in the Target's Statement which Rawson must provide to its shareholders in response to this Bidder's Statement.

The information on the Merged Group contained in this Bidder's Statement, to the extent that it incorporates or reflects information on Rawson, has also been prepared using publically available information and limited information made available to Lakes Oil by Rawson. Accordingly, information in relation to the Merged Group is subject to the foregoing disclaimer to that extent.

Letter from the Chairman

8 August 2018

Dear Rawson Shareholder,

Offer for Shares

We are pleased to enclose an Offer from Lakes Oil NL ACN 004 247 214 to acquire all of your ordinary shares in Rawson Oil and Gas Limited ACN 082 752 985. The Offer is accompanied by information relevant to the bid. Rawson Shareholders will receive fifteen (15) Lakes Oil Shares for every one (1) Rawson Share.

The Offer is subject to a number of conditions which are set out in this document, including Lakes Oil having received valid acceptances for at least 50.1% of Rawson Shares at or before the end of the Offer Period, unless such conditions are waived.

Integration of Rawson into Lakes Oil will deliver a combined exploration portfolio with improved geological and geopolitical diversity and with outstanding potential for exploration success, including through near-term drilling of the Nangwarry-1 well. Integration will also allow synergies to be realised across the companies' respective onshore Otway Basin exploration opportunities and is expected to provide opportunities for costs to be reduced and efficiencies realised.

The Board of Directors of Rawson has expressed its unanimous support for the Offer, in the absence of a Superior Proposal, and intends to accept the Offer in respect of any Rawson shares that the Directors own or control (in the absence of a Superior Proposal).

The Offer values each Rawson Share:

- at \$0.0332184 (based on the 30 day volume weighted average Lakes Oil Share price up to the day prior to the Announcement Date of \$0.00221456); and
- at \$0.0366 (based on the 1 day volume weighted average Lakes Oil Share price of \$0.00244 on the trading day immediately prior to the date of this Bidder's Statement).¹

To ensure Rawson can meet working capital requirements while the Offer proceeds, an interim funding arrangement has been put in place between Lakes Oil and Rawson (subject to a number of conditions and receipt by Rawson of all necessary regulatory waivers, determinations or consents). Under that arrangement Lakes Oil will provide Rawson with access to up to \$750,000 of funds for agreed purposes, including preparations for drilling of the Nangwarry-1 well.

Lakes Oil track record and strategy

Lakes Oil is an ASX listed company engaged in oil and gas exploration in Australia. The Company has tenure to the most prospective of Victoria's onshore petroleum exploration acreage and, since the mid 1980's, has spent around \$100 million on exploration within Victoria. Contingent and prospective resources of gas have been independently certified across Lakes Oil's acreage and the Company is poised to move quickly to commercial production as soon as Victoria's unprecedented onshore exploration restrictions are overturned or renounced.

The Offer is scheduled to close at 7.00pm (Sydney time) on 10 September 2018. To accept the Offer please follow the instructions set out in this document and on the accompanying Acceptance Form.

¹ Data sourced from IRESS, which is not required to consent, and has not consented, to the use of any such references in this Bidder's Statement.

If you have any questions about the Offer, please don't hesitate to contact your broker, or your legal, financial or other professional adviser. You may also call the Lakes Oil information line on 1300 153 346 (within Australia) or +61 3 9415 4158 (outside Australia).

My fellow Directors and I believe that the Offer is in the best interests of both Lakes Oil and Rawson Shareholders.

We look forward to receiving your acceptance and to welcoming you as a Lakes Oil shareholder.

Yours Sincerely,

A handwritten signature in dark ink, appearing to read 'C. Tonkin', followed by a period.

Chris Tonkin
Chairman
Lakes Oil NL

1. Summary of the Offer

This summary of the Offer provides a general overview only and should be read together with the detailed information set out in the remainder of this Bidder's Statement.

What is Lakes Oil offering to buy?	Lakes Oil is offering to buy all of the ordinary shares in Rawson by way of an off-market takeover on the terms and conditions set out in this Bidder's Statement. The Offer relates to all Rawson Shares that exist, or will exist, on the Register Date and to all Rawson Shares issued before the end of the Offer Period as a result of the exercise of any Rawson Options that are on issue at the Register Date. You may only accept this Offer in respect of the Rawson Shares held by you.								
What will you receive if you accept the Offer?	If you accept the Offer, subject to satisfaction of the Conditions to the Offer, for every 1 (one) Rawson Share, you will receive 15 (fifteen) Lakes Oil Shares. The Offer values each Rawson Share:² - at \$0.0332184 (based on the 30 day volume weighted average Lakes Oil Share price up to the day prior to the Announcement Date of \$0.00221456); and - at \$0.0366 (based on the 1 day volume weighted average Lakes Oil Share price of \$0.00244 on the trading day immediately prior to the date of this Bidder's Statement). If you are an Ineligible Foreign Shareholder, you will not be provided Lakes Oil Shares. Instead you will be paid by the Nominee the net proceeds of the sale of the Lakes Oil Shares you would have been entitled to. See section 8.11 for more details.								
Key Dates	<table border="1"> <tr> <td>Announcement Date</td><td>31 July 2018</td></tr> <tr> <td>Date of this Bidder's Statement</td><td>8 August 2018</td></tr> <tr> <td>Date of Offer (Offer opens)</td><td>8 August 2018</td></tr> <tr> <td>Offer scheduled to close (unless extended or withdrawn)</td><td>7.00pm (Sydney time) on 10 September 2018</td></tr> </table>	Announcement Date	31 July 2018	Date of this Bidder's Statement	8 August 2018	Date of Offer (Offer opens)	8 August 2018	Offer scheduled to close (unless extended or withdrawn)	7.00pm (Sydney time) on 10 September 2018
Announcement Date	31 July 2018								
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Date of Offer (Offer opens)	8 August 2018								
Offer scheduled to close (unless extended or withdrawn)	7.00pm (Sydney time) on 10 September 2018								
When will you receive your Lakes Oil Shares?	Subject to the terms of the Offer in section 8, you will be issued your Lakes Oil Shares, following acceptance of the Offer by you (unless you are an Ineligible Foreign Shareholder), by the end of whichever of the following periods ends earlier: (a) one month after the later of your acceptance and the date the Offer becomes unconditional; or (b) 21 days after the end of the Offer Period.								

² Rawson Shareholders are being offered consideration under the Offer that consists of a specified number of Lakes Oil Shares, rather than a number of Lakes Oil Shares with a specified market value. As a result, the value of the consideration will fluctuate depending upon the market value of the Lakes Oil Shares.

	Full details of when Lakes Oil Shares will be issued are set out in section 8. Ineligible Foreign Shareholders will be provided with the net proceeds of sale to which they are entitled under the Offer at a different time.
Will you need to pay brokerage or stamp duty on acceptance?	Brokerage or stamp duty is not payable by you in respect of your acceptance. If your Rawson Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Rawson Shares are registered in the name of a broker, bank custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.
Close of Offer	The Offer is scheduled to close at 7.00pm (Sydney time) on 10 September 2018, unless extended in accordance with the Corporations Act.
Conditions of the Offer	The Offer is subject to a number of Conditions, including as summarised below: • a minimum acceptance condition of 50.1%; • absence of 'prescribed occurrences' in Rawson; • no material adverse change in Rawson; • no order, investigation or application is made which restrains, prohibits or impedes the Offer and the Takeover Bid; • no material acquisitions, disposal or new commitments by Rawson; • no change of control rights; and • no material breach of the Bid Implementation Deed. Terms of the Conditions are set out in full in section 8 of this Bidder's Statement.
What happens if the Conditions of the Offer are not satisfied or waived?	If the Conditions of the Offer are not satisfied or waived by the closing date, the Offer will lapse and your acceptance will be void.
How to accept the Offer	You may only accept the Offer in respect of all (and not part) of your Shares. Issuer Sponsored Shareholders To accept the Offer, please complete, sign and return the enclosed Acceptance Form in accordance with the instructions so that it is received before the end of the Offer Period. A reply paid envelope has been enclosed for shareholders with Australian addresses to return their completed Acceptance Form. Overseas shareholders should return their Acceptance Form by airmail in accordance with instructions on the Acceptance Form. CHESS shareholders If your Rawson Shares are registered in a CHESS Holding (such holdings will be evidenced by an 'X' appearing next to your holder number on the enclosed Acceptance Form), you may accept the Offer by either: • completing and signing the Acceptance Form enclosed with this Bidder's Statement and returning it to the address indicated on the form; or

	instructing your Controlling Participant (normally your broker) to accept the Offer on your behalf, before the Offer closes. Participants If you are a Participant, acceptance of this Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Offer closes. Full details on how to accept the Offer are set out in section 8.5 of this Bidder's Statement.
Can you accept the Offer for part of your Rawson Shares?	No. You cannot accept for part of your Rawson Shares. You can only accept the Offer for ALL of your Rawson Shares.
What if you are an Ineligible Foreign Shareholder?	Ineligible Foreign Shareholders that accept the Offer will not receive Lakes Oil Shares. Rather, the Lakes Oil Shares that Ineligible Foreign Shareholders would have been entitled to receive will be issued to, and sold by, a Nominee and the net proceeds attributable to each Ineligible Foreign Shareholder will be paid to them by cheque in Australian dollars drawn on an Australian bank account. Ineligible Foreign Shareholders should read section 8.11 which provides further information on Ineligible Foreign Shareholders and the Nominee sale process. Lakes Oil's determination of whether a Rawson Shareholder is an Ineligible Foreign Shareholder shall be final.
What happens if you do not accept the Offer?	You will remain a Rawson Shareholder and will not receive the consideration under the Offer. If Lakes Oil becomes entitled to compulsorily acquire your Rawson Shares, it intends to proceed with compulsory acquisition. If your Rawson Shares are compulsorily acquired by Lakes Oil, it will be on the same terms (including the same consideration for each Rawson Share acquired) as the Offer. Refer to sections 6.3 and 6.4 for details regarding Lakes Oil's intentions if Lakes Oil does not become entitled to compulsorily acquire your Rawson Shares.
Enquiries about the Offer	If you have any questions about the Offer or how to accept the Offer, please call the Lakes Oil information line on 1300 153 346 (within Australia) or +61 3 9415 4158 (outside Australia) or consult your legal or other financial or professional adviser. For questions regarding your holding of shares in Rawson, please call Rawson's share registry.
Important Notice	The information is a summary only of Lakes Oil's Offer and is qualified by the detailed information set out elsewhere in this Bidder's Statement. You should read the entire Bidder's Statement and the Target Statement that Rawson will shortly be sending to you, before deciding whether to accept the Offer.

Reasons to ACCEPT THE OFFER

1.	<u>(Unanimous recommendation by Rawson Board)</u> The Rawson Board unanimously recommends that Rawson Shareholders should ACCEPT the Offer in respect of their Rawson Shares (in the absence of a superior proposal).
2.	<u>(Strategic combination and synergies)</u> The combination of Lakes Oil and Rawson is logical, as it will: - provide opportunities for costs to be reduced through synergies and efficiencies (which at this stage have not been quantified); - deliver a combined exploration portfolio with improved geological and geopolitical diversity; and - allow synergies to be realised across the companies' respective onshore Otway Basin exploration opportunities.
3.	<u>(Liquidity)</u> By accepting the Offer, Rawson Shareholders will receive Lakes Oil Shares. Lakes Oil has greater trading liquidity when compared to Rawson, which may provide Rawson Shareholders with an enhanced ability to realise the inherent value in their shareholding through Lakes Oil versus a shareholding in Rawson.
4.	<u>(Exposure to Lakes Oil)</u> Rawson Shareholders will obtain exposure to Lakes Oil's assets (refer section 2.4), while at the same time retaining exposure to Rawson's assets (indirectly through their Lakes Oil shareholding).
5.	<u>(Certain Rawson Shareholders have committed to accept the Offer)</u> Subject to Lakes Oil receiving Offer acceptances described below from the Pre-Bid Shareholders, Lakes Oil only requires acceptances for a further 32.72% of the Rawson Shares for the Offer's 50.1% minimum acceptance condition to be satisfied. Refer to section 9.1 for further information.
6.	<u>(Tax)</u> You may be eligible for tax rollover relief. Refer to section 7 for further information.

**If you wish to accept this Offer you must do so in accordance with section 8.5
by 7.00pm (Sydney time) on 10 September 2018**

2. Information on Lakes Oil

2.1 Who is Lakes Oil?

The Bidder under the Offer is Lakes Oil NL ACN 004 247 214 (**Lakes Oil**).

Lakes Oil is an Australian-based ASX listed company engaged in oil and gas exploration and development onshore in Australia.

Lakes Oil is Australia's oldest operating petroleum exploration company. Lakes Oil was established in 1946, listed on the ASX in April 1955, but delisted in 1959 after being taken over by Woodside (Lakes Entrance) Oil NL, as the latter company acquired a spread of exploration acreage.

Lakes Oil was relisted in 1985 and, since then, has spent around \$100m exploring within both the onshore Gippsland and Otway Basins, easily surpassing the onshore Victorian exploration efforts of any other entity. However, since 2012 Lakes Oil's Victorian exploration efforts have been negligible owing to onshore exploration bans introduced by the Victorian Government.

Lakes Oil has legal action underway against the Victorian Government, the purpose of which is to require the Victorian Government to abide by the state's petroleum legislation and to allow exploration activity to resume. Further details of Lakes Oil's pending litigation are contained in section 2.13.

Lakes Oil's Victorian petroleum exploration acreage is highly prospective with, at the time of introduction of the onshore exploration ban, plans finalised for drilling of wells that Lakes Oil believes will likely achieve commerciality.

Refer to section 9.15 regarding Lakes Oil and its status as a disclosing entity.

2.2 Lakes Oil's Current Capital Structure

Class of Security	Number on issue
Ordinary	28,776,319,346
Options	20,000,000 (exercisable at 0.5 cents each expiring on 8 January 2021)
Performance Rights	752,876,031 (expiring 1 January 2022)

2.3 Substantial holders in Lakes Oil

As at the date of this Bidder's Statement, so far as known to Lakes Oil based on publicly available information, there are no substantial holders of Lakes Oil except as set out below:

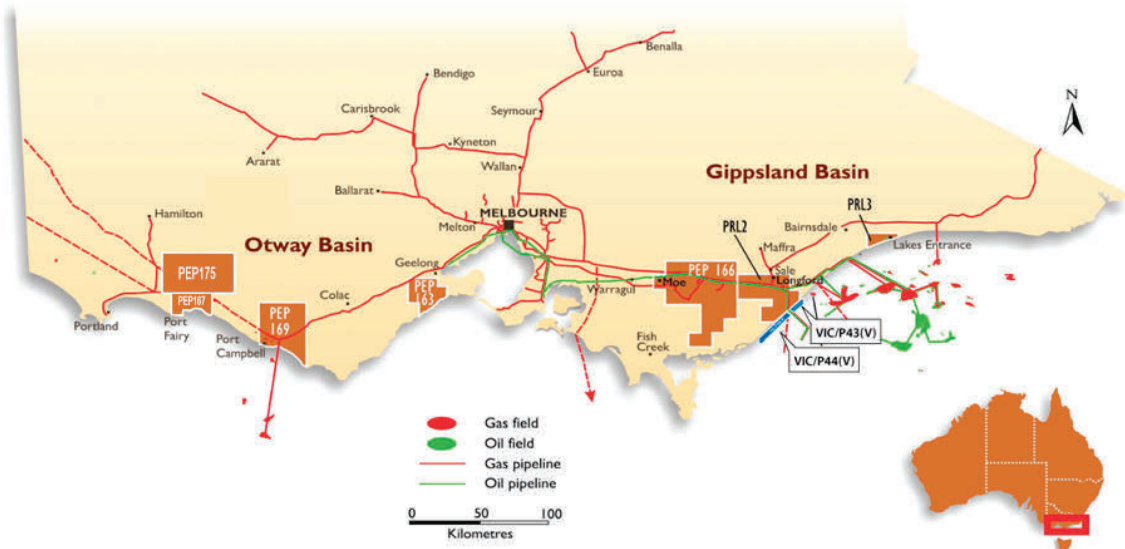
Substantial holder	Number of Lakes Oil Shares held (directly and indirectly)	Voting power
DGR Global Limited	12,509,206,714	43.47%
Dark Horse Resources Limited	9,642,047,344	33.50%
Timeview Enterprises Pty Ltd	3,389,375,000	11.77%
Armour Energy Limited	2,125,000,000	7.38%

2.4 Overview of Lakes Oil's Operations

(a) Victoria

Lakes Oil has tenure to the most prospective of Victoria's onshore petroleum exploration acreage, and is poised to move quickly to commercial production of natural gas for the benefit of Victoria, and south eastern Australia more generally, as soon as the Victorian onshore exploration restrictions are overturned or renounced.

Figure 1: Lakes Oil's Victorian Petroleum Exploration Interests



Petroleum Retention Lease 2 (PRL2):

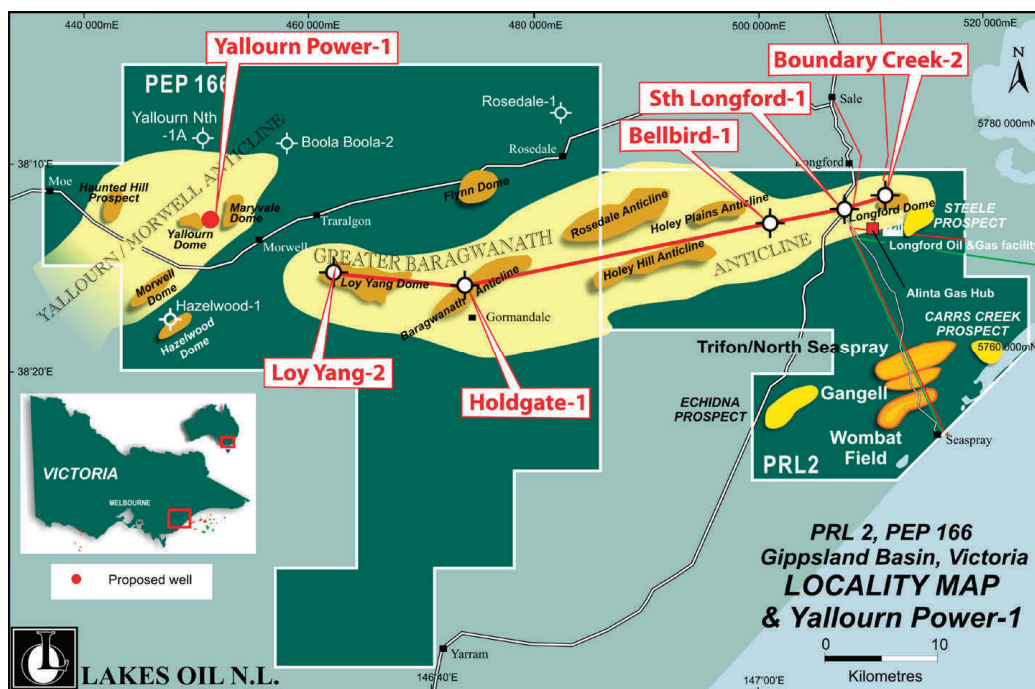
Lakes Oil has a 100% interest in PRL2, with the exception of the Trifon and Gangell blocks where Lakes Oil has a 57.5% interest and Jarden Corporation Australia Pty Ltd has a 42.5% interest.

While exploration activity is not presently possible within PRL2, Lakes Oil has made preparations for and has sought approval to undertake two important developments within PRL2. The first of these is drilling of the Wombat-5 well, a conventional directionally-drilled well that is to target the upper, more permeable section of the massive Strzelecki Formation. Based upon independent modelling Lakes Oil is optimistic that the Wombat-5 well will flow gas at a rate of around 10 TJ/d, rendering both the well and the Wombat gas field commercial.

The independently estimated contingent recoverable gas resource of the Wombat and adjoining Trifon-Gangell gas fields is 329 PJ and 390 PJ respectively, at the 50% probability level.³

³ Source of estimate: Gafney, Cline and Associates, as reproduced on pages 24-25 of "Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL", SRK Consulting (Australasia) Pty Ltd, made public in December 2016. This report is annexed to the ASX release titled "Notice of Annual General Meeting/Proxy Form" released by Lakes Oil on 16 December 2016 and available to view at: <https://www.asx.com.au/asxpdf/20161216/pdf/43dsh08xfplq0.pdf>. Lakes Oil 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.

Figure 2: Location of Wombat and Trifon-Gangell Gas Fields



Given the onshore location of the Wombat gasfield, close to existing gas pipeline infrastructure, Lakes Oil believes that the gasfield could be brought on line quickly (circa 18 months) and at low cost. With a gas production potential of around 20 PJ/a, development of the Wombat gas field could provide quick relief for both the present Victorian gas supply shortfall and the high gas prices that have resulted from it.

Drilling of the Wombat-5 well is a compelling initiative that will be undertaken by Lakes Oil immediately if the Victorian exploration ban is overturned or renounced. The well was first proposed in 2013, at which time all regulatory and access requirements were fully satisfied (as advised in writing by the Victorian Department of Economic Development, Jobs, Transport and Resources).

The second proposed development within PRL2 involves insertion of a pump into the existing Wombat-3 well to test that well's potential for production of oil, evidence of which was seen when the well was drilled. This initiative is also ready for immediate implementation. The well was first proposed in 2013, at which time all regulatory and access requirements were fully satisfied (as advised in writing by the Victorian Department of Economic Development, Jobs, Transport and Resources).

Petroleum Retention Lease 3 (PRL3):

Lakes Oil has a 100% interest in PRL3. No exploration activity is presently planned within PRL3.

Petroleum Exploration Permit 166 (PEP166):

Lakes Oil has a 75% interest in PEP166 with Armour Energy Limited holding the remaining 25% interest. No exploration activity is presently planned within PEP166.

Petroleum Exploration Permit 169 (PEP169):

Lakes Oil has a 49% interest in PEP169 with Armour Energy Limited holding the remaining 51% interest. Operatorship of the permit has been delegated by Armour Energy Limited to Lakes Oil.

- Lakes Oil has plans to drill the Otway-1 well, a conventional, vertical well targeting both the Waarre Sandstone and the Eumeralla Formation. The well will be located about 400 metres from the existing Iona gas storage field and associated facilities, as shown in Figure 3 below. The well was first proposed in 2013, at which time all regulatory and access requirements were fully satisfied (as advised in writing by the Victorian Department of Economic Development, Jobs, Transport and Resources).
- The Waarre Sandstone is very productive, with gas flow rates up to 50 TJ/d having previously been achieved at other nearby locations. The Waarre Sandstone is the basis of historic gas production at the Iona gas field which is now utilised as a gas storage reservoir.
- The Eumeralla Formation is known to contain gas and has previously, at the Skull Creek-1 well location (nearby to Otway-1), flowed gas at a rate of 7.5 TJ/d.

Figure 3: Location of Proposed Otway-1 Gas Well



Lakes Oil will be able to drill the Otway-1 well as soon as requisite approvals are received. Given the wells location, adjacent to existing gas processing facilities, Lakes Oil believes that it can be brought on line immediately to potentially contribute to relieving the present Victorian gas supply shortfall and the consequent high gas prices that are a burden on households and a threat to industry competitiveness.

Petroleum Exploration Permit 163 (PEP 163):

Lakes Oil has a 100% interest in PEP163. No exploration activity is presently planned within PEP163.

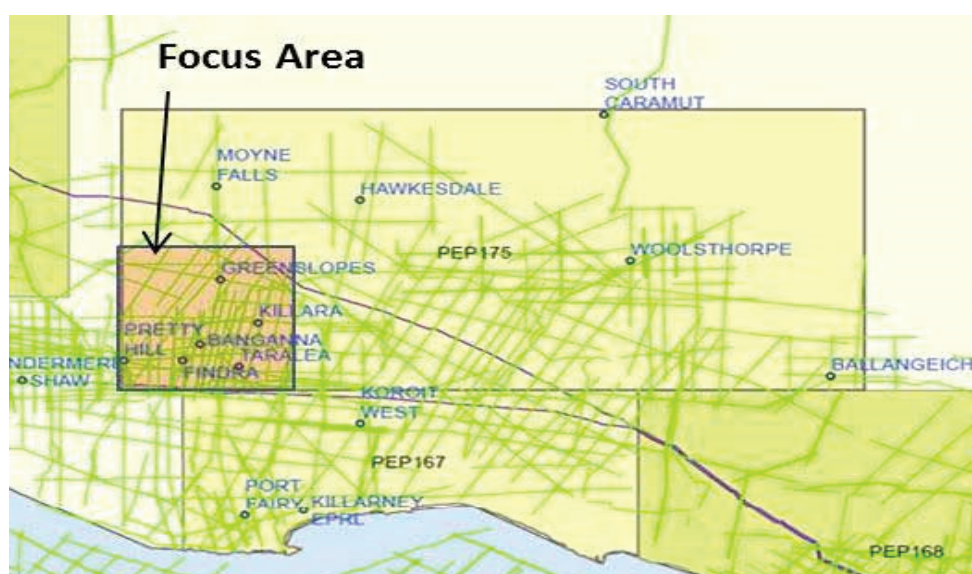
Petroleum Exploration Permits 167 and 175 (PEP167, PEP175):

Lakes Oil has a 100% interest in PEP167 & PEP175, which were acquired in September 2014 and form the basis of the Company's 'Portland Energy Project'. The Portland Energy Project is based upon a 'Focus Area' in the southwestern corner of PEP175, to the north of Port Fairy, selected for investigation in view of the availability of historic seismic and drilling data, and the potential for production of gas by conventional means.

14 wells have been historically drilled without incident in the Focus Area region and, without exception, the Eumeralla Formation was shown to contain gas. Historically, this gas was of no interest since the search at the time was for oil. There was no market for gas, nor was there infrastructure through which it could be delivered. These circumstances have of course now all changed. Pipeline infrastructure is available and the Victorian gas market (indeed the eastern Australian gas market) is desperate for increased supplies of gas to curtail prohibitive gas price increases.

An indication of the significant potential of the Focus Area can be gleaned from work undertaken by SRK Consulting on behalf of Lakes Oil. In May 2015 SRK used available information (essentially historic well logs and seismic data) to estimate the recoverable resources of gas within the Focus Area. SRK concluded (at a 50% probability level) that there may be 8.3 Tcf of gas recoverable from the Eumeralla Formation and 3.2 Tcf recoverable from deeper formations.⁴

Figure 4: Portland Energy Project



With independent expert assistance, Lakes Oil has identified preferred locations for drilling of two proof-of-concept wells, Greenslopes-2 and Portland Energy-1. Both wells are to be conventional wells, drilled to a depth of around 1,500 metres with the specific purpose of demonstrating the conventional gas production potential of the Eumeralla and underlying Crayfish Formations.

⁴ Source of estimate: SRK Consulting (Australasia) Pty Ltd, as reproduced on page 29 of "Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL", SRK Consulting (Australasia) Pty Ltd, made public in December 2016. This report is annexed to the ASX release titled "Notice of Annual General Meeting/Proxy Form" released by Lakes Oil on 16 December 2016 and available to view at: <https://www.asx.com.au/asxpdf/20161216/pdf/43dsh08xfplq0.pdf>. 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.

Petroleum Exploration Permits VIC/P43(V) and VIC/P44(V):

Lakes Oil has a 100% interest in these Gippsland Basin permits, which are located offshore in Victorian waters. Both permits are considered to have potential for production of oil and gas. Airborne gravity data and seismic mapping indicate that offshore structuring within VIC/P43(V) is continuous with that of the Wombat Field, onshore in PRL2.

Lakes Oil has a commitment to carry out seismic work within VIC/P43(V) and VIC/P44(V). Although offshore exploration activity is not prohibited, in the interest of cost management Lakes Oil does not envisage carrying out seismic work until the work can be coordinated with other onshore activities.

(b) Queensland

Petroleum Exploration Permit ATP 1183

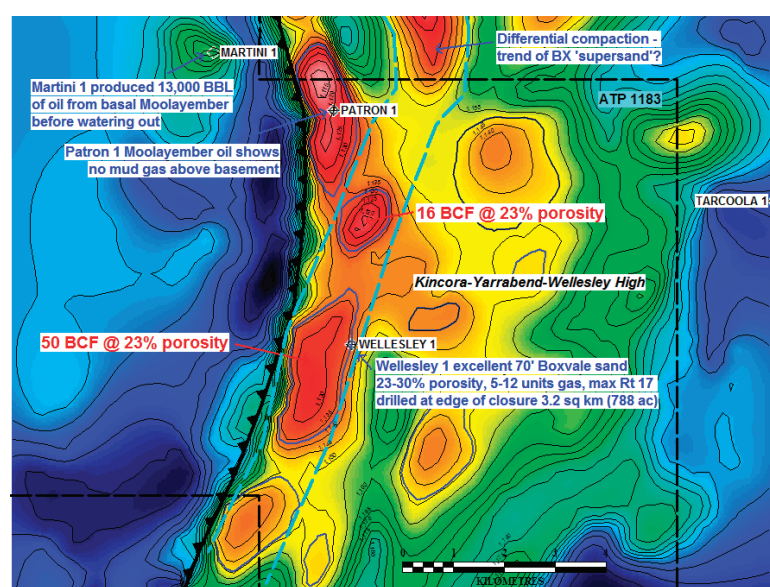
Lakes Oil acquired 100% ownership of Queensland ATP 1183 in January 2017. The tenement is highly prospective for oil, gas and condensate discoveries, and is within close proximity of established production facilities and infrastructure. The tenement area itself surrounds the Riverslea Oil Field and Major Gas/Condensate Field.

Lakes Oil has undertaken extensive review of exploration prospects within the permit area and a number of compelling exploration opportunities, as outlined below, have been identified. Drilling of the prospects will proceed when funding permits.

Wellesley Dome

The Wellesley Dome is a fault bound, three way dip closure approximately 4.4km² in area, lying on the Kincora-Yarrabend-Wellesley High to the south of the productive Kincora Gas Field.

Figure 5: Wellesley Dome



A well (Wellesley-1) drilled by BHP in 1979 intersected in excess of 20 metres of thick clean Boxvale Sand. Although the well had fair gas shows and good porosity (average 28%) it was at the time not considered to be of commercial interest. Apart from the Wellesley-1 well, the extensive Wellesley Dome prospect is underexplored. With modern production techniques and at prevailing gas prices, the Company considers the Wellesley Dome to be a compelling exploration opportunity.

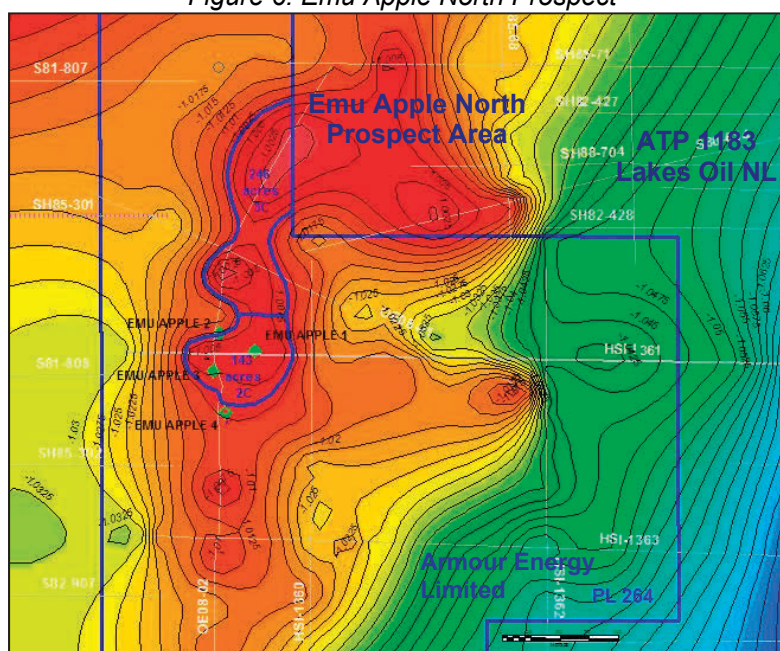
The Company proposes to drill an exploration well 880 metres southwest of Wellesley-1 to a depth of around 1,600 metres.

The Wellesley Dome has a prospective gas resource of 41 BCF.⁵

Emu Apple North

The Emu Apple North prospect comprises the northern extension of the Emu Apple oilfield, an oilfield recently brought back into commercial production by Armour Energy Limited.

Figure 6: Emu Apple North Prospect



The prospect is a broad, low relief, anticlinal structure separated by a small saddle from the main Emu Apple Field. The entire Emu Apple area has been charged with hydrocarbons from Permian source rocks to the southeast.

The Hutton Sandstone and Boxville Sands, both of which are productive in the Emu Apple-3 well, are the main reservoir targets. The reservoir units will be intersected at shallow depths, between approximately 1350 and 1430 metres, which means drilling the Emu Apple North prospect will be low cost. Lakes Oil's proposed well location is readily accessible by existing road infrastructure and is close to Armour's Emu Apple production facilities (meaning any discovery can be quickly developed).

The Emu Apple North prospect covers an area of approximately 382 acres and is estimated to hold up to 3.4 million barrels of oil.⁶

⁵ This is a best estimate prepared on a deterministic basis. It is sourced from page 17 of "Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL", SRK Consulting (Australasia) Pty Ltd, made public in December 2016. This report is annexed to the ASX release titled "Notice of Annual General Meeting/Proxy Form" released by Lakes Oil on 16 December 2016 and available to view at: <https://www.asx.com.au/asxpdf/20161216/pdf/43dsh08xfplq0.pdf>. 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.

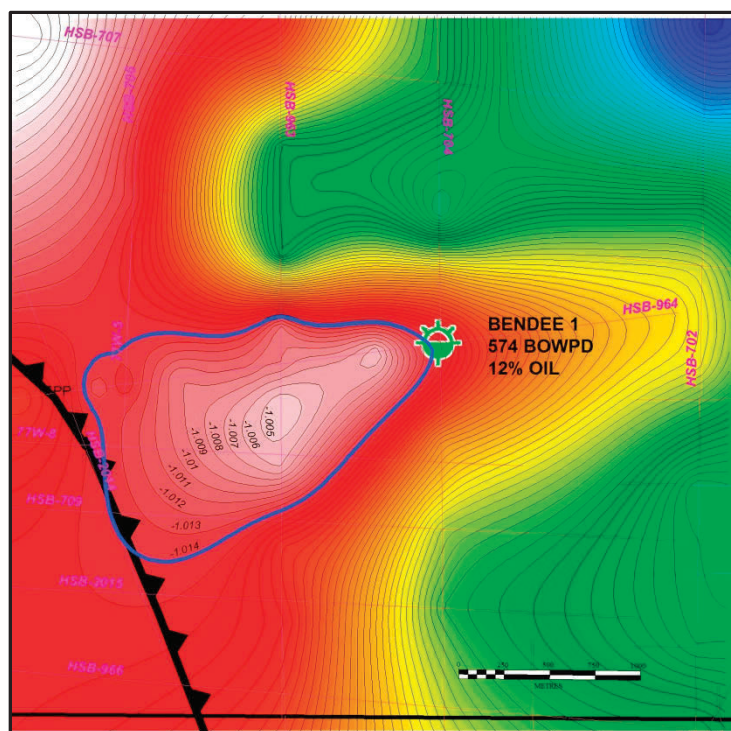
⁶ This is a best estimate prepared on a deterministic basis. It is sourced from page 17 of "Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL", SRK Consulting (Australasia) Pty Ltd, made public in December 2016.

Bendee Prospect

The Bendee Prospect is a four-way dip closure located just to the west of the producing Thomby Creek Oil Field. An historic (Bendee-1) well flowed oil and water to surface, demonstrating that the structure contains oil. However, using currently available data Lakes Oil has identified that the Bendee-1 well was drilled on the edge of closure, at the level of oil water contact. Considerable up-dip potential exists.

The Bendee Prospect covers an area of approximately 2 square kilometres and could contain approximately 1 million barrels of oil.⁷

Figure 7: Bendee Prospect



Major East Lead

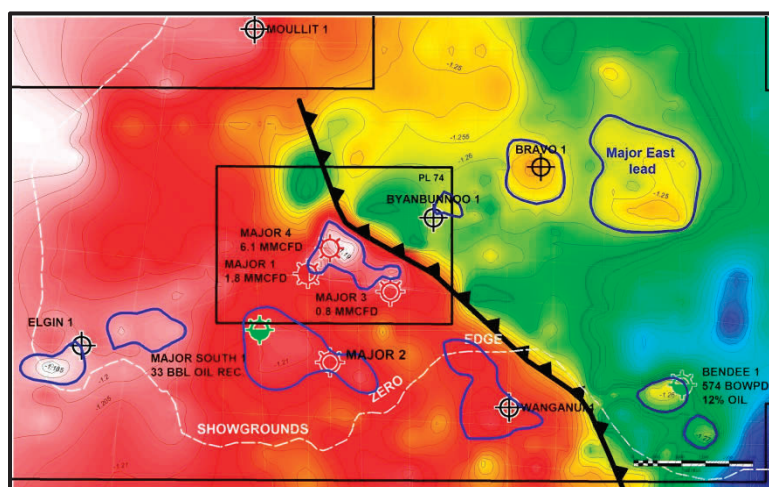
The Major East Lead is four way dip closure approximately 5km² in area, located to the east of the producing Major Gas Field.

This report is annexed to the ASX release titled "Notice of Annual General Meeting/Proxy Form" released by Lakes Oil on 16 December 2016 and available to view at: <https://www.asx.com.au/asxpdf/20161216/pdf/43dsh08xfplq0.pdf>. 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.

⁷ This is a best estimate prepared on a deterministic basis. It is sourced from page 17 of "Independent Specialist Report on the petroleum assets of Navgas Pty Ltd and Lakes Oil NL", SRK Consulting (Australasia) Pty Ltd, made public in December 2016. This report is annexed to the ASX release titled "Notice of Annual General Meeting/Proxy Form" released by Lakes Oil on 16 December 2016 and available to view at: <https://www.asx.com.au/asxpdf/20161216/pdf/43dsh08xfplq0.pdf>. 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).

The Major East Lead has a prospective gas resource of 13.8 BCF.⁸

Figure 8: Major East Lead



Petroleum Exploration Permits ATP 642P and ATP 662P:

Lakes Oil has 100% interest in ATPs 642P and 662P, located on the northern flank of the Cooper and Eromanga Basins, roughly 400 km south of Mt Isa. While these permit areas are relatively underexplored, with limited seismic data and no exploration wells, they are well positioned relative to hydrocarbon migration pathways. Lakes Oil is presently seeking a joint venture partner for pursuit of these opportunities.

(c) South Australia

Pirie Torrens Oil and Gas Project

Lakes Oil acquired 100% ownership of six South Australian Petroleum Exploration Licence Applications (PELAs), covering an area of approximately 53,000 square kilometres, in January 2017.

Petroleum exploration activities in the general area of the South Australian PELAs first commenced in 1956, when Santos was established to drill for oil at Wilkatana. That work, and subsequent drilling by other companies, demonstrated the presence of oil and gas across the area of interest.

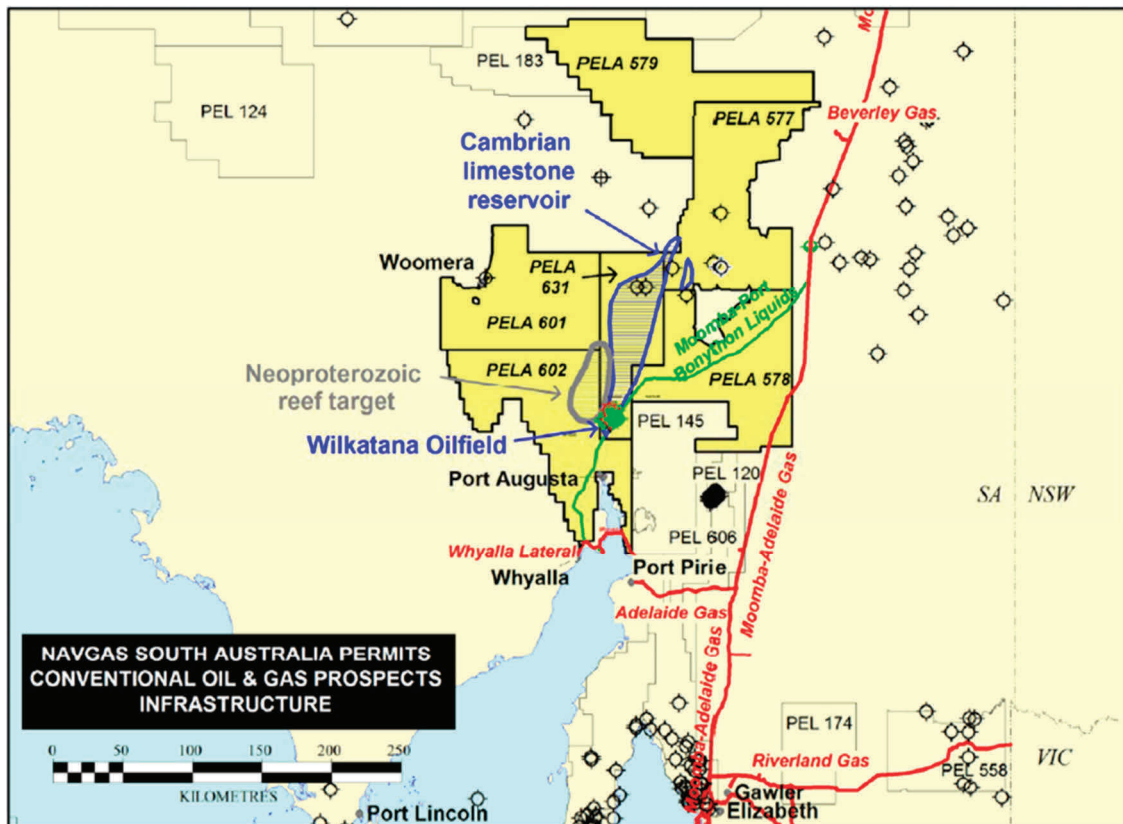
Lakes Oil proposes to review and reprocess historic data, including more recent seismic information gathered by Geoscience Australia, and to investigate potential for drilling of a stratigraphic corehole to further geological knowledge of the basin. Of particular near-term interest to the Company are:

- the potential for oil production to the north of Wilkatana (in an area of closure, associated with the Torrens Hinge Zone, that can be identified on modern seismic data but which has not yet been drilled); and

⁸ This is a best estimate (finalised on 3 February 2015), determined by Mr Peter Bubendorfer, Exploration Adviser to Navgas Pty Ltd, who is an AAPG member, qualified in accordance with the requirements of ASX Listing Rule 5.42, and who consented to the use of the estimate in the form and context in which it appears in the presentation published on the ASX Announcements Platform by Navgas Pty Ltd then owner Dark Horse Resources Limited (known at that time as Navaho Gold Limited) on 4 February 2015. 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.

- the potential for production of gas from the Tindelpina Shale, which has been demonstrated to contain gas but not explored using modern techniques.

Figure 9: South Australian Licence Application Areas



Mingoola Gold Pty Ltd

Lakes Oil has 100% ownership of Mingoola Gold Pty Ltd, which in turn holds a South Australian mineral exploration tenement that overlaps parts of the Company's South Australian Petroleum Exploration Licence Applications. Information from mineral exploration activities may be of material value in assessing the potential of the PELAs.

(d) **United States: Eagle Prospect, Onshore California, USA**

Lakes Oil has a 17.97% interest in the Eagle Prospect, which is operated by Strata-X Inc. Oil was successfully produced from the Mary Bellochi-1 well until mechanical problems led to a loss of production. Drilling of a further well (Shannon-1, adjacent to Mary Bellochi-1) is proposed but not yet confirmed. Lakes Oil is reviewing its ongoing interest and involvement in the Eagle Prospect.

2.5 Directors and Senior Management

Lakes Oil's directors have substantial experience acquiring, financing, building and developing operating mines in Australia and overseas. The following persons are directors of Lakes Oil as at the date of this Bidder's Statement:

Christopher Tonkin BSc (Hons.), BA, MBA, GAICD, CFTP (Snr)
Non-Executive Chairman

Mr Tonkin is a former Managing Director of Arafura Resources Limited (ASX:ARU) 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 then 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.

Mr Tonkin is presently a Director of Arafura Resources Limited

Barney Berold BCom, MBA
Non-Executive Director

Chair of Audit and Remuneration Committees

Mr. Berold is an investment banker previously with a major European based banking group. 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.

Ian Plimer BSc (Hons), PhD, FTSE, FGS, FAusIMM
Non-Executive Director

Member of Audit Committee

Professor Plimer is Emeritus Professor at the University of Melbourne, where he was Professor and Head of the School of Earth Sciences (1991-2005). He was Professor of Geology at the University of Newcastle (1985-1991) and Professor of Mining Geology at the University of Adelaide (2005-2012). He has been awarded the Leopold von Buch Medal for Science, the Centenary Medal, The Eureka Prize (twice) and is Fellow of the Academy of Technological Sciences and Engineering, a fellow of the Geological Society of London and a Fellow of the Australasian Institute of Mining and Metallurgy. Professor Plimer has published more than 130 scientific papers and is author of multiple best-selling books for the general public.

Professor Plimer's other Directorships are Niuminco Group Ltd (ASX:NIU), unlisted Hancock Prospecting Pty Ltd subsidiaries (Roy Hill Holdings Pty Ltd, Hanrine Ecuadorian Exploration and Mining SA, Queensland Coal Investments Pty Ltd) and the Ivanhoe Mines Ltd unlisted subsidiary HPXploration Inc.

Kyle Wightman BComm, MBA, FAICD, CFTP (Snr)
Non-Executive Director

Remuneration Committee Member

Mr Wightman is the Chief Executive Officer of Tait Capital PL where he advises clients on business strategy, major investments and finance. He is an economist, financier and business consultant with over 40 years' experience particularly relating to the feasibility, development and financing of major projects and investments, including Argyle Diamonds, Tarong Coal, Loy Yang Power and Melbourne City Link. He has previously held senior executive roles at PriceWaterhouseCoopers, ANZ Bank, Chase Manhattan Bank (now JP Morgan Chase) and CRA Limited (now Rio Tinto).

Nicholas Mather BSc (Hons. Geology) MAusIIM
Non-Executive Director

Remuneration Committee Member

Mr Mather is currently Managing Director and founder of DGR Global Limited (ASX:DGR), Director (and co-founder) of SolGold Plc (LSE:SOLG) and Executive Chairman (and founder) of Armour Energy Ltd (ASX:AJQ). Mr. Mather has been involved in the junior resource sector at all levels for more than 30 years and was co-founder and a Non-Executive Director of Bow Energy Ltd until it was acquired by Arrow Energy NL for \$530 million in December 2011. Mr Mather was also co-founder and served as an Executive Director of Arrow Energy NL until 2004. Arrow Energy NL was acquired by Royal Dutch Shell Plc and the PetroChina Group, for a value of approximately \$3.5 billion in 2010. Mr Mather was also Chairman of Waratah Coal Inc. before its \$130 million takeover by Clive Palmer's Mineralogy Ltd in 2009.

Other Directorships presently held by Mr Mather are AusTin Mining Ltd (ASX: ANW), Dark Horse Resources (ASX: DHR) and IronRidge Resources Limited (AIM:IRR).

William Stubbs LLB
Non-Executive Director

Member of Audit Committee

Mr Stubbs is a lawyer of 40 years' experience, having practiced in the area of commercial law including stock exchange listings and all areas of mining law. Mr Stubbs has been a Director of various public companies over the past 27 years in the mineral exploration and biotech fields. He is the former Chairman of Alchemia Limited, Stradbroke Ferries Limited and Bemax Resources Limited which discovered and developed extensive mineral sands resources in the Murray Basin. He was the founding Chairman of Arrow Energy NL. Mr. Stubbs currently acts as the Non-Executive Chairman of DGR Global Limited (ASX:DGR). He also serves as a Non-Executive Director of Armour Energy Ltd (ASX:AJQ).

2.6 Key Management

Roland Sleeman B.Eng (Mech), MBA
Chief Executive Officer

Mr Sleeman has 34 years' experience in oil and gas as well as utilities and infrastructure. Mr Sleeman has served senior management roles, 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 public and private sectors.

Mr Sleeman is a Director of Armour Energy Ltd (ASX:AJQ) and is a Member of the Rule Change Panel (Western Australia).

Melanie Leydin
Company Secretary

Ms Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law, is a member of the Institute of Chartered Accountants and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and, since February 2000, has been the principal of chartered accounting firm, Leydin Freyer.

Leydin Freyer provides outsourced company secretarial and accounting services to public and private companies, specialising in the resources, technology, bioscience and biotechnology sectors.

Melanie has over 23 years' experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of companies and shareholder relations.

2.7 Capital Raising

As per the announcement made on the Announcement Date, Lakes Oil may undertake a capital raising to raise approximately between \$8.5 million and \$10 million (before costs) in the near term (**Capital Raising**).

While the details including the size and structure have not yet been finalised, it is currently envisaged that the Capital Raising may be by way of a non-renounceable entitlement issue (which may contain an element of underwriting and a shortfall facility). The issue price of new shares issued under the entitlement offer will be determined with regard to the then prevailing price of Lakes Oil shares.

As an example, at an issue price of \$0.0030 (0.30 cent) per Lakes Oil Share, a 1 new share for every 8 Lakes Oil Shares entitlement issue would raise approximately \$10.8 million, and at an issue price of \$0.0025 (0.25 cent) per share, a 1 for 7 entitlement issue would raise around \$10.3 million (in each case, assuming full subscription).

Rawson shareholders should be aware that in circumstances where they do not hold Lakes Oil Shares as at the relevant "record date" set under the entitlement offer, they will not be eligible to participate in that entitlement offer (and accordingly in that situation would be diluted by the capital raising). Lakes Oil expects that new shares issued in respect of the capital raising would not exceed 13.5% of Lakes Oil shares on issue after completion of the takeover of Rawson.

The Offer is not conditional upon the Capital Raising.

The effect of the capital raising on the capital structure of the Company, assuming that it occurs by way of an entitlement offer at a ratio of 1 new share for every 8 Lakes Oil Shares held, the Shares issued pursuant to the Offer are not issued prior to the relevant record date of the entitlement offer and that the entitlement offer is fully subscribed, is set out below:

	Number
Lakes Oil Shares on issue as at date of Bidder's Statement	28,776,319,346
Lakes Oil Shares offered pursuant to a 1 for 8 entitlement offer	3,597,039,918
Total Lakes Oil Shares on issue after completion of the entitlement offer	32,373,359,264
Lakes Oil Shares issued to Rawson Shareholders (assuming 100% acceptance and no options exercised)	1,691,313,330
Lakes Oil Shares following Offer and entitlement offer	34,064,672,594

2.8 Financial Information on the Lakes Oil Group

(a) Basis of presentation of historical financial information

The historical financial information below relates to the Lakes Oil Group on a stand-alone basis and accordingly does not reflect any impact of the Offer. It is a summary only and the full financial accounts for the Lakes Oil Group for the financial periods described below, which include the notes to the accounts, can be found in the Lakes Oil annual reports for those periods.

(b) Historical financial information of the Lakes Oil Group

(1) Statement of financial position

The summarised historical statement of financial position of the Lakes Oil Group as at 31 December 2017 and 31 December 2016 set out below has been extracted from the reviewed consolidated statement of financial position of the Lakes Oil Group as at 31 December 2017, being the last available balance date prior to the date of this Bidder's Statement.

Table 1: Consolidated Statement of Financial Position

	Consolidated 31 December 2017 \$	31 December 2016 \$
Assets		
Current assets		
Cash and cash equivalents	3,504,692	543,263
Trade and other receivables	144,161	111,673
Other financial assets	63,135	400,919
Other current assets	118,658	85,453
Total current assets	3,830,646	1,141,308
Non-current assets		
Investments	-	400,000
Receivables	12,000	-
Property plant and equipment	1,318,680	1,826,666
Exploration and evaluation	11,194,795	1,330,889
Total non-current assets	12,525,475	3,557,555
Total assets	16,356,121	4,698,863
Liabilities		
Current liabilities		
Trade and other payables	837,835	921,633
Converting notes	62,908	289,397
Borrowings	1,000,000	-
Provisions	108,153	159,577
Total current liabilities	2,008,896	1,370,607
Non-current liabilities		
Interest payable on convertible notes	-	51,887
Borrowings	-	1,000,000
Provisions	300,000	307,447
Total non-current liabilities	300,000	1,359,334
Total liabilities	2,308,896	2,729,941
Net assets	14,047,225	1,968,922
Equity		
Share capital - ordinary shares and converting notes	126,968,169	112,002,210
Reserves	25,740	40,590
Accumulated losses	(112,946,684)	(110,073,878)
Total equity	14,047,225	1,968,922

(2) Statement of financial performance

The summarised historical statement of financial performance of the Lakes Oil Group for the half-year periods ended 31 December 2017 and 31 December 2016 shown below has been extracted from the reviewed consolidated statement of financial performance for the year ended 31 December 2017.

Table 2: Consolidated Statement of Financial Performance

	Consolidated	
	31 December 2017	31 December 2016
	\$	\$
Revenue		
Interest income	7,048	8,500
Other income	5,500	8,500
Fair value gains on financial assets through profit or loss	-	41,375
	<u>12,548</u>	<u>58,375</u>
Expenses		
Employee benefits expense	(200,843)	(339,915)
Depreciation expenses	(10,487)	(13,542)
Loss on disposal of assets	-	(231,002)
Impairment loss on exploration and evaluation assets	(98,598)	(3,980,582)
Accounting and audit expenses	(31,623)	(91,183)
Administrative expenses	(557,144)	(719,069)
Consulting expenses	(52,025)	(166,725)
Finance costs	(65,858)	(202,401)
Marketing and promotion expenses	(21,900)	(26,024)
Rent and occupancy expenses	(95,523)	(128,028)
	<u>(1,121,453)</u>	<u>(5,840,096)</u>
Loss before income tax expense		
Income tax expense	-	-
	<u>(1,121,453)</u>	<u>(5,840,096)</u>
Loss after income tax expense for the period attributable to the owners of Lakes Oil NL		
	<u>(1,121,453)</u>	<u>(5,840,096)</u>
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period attributable to the owners of Lakes Oil NL	<u>(1,121,453)</u>	<u>(5,840,096)</u>

2.9 Lakes Oil ASX Announcements

A list of announcements made between 30 June 2017 and the date of this Bidder's Statement are set out in Annexure A. This information may be relevant to your assessment of the Offer. Copies of the announcements are also available from ASX www.asx.com.au (ASX:LKO).

2.10 Stock Market Trading

The consideration to be offered in exchange for shares in Rawson consists of fully paid ordinary shares in Lakes Oil. Shares of the same class are traded on the ASX (ASX:LKO).

2.11 Share price performance of Lakes Oil

30 day volume weighted average Lakes Oil Share price up to the day prior to the Announcement Date	\$0.00221456
Closing price on Tuesday 7 August 2018	\$0.002
52 week high	\$0.004
52 week low	\$0.001

Rawson Shareholders are being offered consideration under the Offer that consists of a specified number of Lakes Oil Shares, rather than a number of Lakes Oil Shares with a specified market value. As a result, the value of the consideration offered will fluctuate depending upon the market value of the Lakes Oil Shares.

2.12 Rights of Lakes Oil's Shares

The rights attaching to Lakes Oil shares are governed by the Constitution of Lakes Oil, a copy of which may be inspected at Lakes Oil's registered office (details of which are set out in the Corporate Directory).

Set out in section 9.4 of this document is a summary of the principal rights attaching to the Lakes Oil Shares offered as consideration.

2.13 Pending Litigation

The Victorian Government first introduced a moratorium on fracking in 2012, while information regarding potential risks posed by the practice was reviewed. A Gas Market Taskforce, established to undertake the review, reported to Government in November 2013, recommending that the hold on fracking be lifted. Despite this finding, the Government not only extended the fracking moratorium but introduced a total ban on all onshore petroleum exploration activity.

Subsequently in August 2016, after receiving further inconclusive advice from a Cross Party Upper House Committee that investigated only unconventional exploration, the Victorian Government announced a permanent ban on fracking and an extension of the overall exploration ban.

On 27 October 2016 Lakes Oil commenced legal proceedings against the Victorian Government. The proceedings at that time sought Judicial Review of the Minister's decisions to refuse to consider Lakes Oil's applications to conduct petroleum exploration operations.

In November 2016 the Victorian Government introduced to Parliament a Bill to amend the Petroleum Act 1998, to give the Government the power to prohibit petroleum exploration activities. Lakes Oil elected to put Judicial Review related work on hold and, on 6 December 2016, initiated Derogation from Grant proceedings in the Supreme Court of Victoria. The Derogation from Grant proceedings were based upon an old legal principle that a party should not be able to give something with one hand whilst taking away the means of enjoying it with the other. Damages of \$2.7 billion (including \$92 million of past expenditure and \$2.6 billion of lost future earnings) were claimed.

The Judicial Review and the Derogation from Grant proceedings were combined into one proceeding in February 2017.

The amendments to the Petroleum Act 1998 became law on 16 March 2017. The Victorian Government then sought to rely upon the Petroleum Act 1998, as amended, in its defence against Lakes Oil's legal proceedings. The Victorian Government sought to have Lakes Oil's legal proceedings summarily dismissed. In response, Lakes Oil filed a Further Amended Statement of Claim that, among other things, pointed out that the Petroleum Act 1998, as amended, specifically provides that pre-existing exploration obligations and commitments are not subject to the exploration moratorium.

In view of Lakes Oil's assertion, on 13 July 2017 the Victorian Government withdrew its application for summary dismissal of Lakes Oil's proceedings. Shortly after, on 30 August 2017, the Victorian Department of Economic Development, Jobs, Transport and Resources (Department), which has responsibility for oversight of the Petroleum Act 1998, wrote to Lakes Oil advising that it proposed to make changes to the conditions of Lakes Oil's authorities.

Although Lakes Oil advised the Department that its proposed changes were, in Lakes Oil's view, for an improper purpose (to circumvent legislation) and were therefore illegal, in November 2017 the Department again sought to unilaterally vary the conditions of Lakes Oil's authorities. This further attempt was addressed by Lakes Oil in a Second Further Amended Statement of Claim, lodged with the Victorian Supreme Court on 14 February 2018.

The legal proceedings were heard in the Victorian Supreme Court on 14-15 March 2018 before Justice Macaulay. Lakes Oil was represented by Alan Sullivan, QC. Justice Macaulay reserved his decision, which is now awaited.

Lakes Oil currently considers that the possible outcomes from the legal proceedings are:

- (a) a decision in Lakes Oil's favour, in which case the Victorian Government will have to abide by the state's petroleum legislation and allow Lakes Oil to undertake petroleum exploration operations. Alternatively, the Government could elect to appeal the decision; or
- (b) a decision in the Victorian Government's favour, in which case, it would be Lakes Oil's current intention to appeal such a decision.

Lakes Oil remains confident of success in the legal proceedings.

Refer to section 5.2(a) and (b) for further information.

2.14 Further information on Lakes Oil

Further information about Lakes Oil can be found on the ASX website (www.asx.com.au, ASX:LKO), or alternatively Lakes Oil's website (<http://www.lakesoil.net.au>).

3. Information on Rawson

3.1 Disclaimer

The following information in this document about Rawson has been prepared based on publicly available information and certain non-public information provided by Rawson. Accordingly, Lakes Oil does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information and such information has not been independently verified.

The information on Rawson in this Bidder's Statement should not be considered comprehensive. Certain information and risks in relation to Rawson may exist in relation to which Lakes Oil is unaware.

Lakes Oil and its directors make no representation about the accuracy or otherwise of information published by Rawson (including but not limited to resource and reserve statements).

In addition, the Corporations Act requires the directors of Rawson to provide a Target's Statement to Rawson Shareholders in response to this Bidder's Statement setting out certain material information concerning Rawson.

3.2 Overview of Rawson

Rawson Oil and Gas Limited is an Australian-listed company focused on building a high impact oil and gas portfolio in Papua New Guinea while continuing to commercialise its existing assets in the Otway Basin in South Australia.

The Rawson exploration strategy is focused on highly prospective, under-explored regions of Papua New Guinea paired with proven drill ready prospects that can be commercialised quickly in South Australia.

Rawson's PNG portfolio includes two licences along the North Coast of Papua New Guinea, in the North New Guinea and Cape Vogel basins.

In the Otway Basin, South Australia, Rawson holds two onshore licences, targeting conventional gas prospects, located close to infrastructure, with multiple gas-sales options available in a discovery case.

Rawson listed on the ASX in 2005.

3.3 Exploration Licences and Petroleum Prospecting Licences

PEL 155 – Onshore Otway Basin South Australia

Rawson is the Operator of PEL 155 in a joint venture with Vintage Energy 50:50. The licence contains the Nangwarry prospect, which is adjacent to existing gas infrastructure and is the target of the proposed Nangwarry-1 well.

The PEL 155 joint venture was awarded A\$4.95 million from the South Australia Government PACE Gas Grant Program to contribute to the drilling of Nangwarry-1, with remaining costs to be shared across the joint venture. Currently the local South East region is supplied by high-price gas via the SEAGas, SESA and SPES pipeline network.

The conventional Nangwarry-1 well is targeting the top Pretty Hill and deeper Sawpit Sandstone reservoirs in a tilted fault block structure within the proven Penola Trough, adjacent to the Katnook gas fields.

PEL 154 – Onshore Otway Basin South Australia

Rawson is Operator and has a 100% interest in PEL 154. Mapped prospects in PEL 154 are targeting conventional Waarre and Flaxman sands. These sands are the prolific hydrocarbon sands of the Port Campbell embayment in the offshore Victorian Otway Basin. PEL 154 provides a variety of other play types with the St Clair Trough and Geltwood Beach areas.

PPL 560 – Cape Vogel Basin - Papua New Guinea

Rawson (Operator) has a 60% interest in PPL 560, Cape Vogel Basin, Papua New Guinea. The PNG Minister for Petroleum has given notice of cancellation of PPL 560. Rawson is disputing the validity of the Minister's notice.⁹

PPL 549 - Aitape Basin - Papua New Guinea

Rawson (Operator) has a 60% interest in PPL 549, North New Guinea Basin, Papua New Guinea.

3.4 Petroleum Prospecting Applications

Rawson has made exploration licence applications in Papua New Guinea for APPL 550, APPL 594, APPL 622 and APPL 633.

3.5 Rawson Directors

Mr Allister Richardson *B.Sc. M.Sc., MBA* Executive Chairman

Allister Richardson is a geophysicist with over 20 years of experience in the oil and gas industry. He has worked extensively in PNG, North Africa and the Middle East and more recently in Australia and New Zealand. Mr. Richardson has also held senior positions providing strategic input to several small oil and gas companies. He has also held a variety of senior technical and management roles at Oil Search Ltd. which included leading the unconventional exploration within PNG and as Exploration Manager of the company's Tunisian assets.

Mr Richard Ash *BEC CA* Director

25 Richard is a chartered accountant and has a Bachelor of Economics degree with more than 25 years of experience in funds management and finance in Australia and Asia. Prior to forming AAP Capital, Richard was a Managing Director, Head of Asset Finance for Developed Asia and a member of the Australian executive team for Nomura Australia. Richard has also worked at Westpac, Macquarie Bank and KPMG.

Mr Michael McGowan *B.Sc. Engineering* Director

Michael has over 25 years of experience in the oil and gas industry doing business in many countries and different operating environments. In that time he has built strong working relationships with key personnel in various governments, operating companies, financial institutions and commodity trading companies. His current positions include non executive director of Harnser Group Limited, a security risk advisor to energy and transport companies and principal of Arran Energy Pty Ltd, an advisor to oil and gas industry clients particularly in PNG. Previously, Michael was the President and Chief Operating Officer of Eaglewood Energy Inc and was the PNG Drilling Manager for Oil Search, playing an important role in Oil Search becoming a leading oil and gas producer in PNG.

⁹ Source: Rawson ASX Announcement 'Response to Notice of Cancellation PPL560' released 10 May 2018.

3.6 Rawson securities on issue

Class of Security	Number on issue
Ordinary	112,754,222
Options	7,500,000 (exercise price \$0.045, expiry 1 December 2018)
Options	400,000 (exercise price \$0.045, expiry 5 November 2018)
Options	5,000,000 (exercise price \$0.10, expiry 1 December 2019)
Options	400,000 (exercise price \$0.045, expiry 5 November 2018)

On 31 July 2018, Rawson exercised the Dondonald Option. The number of ordinary Rawson Shares represented above is inclusive of the Dondonald Shares.

The Offer extends to Rawson Shares that are issued on exercise of Rawson Options during the period from the Register Date to the end of the Offer Period.

3.7 Financial information on the Rawson Group

(a) Basis of presentation of historical financial information

The historical financial information below relates to the Rawson Group on a stand-alone basis and accordingly does not reflect any impact of the Offer. It is a summary only and the full financial accounts for the Rawson Group for the financial periods described below, which include the notes to the accounts, can be found in Rawson annual reports for those periods.

(b) Historical financial information of the Rawson Group

(1) Statement of financial position

The summarised historical statement of financial position of the Rawson Group as at 31 December 2017 and 31 December 2016 set out below has been extracted from the reviewed consolidated statement of financial position of the Rawson Group as at 31 December 2017, being the last balance date prior to the date of this Bidder's Statement.

Table 3: Consolidated Statement of Financial Position

	31 December 2017	31 December 2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	455,820	161,293
Receivables	13,395	15,828
Financial instruments	<u>222,705</u>	<u>234,049</u>
TOTAL CURRENT ASSETS	<u>691,920</u>	<u>411,170</u>
NON-CURRENT ASSETS		
Exploration assets	2,518,832	2,976,648
Gas assets	-	249,624
Plant and equipment	7,453	8,806
Other	<u>2,736</u>	<u>3,744</u>
TOTAL NON-CURRENT ASSETS	<u>2,529,021</u>	<u>3,238,822</u>
TOTAL ASSETS	<u>3,220,941</u>	<u>3,649,992</u>
CURRENT LIABILITIES		
Trade and other payables	61,222	119,254
Other Liabilities	<u>661,818</u>	<u>419,756</u>
TOTAL CURRENT LIABILITIES	<u>723,040</u>	<u>539,010</u>
NON CURRENT LIABILITIES		
Provision	<u>250,000</u>	<u>250,000</u>
TOTAL LIABILITIES	<u>973,040</u>	<u>789,010</u>
NET ASSETS	<u>2,247,901</u>	<u>2,860,982</u>
EQUITY		
Share capital	10,397,187	10,397,931
Non-Controlling Interests	(28,632)	8,184
Reserves	692,792	615,229
Accumulated losses	<u>(8,813,446)</u>	<u>(8,160,362)</u>
TOTAL EQUITY	<u>2,247,901</u>	<u>2,860,982</u>

(2) Statement of financial performance

The summarised historical statement of financial performance of the Rawson Group for the periods ended 31 December 2017 and 31 December 2016 shown below has been extracted from the audited consolidated statement of financial performance for the year ended 31 December 2017.

Table 4: Consolidated Statement of Financial Performance

	2017	2016
	\$	\$
Sale of gas and liquids	-	65,746
Interest received	1,692	3,356
	<u>1,692</u>	<u>69,102</u>
Expenses		
Administration expenses	(178,405)	(174,752)
Depletion expense	-	(40,385)
Directors' remuneration expense	(48,000)	(76,202)
Exploration expenditure written off	(76,563)	(12,339)
Foreign exchange gain (loss)	(1,462)	6,788
Cost of buy back agreement with SSA	<u>(250,020)</u>	<u>-</u>
	<u>(554,450)</u>	<u>(296,890)</u>
Loss before income tax	(552,758)	(227,788)
Income tax expense / benefit	-	-
Loss attributable to Group	<u>(552,758)</u>	<u>(227,788)</u>
Other comprehensive income		
Foreign currency translation (loss) gain	(3,434)	(5,023)
	<u>(3,434)</u>	<u>(5,023)</u>
Total comprehensive income attributable to owners of the pany	<u>(556,192)</u>	<u>(234,341)</u>
Loss for the half year attributed to:		
Non-controlling interest	(3,958)	(1,530)
Members of the parent	<u>(548,800)</u>	<u>(226,258)</u>
	<u>(552,758)</u>	<u>(227,788)</u>

3.8 Important note on sources of information

Lakes Oil has relied on the information in the Rawson 2017 Annual Report and Half Yearly Report and Accounts to prepare the financial information for Rawson contained in this Bidder's Statement.

Lakes Oil has also relied on information on Rawson's web-site (www.rawsonresources.com.au) and in other public documents lodged with ASIC. Refer also to Section 3.1 above.

Lakes Oil does not, except as required by law, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

3.9 Further information on Rawson

Further information about Rawson can be found on Rawson's website at <http://www.rawsonresources.com.au>.

4. Information on the Merged Group

4.1 Introduction

The profile of the Merged Group will vary depending on the outcome of the Offer. Unless otherwise indicated, the description of the Merged Group in this section 4 assumes that Rawson is a wholly-owned subsidiary of Lakes Oil. If this is not the case, some of the benefits that would otherwise accrue to Lakes Oil if Rawson were to become a wholly owned subsidiary of Lakes Oil may not be fully realised.

4.2 Profile of the Merged Group

Following the completion of the Offer, the Merged Group will have an expanded portfolio of diversified growth opportunities, across various stages of exploration.

4.3 Pro-forma consolidated financial statements of the Merged Group

This section 4.3 provides an overview of the unaudited pro forma balance sheet of Lakes Oil as at 31 December 2017 to show the effect of 100% ownership of Rawson by Lakes Oil. For the purposes of this statement, the acquisition of the relevant ownership interest in Rawson is assumed to be immediate and not staged.

The fair value of the consideration for Rawson has been calculated using Lakes Oil's VWAP on the ASX of \$0.002 being the 30-day VWAP as at 31 July 2018. The Offer consideration is subject to change as the price of Lakes Oil Shares changes between the Announcement Date and the expiration of the Offer Period.

The net assets of Lakes Oil are estimated to increase by \$3,358,596 post acquisition (based off the following notes to the pro-forma balance sheet).

(a) Basis of presentation of pro forma financial information

The reviewed balance sheet of Lakes Oil as at 31 December 2017.

The reviewed balance sheet of Rawson as at 31 December 2017.

Acquisition accounting based on the terms of the Offer set out in section 8.

Accounting policies and matters of significant judgement based on publicly available information.

(b) Pro forma consolidated statement of financial position and statement of consolidated profit or loss and other comprehensive income of the Merged Group (assuming 100% of Rawson Shares are acquired)

LAKES OIL NL/RAWSON RESOURCES LIMITED
PROFORMA BALANCE SHEET
Acquisition of 100% of RAW Share Capital

	LKO		RAW		Merged
	Reviewed	Subsequent	Reviewed	Pro-forma	Un-audited
	as at	events	as at	adjustments	Pro-form
	31/12/17		31/12/17		financials
	\$	\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	3,504,691	1,500	455,820	-	3,962,011
Trade and other receivables	144,463	-	13,395	-	157,858
Other financial assets	63,135	-	222,705	-	285,840
Other current assets	118,658	-	-	-	118,658
TOTAL CURRENT ASSETS	3,830,947	1,500	691,920	-	4,524,367
NON-CURRENT ASSETS					
Receivables	12,000	-	2,736	-	14,736
Property, plant and equipment	1,318,678	-	7,453	-	1,326,131
Evaluation and exploration costs	11,194,794	-	2,518,832	1,110,695	14,824,321
TOTAL NON-CURRENT ASSETS	12,525,472	-	2,529,021	1,110,695	16,165,189
TOTAL ASSETS	16,356,419	1,500	3,220,941	1,110,695	20,689,555
CURRENT LIABILITIES					
Trade and other payables	838,134	-	61,222	-	899,356
Converting notes	62,908	-	-	-	62,908
Borrow ings	1,000,000	-	-	-	1,000,000
Redemption liability	-	-	661,818	-	661,818
Provisions	108,153	-	-	-	108,153
TOTAL CURRENT LIABILITIES	2,009,195	-	723,040	-	2,732,235
NON-CURRENT LIABILITIES					
Provisions	300,000	-	250,000	-	550,000
TOTAL NON-CURRENT LIABILITIES	300,000	-	250,000	-	550,000
TOTAL LIABILITIES	2,309,195	-	973,040	-	3,282,235
NET ASSETS	14,047,225	1,500	2,247,901	1,110,695	17,407,321
EQUITY					
Issued Capital	126,968,169	76,182	10,397,187	(7,014,560)	130,426,977
Non-Controlling Interest	-	-	(28,632)	-	(28,632)
Reserves	25,740	-	692,792	(688,191)	30,341
Retained Earnings	(111,825,230)	-	(8,264,646)	8,264,646	(111,825,230)
Current Earnings	(1,121,454)	(74,682)	(548,800)	548,800	(1,196,136)
TOTAL EQUITY	14,047,225	1,500	2,247,901	1,110,695	17,407,321

LAKES OIL NL/RAWSON RESOURCES LIMITED
PROFORMA PROFIT AND LOSS
Acquisition of 100% of RAW Share Capital

	LKO		RAW		Merged
	Reviewed	Subsequent	Reviewed	Pro-forma	Un-audited
	as at	events*	as at	adjustments	Pro-form
	31/12/17	events*	31/12/17		financials
	\$	\$	\$	\$	\$
Income					
Interest received	7,048	-	1,692	(1,692)	7,048
Other Income	5,500	-	-	-	5,500
Expenditure					
Employee benefits expense	(200,843)	(74,682)	(48,000)	48,000	(275,525)
Depreciation expenses	(10,487)	-	-	-	(10,487)
Cost of buy back with SSA	-	-	(250,020)	250,020	-
Impairment loss on exploration and evaluation assets	(98,598)	-	(76,563)	76,563	(98,598)
Accounting and audit expenses	(31,623)	-	-	-	(31,623)
Administrative expenses	(557,144)	-	(179,867)	179,867	(557,144)
Consulting expenses	(52,025)	-	-	-	(52,025)
Finance costs	(65,858)	-	-	-	(65,858)
Marketing and promotion expenses	(21,900)	-	-	-	(21,900)
Rent and occupancy expenses	(95,523)	-	-	-	(95,523)
Non-controlling Interest in Loss	-	-	3,958	(3,958)	-
Loss for the period before tax	(1,121,453)	(74,682)	(548,800)	548,800	(1,196,135)
Other comprehensive income	-	-	(3,434)	3,434.00	-
Total comprehensive income for the period	(1,121,453)	(74,682)	(552,234)	552,234	(1,196,135)

Notes:

- (1) Pro forma adjustments assuming 100% of Rawson Shares are acquired;
- (2) Subsequent event transactions included that have occurred post balance date (31 December 2017) for Lakes Oil
 - (A) Subsequent event 1 - 6 months LKO director share issues as approved at the Company's 2017 AGM (Jan -18 - Jun-18);
 - (B) Subsequent event 2 - Small scale offer completed during the 6 months ending 30 June 2018;
- (3) Transaction costs associated to the takeover have been excluded;
- (4) The adjustment for equity assumes the replacement Lakes Oil Options issued are on similar terms and have been calculated using the Black Scholes methodology;
- (5) Tax effect accounting has not been adjusted;
- (6) The pro forma balance sheet is indicative only and will vary in aggregate as well as asset and liability classes following the comprehensive fair value assessment of the Rawson assets and liabilities upon completion of the Offer including fair value purchase price allocation and related tax effect accounting.

(c) **Pro forma consolidated statement of financial position and statement of consolidated profit or loss and other comprehensive income of the Merged Group (assuming 50.1% of Rawson Shares are acquired)**

LAKES OIL NL/RAWSON RESOURCES LIMITED

PROFORMA BALANCE SHEET

Acquisition of 50.1% of RAW Share Capital

	LKO		RAW		Merged
	Reviewed	Subsequent	Reviewed	Pro-forma	Un-audited
	as at	events*	as at	adjustments	Pro-form
	31/12/17		31/12/17		financials
	\$	\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	3,504,691	1,500	455,820	-	3,962,011
Trade and other receivables	144,463	-	13,395	-	157,858
Other financial assets	63,135	-	222,705	-	285,840
Other current assets	118,658	-	-	-	118,658
TOTAL CURRENT ASSETS	3,830,947	1,500	691,920	-	4,524,367
NON-CURRENT ASSETS					
Receivables	12,000	-	2,736	-	14,736
Property, plant and equipment	1,318,678	-	7,453	-	1,326,131
Evaluation and exploration costs	11,194,794	-	2,518,832	544,467	14,258,093
TOTAL NON-CURRENT ASSETS	12,525,472	-	2,529,021	544,467	15,598,960
TOTAL ASSETS	16,356,419	1,500	3,220,941	544,467	20,123,327
CURRENT LIABILITIES					
Trade and other payables	838,134	-	61,222	-	899,356
Converting notes	62,908	-	-	-	62,908
Borrowings	1,000,000	-	-	-	1,000,000
Redemption liability	-	-	661,818	-	661,818
Provisions	108,153	-	-	-	108,153
TOTAL CURRENT LIABILITIES	2,009,195	-	723,040	-	2,732,235
NON-CURRENT LIABILITIES					
Provisions	300,000	-	250,000	-	550,000
TOTAL NON-CURRENT LIABILITIES	300,000	-	250,000	-	550,000
TOTAL LIABILITIES	2,309,195	-	973,040	-	3,282,235
NET ASSETS	14,047,225	1,500	2,247,901	544,467	16,841,093
EQUITY					
Issued Capital	126,968,169	76,182	10,397,187	(8,702,491)	128,739,046
Non-Controlling Interest	-	-	(28,632)	1,121,703	1,093,071
Reserves	25,740	-	692,792	(688,191)	30,341
Retained Earnings	(111,825,230)	-	(8,264,646)	8,264,646	(111,825,230)
Current Earnings	(1,121,454)	(74,682)	(548,800)	548,800	(1,196,136)
TOTAL EQUITY	14,047,225	1,500	2,247,901	544,467	16,841,093

LAKES OIL NL/RAWSON RESOURCES LIMITED
PROFORMA PROFIT AND LOSS
Acquisition of 50.1% of RAW Share Capital

	LKO		RAW		Merged
	Reviewed	Subsequent	Reviewed	Pro-forma	Un-audited
	as at	events*	as at	adjustments	Pro-form
	31/12/17		31/12/17		financials
	\$	\$	\$	\$	\$
Income					
Interest received	7,048	-	1,692	(1,692)	7,048
Other Income	5,500	-	-	-	5,500
Expenditure					
Employee benefits expense	(200,843)	(74,682)	(48,000)	48,000	(275,525)
Depreciation expenses	(10,487)	-	-	-	(10,487)
Cost of buy back with SSA	-	-	(250,020)	250,020	-
Impairment loss on exploration and evaluation assets	(98,598)	-	(76,563)	76,563	(98,598)
Accounting and audit expenses	(31,623)	-	-	-	(31,623)
Administrative expenses	(557,144)	-	(179,867)	179,867	(557,144)
Consulting expenses	(52,025)	-	-	-	(52,025)
Finance costs	(65,858)	-	-	-	(65,858)
Marketing and promotion expenses	(21,900)	-	-	-	(21,900)
Rent and occupancy expenses	(95,523)	-	-	-	(95,523)
Non-controlling Interest in Loss	-	-	3,958	(3,958)	-
Loss for the period before tax	(1,121,453)	(74,682)	(548,800)	548,800	(1,196,135)
Other comprehensive income	-	-	(3,434)	3,434.00	-
Total comprehensive income for the period	(1,121,453)	(74,682)	(552,234)	552,234	(1,196,135)

(1) Pro forma adjustments assuming 50.1% of Rawson Shares are acquired;

All other notes are consistent with notes 2-6 in section 4.3(b).

4.4 Prospective Financial Information of the Merged Group

Lakes Oil has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information in relation to the Merged Group. The Lakes Oil Board has concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable, particularly considering the effect that variations in key variable inputs may have on future earnings performance.

4.5 Merged Group Capital Structure

Assuming that Lakes Oil acquires 100% of the Rawson Shares, the following table shows the securities of Lakes Oil as it will be immediately following completion of the Offer.

Table 5:

Class of Security	Completion of Offer
Ordinary ^{1,2}	30,467,632,676
Options ³	30,308,000 (exercisable at 0.5 cents each expiring on 8 January 2021)
Performance Rights	752,876,031 (expiring 1 January 2022)

Notes:

1 - Assuming no Rawson Options or Lakes Oil Options are exercised.

2 - Excludes any Lakes Oil Shares that may be issued under the potential Capital Raising.

3 - Assuming no Lakes Oil Options are exercised and that all of the Lakes Oil Options contemplated in section 9.14 are issued.

4.6 Major shareholders of Merged Group

Assuming that Lakes Oil acquires 100% of the Rawson Shares, Lakes Oil considers the substantial holders of Lakes Oil Shares will remain per section 2.3 (but the relevant percentage of the Merged Group held by such substantial shareholders will vary dependent upon the number of Lakes Oil Shares issued pursuant to the Offer.

4.7 Risks associated with the Merged Group

There are a number of risks associated with the Merged Group. These are summarised in section 5.

4.8 Merged Group's register

In accordance with Australian law, Lakes Oil's register of shareholders will be maintained in Australia by the Share Registry.

5. Risk factors

5.1 Introduction

In deciding whether or not to accept the Offer, you should read this entire Bidder's Statement carefully. You should also carefully consider the risk factors outlined in this section 5. The future performance of Lakes Oil and the future investment performance of its securities may be influenced by a wide range of factors, many of which are outside the control of Lakes Oil. The future value of Lakes Oil and the prices at which its securities trade on the ASX may be influenced by some or all of these factors.

If the Offer becomes unconditional, Rawson Shareholders who accept the Offer will become Lakes Oil Shareholders, and Lakes Oil will acquire an interest in Rawson. In that event, Rawson Shareholders will continue to be indirectly exposed to the risks associated with having an interest in Rawson's assets and general economic, share market and industry risks. There are also additional risks relating to Lakes Oil and the Merged Group, to which Rawson Shareholders will be exposed through their holding of Lakes Oil Shares.

The activities of Lakes Oil, as in any business, are subject to risks which may impact on its future performance. Lakes Oil has actions, systems and safeguards for known risks; however, some are outside its control.

Prior to making any decision to accept the Offer, Rawson Shareholders should carefully consider the risk factors outlines in this section 5, which Lakes Oil has previously disclosed (many of which are listed below), as well as those risks of which the Rawson Shareholder is aware, or should be aware of through their own knowledge and enquiries.

There are a number of risks, both specific to Lakes Oil and of a general nature, which may, either individually or in combination, affect the future operational and financial performance of Lakes Oil and the value of its shares. Some of the risks may be mitigated by Lakes Oil using safeguards and appropriate systems and taking certain actions. However, as noted above and previously, some of the risks are outside the control of Lakes Oil and are not capable of mitigation. There are also general risks associated with any investment in shares.

The risks listed below (and previously disclosed by Lakes Oil) should not be taken as exhaustive of the risks faced by Lakes Oil. Lakes Oil, however, considers that these risks represent key risks to an investment in Lakes Oil. Additional risks and uncertainties that Lakes Oil is unaware of, or that Lakes Oil considers to be immaterial, may also become key risks that can adversely affect Lakes Oil operational and financial performance in the future. Factors other than those listed may in the future materially affect the financial performance of Lakes Oil and the value of Lakes Oil shares. These key investment risks are general in nature and regard has not been had to the investment objectives, financial situation, tax position or particular needs of any investor. Rawson Shareholders should read this Bidder's Statement in its entirety and consult their stockbroker, accountant or other professional advisor without delay before deciding whether to accept the Offer.

5.2 Specific Key Risks relating to Lakes Oil

The following are specific risk factors relating to Lakes Oil:

(a) Victorian Exploration Risk

The validity of Victorian legislation is presently being tested by Lakes Oil in proceedings before the Supreme Court of Victoria. Subject to the outcome of those proceedings it is possible Lakes Oil may be able to again carry out petroleum exploration operations within Victoria. However, the outcome of the litigation is uncertain. In the event of an unfavourable outcome Lakes Oil's exploration activity will focus on its Queensland opportunities (or where the Offer is successful, the opportunities of the Merged Group) while the unfavourable litigation outcome is appealed.

Further details in relation to Lakes Oil's legal proceedings against the Victorian Government are set out in section 2.13.

(b) **Litigation Risk**

By their very nature Lakes Oil's legal proceedings against the Victorian Government involve significant risk.

While Lakes Oil's legal advisors and senior counsel are highly regarded experts in their relevant legal fields and are confident in the arguments being pursued, there is no guarantee the legal proceedings will be successful. An adverse outcome could lead to Lakes Oil being liable for payment of the Victorian Government's costs of defence and, thereby, significantly erode the Lakes Oil's cash position and market value.

The legal proceedings may be protracted, and may be subject to appeal by the Victorian Government, should the Victorian Government lose in the Victorian Supreme Court.

Lakes Oil may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute, if proven, may impact adversely on Lakes Oil's operations, financial performance and financial position.

(c) **Impairment of Non-Financial Assets Risk**

As at 31 December 2017, Lakes Oil's assets included \$11.2 million of capitalised exploration expenditure, evaluation and development costs. These assets are tested semi-annually for impairment in accordance with accounting standard requirements to assess whether the carrying value may exceed its recoverable amount. An impairment loss may be triggered if capitalised exploration expenditure, evaluation and development costs where an area of interest does not meet the requirements under the accounting standards (AASB 6 - Exploration for and Evaluation of Mineral Resources). Lakes Oil does not presently expect any further material impairment of capitalised expenditure.

(d) **Adequacy of Funding and Additional Requirements for Capital Risk**

Lakes Oil's cash balance as at 30 June 2018 was approximately \$1.29 million, from which Lakes Oil has made available the Secured Loan Facility to Rawson.

While Lakes Oil plans to undertake further capital raising initiatives (including potentially the Capital Raising), there can be no guarantee that Lakes Oil will be able to secure additional funding pursuant to such capital raising initiatives, the success of which is dependent on the support of Lakes Oil Shareholders and the ability to obtain investor support for any shortfall that may arise under such capital raising initiatives.

The auditor's opinion in the Company's audited accounts for the financial year ended 30 June 2017 is subject to a modified opinion in the form of a *disclaimer of opinion* that its ability to carry on as a going concern is subject to its ability to raise sufficient funding.

Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that Lakes Oil will be able to obtain additional debt or equity funding when required, or that the terms associated with that funding will be acceptable to Lakes and this may have a material adverse effect on Lakes Oil. If Lakes Oil is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. Any ongoing funding restrictions may also impact on Lakes Oil's ability to continue as a going concern.

(e) **Research & Development Grant (Commonwealth)**

Lakes Oil has historically (from 2006 through to 2013/14) claimed and received Research and Development (**R&D**) rebates for its experimental fracking activities. Following introduction in late 2012 of the Victorian Government's "fracking moratorium" Lakes Oil refocused its R&D activity onto development of technology(s) for recovery of the large, discovered gas resources within Victoria without having to utilise fracture stimulation techniques. In early 2016 Lakes was informed by AusIndustry that it was reviewing the eligibility of Lakes Oil's R&D expenditure for the 2013/14 and 2014/15 financial years. Following the review, AusIndustry concluded that neither Lakes Oil's core nor its supporting activities qualified under the revised R&D scheme guidelines. A key factor in Ausindustry's decision is that Lakes Oil did not undertake field testing of its hypotheses, even though Lakes Oil was prevented from doing so by the Victorian Government's unprecedented ban on all onshore exploration activity.

Lakes Oil requested an internal review of the decision, in response to which Ausindustry reaffirmed its position. Lakes Oil has subsequently applied to the Administrative Appeals Tribunal (AAT) for a review of Ausindustry's decision. Lakes Oil is adamant that its R&D activities meet the requirements of the R&D rebate scheme and will actively pursue matters with the AAT. In the event Lakes Oil's appeal is unsuccessful, Lakes Oil may be liable for repayment of R&D grant received for 2013/14, and may not receive grant funds for the 2014/15 year.

5.3 **Risks Relating to the Offer and the Creation of the Merged Group**

(a) **Issue of Lakes Oil Shares as Consideration**

Rawson Shareholders are being offered consideration under the Offer that consists of a specified number of Lakes Oil Shares (rather than a number of Lakes Oil Shares with a specified market value). The market value of Lakes Oil Shares at the time at which they are received by Rawson Shareholders may vary from their market value on the date that Rawson Shareholders accept the Offer.

Accordingly, market fluctuations could affect the value of the consideration paid (in the form of Lakes Oil Shares) under the Offer and the value of an accepting shareholder's investment in Lakes Oil. Lakes Oil is not obliged to make any adjustment in the consideration payable under the Offer if the value of Lakes Oil Shares changes during the Offer Period.

Some Rawson Shareholders may not intend to continue to hold Lakes Oil Shares and may wish to sell them on the ASX. There is a risk that if a significant number of Rawson Shareholders seek to sell their Lakes Oil Shares that the share price of Lakes Oil may be adversely impacted. Further, Lakes Oil Shares issued to certain Ineligible Foreign Shareholders will be sold on the ASX (refer to Section 8.11). The sale of these Lakes Oil Shares could also have a material adverse effect on Lakes Oil and the price of Lakes Oil Shares.

Unless Lakes Oil acquires at least 80% of the Rawson Shares under the Offer, CGT scrip for scrip rollover relief will not be available in respect of the Lakes Oil Shares received in exchange for the Rawson Shares.

(b) **Merger Integration Risks**

Integrating two companies such as Lakes Oil and Rawson may produce some risks, including integrating management, information systems and work practices. The integration may take longer than expected and the anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups, inability to achieve synergy benefits and cost savings, and the potential loss of key personnel.

(c) **Synergy Risks**

Whilst the directors of Lakes Oil expect to realise certain synergy benefits from the merger, achievement of these synergies is not certain. The synergies may not be realised to their full extent or may be realised over a longer period of time than the directors of Lakes Oil expect. This could have a material adverse impact on the financial performance of Lakes Oil.

(d) **Change in Risk and Investment Profile**

Rawson Shareholders who accept the Offer will be exposed to risk factors relating to Lakes Oil, and to certain additional risks relating to the Merged Group and the integration of the two companies. These include risks relating to a broader suite of assets held by the Merged Group.

(e) **Risks Associated with Retention of a Minority Stake**

There are some risks associated with the Offer for Rawson Shareholders who do not accept the Offer and remain Rawson Shareholders.

If, in connection with or following the Takeover Bid, Lakes Oil acquires between 90% and 100% of the Rawson Shares, Lakes Oil may be entitled to compulsorily acquire the remaining shares of the Rawson Shareholders.

If, in connection with the Takeover Bid, Lakes Oil acquires more than 50.1% but less than 90% of the Rawson Shares, Lakes Oil will hold a controlling interest in Rawson. The remaining Rawson Shareholders will be in a minority position in a company with a large controlling shareholder whose objectives for the company may differ from their own. They could also encounter a lower level of liquidity in Rawson Shares than exists today, which could result in a lower price for those Rawson Shares should they wish to sell them in the future.

If, following the Takeover Bid, Lakes Oil does not acquire a Relevant Interest of at least 50.1% of the Rawson Shares, it may choose to waive the 50.1% condition of its Offer resulting in Lakes Oil holding a non-controlling interest of between 17.38% and 50.1% of Rawson. If this occurred, it is possible that Lakes Oil and another person or persons could each hold large minority interests in Rawson. In such a situation, any commercial misalignment between large minority shareholders could impact on the efficient and effective governance of Rawson and could adversely affect its ongoing performance.

A risk also exists that the final level of ownership acquired by Lakes Oil is less than 50.1%, which could have an impact on Lakes Oil's intentions regarding Rawson (refer to section 6). This impact could have a material adverse effect on Lakes Oil.

(f) **Limited Withdrawal Rights**

Once you have accepted the Offer for your Rawson Shares, you have the right to withdraw your acceptance of the Offer only in limited circumstances. This means that a decision to accept the Offer may be irrevocable. Under Australian law, if after you have accepted the Offer and while it remains subject to conditions, the Offer is varied (such as by an extension of the Offer Period) so as to postpone for more than one month the time when Lakes Oil must meet its obligations under the Offer, you will be able to withdraw your acceptance. Otherwise, you will be unable to withdraw your acceptance of the Offer even if the market value of Lakes Oil Shares varies significantly from their value on the date of your acceptance of the Offer.

(g) **Change of Control**

Lakes Oil is not aware of any pre-emptive rights or change of control provisions affecting Rawson's assets or agreements which would be triggered by Lakes Oil obtaining control of Rawson. However, Rawson may be a party to agreements that contain pre-emptive rights or change of control provisions that may be triggered if Lakes Oil acquires Rawson Shares representing a majority of the voting rights of Rawson. The operation of these change of control provisions, if triggered, could have negative consequences including requiring Rawson to renegotiate its financings, or sell joint venture interests. These provisions may be waived with the consent of the other party and Lakes Oil would consider seeking such waivers if it discovered that pre-emptive rights or change of control provisions affecting Rawson's assets or agreements would be triggered upon Lakes Oil obtaining control of Rawson. In the absence of these waivers, the operation of any of these changes of control provisions could adversely affect the operations of the Merged Group.

5.4 **Risks Relating to the Industry and Exploration**

(a) **Exploration and Development Risk**

The future value of Lakes Oil will depend on its ability to find and develop gas and associated Liquids that are economically recoverable. Hydrocarbon exploration and development is inherently highly speculative and involves a significant degree of risk. There can be no assurance that Lakes Oil's planned exploration, appraisal and development activities will be successful. Even if gas and/or associated Liquids are identified, there is no guarantee that it will be economic to extract these resources or that there will be commercial opportunities available to monetise these resources. The proposed exploration and drilling program could experience cost overruns that reduce Lakes Oil's ability to complete the planned exploration and drilling program in the time expected.

Gas and associated Liquids exploration may involve drilling operations and exploration activities which do not generate a positive return on investment. This may arise from dry wells, but also from wells that are productive but do not produce sufficient revenues to return a profit after accounting for drilling, operating and other associated costs. The production from successful wells may also be impacted by various operating conditions, including insufficient storage or transportation capacity, or other geological and mechanical conditions. In addition, managing drilling hazards or environmental damage and pollution caused by exploration and development operations could greatly increase the associated cost and profitability of individual wells.

(b) **Exploration Company Risk**

As Lakes Oil is an exploration company, the market's perception of the value of its shares can alter significantly from time to time, causing fluctuations in Lakes Oil's share price. Fluctuations may also occur as a result of factors influencing the price of shares in exploration companies or share prices generally, as well as drilling activities by other parties in the same general region. The price of shares rises and falls and many factors affect the price of shares including local and international stock markets, movements in interest rates, economic and political conditions and investor and consumer sentiment. The stockmarkets generally remain volatile. More generally, the Navgas South Australian interests are held in the form of licence applications which need to convert into exploration licences and then in due course production licences before petroleum can be produced, which carries with it various regulatory and process risks.

(c) **Industry Nature Risk**

Oil and gas exploration activity, especially drilling, by its nature is risky. Where exploration is successful, drilling operations can be affected by breakdowns, adverse weather conditions, site and geographical conditions, operational risks, shortage or delays in the delivery of rigs and/or other equipment, industrial disputes, government regulations, environmental issues and unanticipated costs. Hazards incident to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures or other factors are inherent in drilling and operating wells and may be encountered by Lakes Oil. Exploration may be unsuccessful. Exploration may prove to be more costly than expected or the proposed timing of exploration may not be achieved, thus potentially putting strains on Lakes Oil's financial position.

(d) **Operating Risk**

Industry operating risks include the risk of fire, explosions, blow-outs, pipe failure, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures or discharges of toxic gasses, the occurrence of any of which could result in substantial losses to Lakes Oil due to injury or loss of life, severe damage to, or destruction of property, natural resources and equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation and penalties and suspension of operations, the occurrence of any of which could result in substantial losses to Lakes Oil. Damages occurring as a result of such risks may give rise to claims against Lakes Oil. The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and results of operations of Lakes Oil.

(e) **Commercial Discovery Risk**

Even if an apparently viable hydrocarbon resource is identified, there is no guarantee that it can be profitably exploited. While drilling may yield some hydrocarbons there can be no guarantee that any discovery will be sufficiently productive to justify commercial development or cover operating costs. There can be no assurance that Lakes Oil will achieve production as this will depend on a wide range of factors, including development decisions, capital costs and operating costs and the ability of Lakes Oil to fund these costs.

(f) **Reserve and Resource Estimates Risk**

Hydrocarbon reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. In addition, such estimates are necessarily imprecise and depend to a significant extent on interpretations, which may prove inaccurate. The calculation of any possible volume of hydrocarbons in a prospect may be proved incorrect by future exploration/production, mapping and/or drilling. The Victorian Government's onshore exploration ban has prevented necessary exploration/appraisal work from being carried out to refine Lakes Oil's assessments of its potential Victorian petroleum resources.

(g) **Regulatory Risk**

It may not always be possible for Lakes Oil to participate in the exploitation of successful discoveries made in any areas in which Lakes Oil has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as Lakes Oil. Such further work may require Lakes Oil to meet or commit to financing obligations for which it may not have planned.

(h) **Market Pricing Risk**

Potential shareholders should consider the impacts of supply and demand for commodities (especially oil and gas), fluctuations in the prices of those commodities, exchange rates, Australia's inflation rates, taxation laws and interest rates. All of these factors have a bearing on operating costs, potential revenue and share prices. In particular, the price of oil is volatile and cannot be controlled. Oil and gas prices have fluctuated widely in recent years, and if the price of hydrocarbons falls significantly and remains depressed, this could affect the financial viability of any reserves discovered. There is no assurance that, even if significant quantities of hydrocarbon products are discovered, a profitable market may exist for their sale. The marketability of hydrocarbons is also affected by numerous other factors beyond the control of Lakes Oil, including government regulations relating to royalties, allowable production and importing and exporting of oil and gas and petroleum products, the effect of which cannot be accurately predicted.

(i) **Environmental Risk**

In relation to the exploration permits held by Lakes Oil, issues can arise from time to time with respect to abandonment costs, consequential clean-up costs and environmental concerns. Lakes Oil could become subject to liability if, for example, there is environmental pollution and consequential clean-up costs at a later point in time. It is not possible to quantify any such contingent liability. Whilst no guarantee can be given, Lakes Oil is not aware of any advices which would suggest that there is any particular exposure in relation to any of its present interests.

(j) **Governmental Risk**

The impact of actions by governments may affect Lakes Oil's operations including matters such as necessary approvals, land access, sovereign risk, additional or increased taxation and royalties which are payable on the proceeds of the sale of any successful exploration. Further, the approval of contractual arrangements in relation to exploration permits as well as the renewal of exploration permits is each a matter of governmental discretion and no guarantee can be given in this regard. A failure to obtain any approval would mean that the ability of Lakes Oil to participate in or develop any project may be limited or restricted either in part or absolutely. Industry profitability can be affected by changes in tax policies and the interpretation and application thereof.

(k) **Native Title Risk**

Native title rights may adversely impact on Lakes Oil's operations. In particular, Lakes Oil's ability to explore within the area of its South Australian petroleum exploration licence applications is subject to negotiation of native title land access arrangements.

Lakes Oil proposes to carry out further desktop review of the potential of its South Australian exploration licence application acreage prior to incurring costs for native title access arrangements. If Lakes Oil's ability to conduct future exploration and/or development and production activities is adversely affected, this may have a material adverse effect on Lakes Oil's performance and the price at which its shares are traded.

(l) **Contractual Dispute Risk**

Contractual disputes with joint venture partners, operators and contractors can arise from time to time. Some of Lakes Oil's projects are conducted as joint ventures. Where a venture partner does not satisfy its financial or other commitments or act in the best commercial interest of the project, it could have a material adverse effect on the interests of Lakes Oil. Lakes Oil is unable to predict the risk of financial failure, non-compliance with obligations or default by a participant in any venture to which it is, or may become, a party, or insolvency or managerial failure by any of contractors used

by Lakes Oil in its exploration activities. Given that Lakes Oil has entered into joint venture and farmout agreements, the inability of those joint venturers or farminees to meet contracted obligations could adversely affect Lakes Oil's capacity to carry out its own activities.

5.5 General Risks

(a) Economic Conditions Risk

The operating and financial performance of the Merged Group is influenced by a variety of general economic and business conditions, including levels of consumer spending, hydrocarbon prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets, and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war, or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Merged Group's operating and financial performance and financial position.

The Merged Group's future possible revenues and share prices can be affected by these factors, which are beyond Lakes Oil's control.

(b) Share Market Conditions Risk

The price at which Lakes Oil Shares are quoted on the ASX may increase or decrease due to a number of factors. These factors may cause the Lakes Oil Shares to trade at prices below the price at the date of the Offer. There is no assurance that the price of the Lakes Oil Shares will increase following the Offer.

Some of the factors which may adversely impact the price of the Lakes Oil Shares include fluctuations in the domestic and international market for listed securities, general economic conditions including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies and settings, country trade and importation policies, changes in legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which Lakes Oil operates and general operational and business risks.

(c) Liquidity Risk

There is no guarantee that there will be an ongoing liquid market for Lakes Oil Shares. Accordingly, there is a risk that, should the market for Lakes Oil Shares become illiquid, Lakes Oil Shareholders (including those Rawson Shareholders who become Lakes Oil Shareholders) will be unable to realise their investment in Lakes Oil.

(d) Taxation Risk

Changes to corporate income tax, import duties, property tax, excise tax, withholding tax or any other applicable taxation legislation or policies in Australia or other jurisdictions where the Company operates may adversely affect the Company's financial profitability, net assets and cash flow and the returns to investors. The countries in which Lakes Oil operates may impose additional taxes on Lakes Oil. The recoupment of taxation losses accrued by Lakes Oil from any future revenues is subject to the satisfaction of tests outlined in taxation legislation or regulations in relevant jurisdictions. There is no guarantee that Lakes Oil will satisfy all these requirements at the time it seeks to recoup its tax losses which may impact on the financial performance and cash flows of Lakes Oil.

In addition, an investment in Lakes Oil Shares involves tax considerations which may differ for each Lakes Oil Shareholder.

(e) **Force Majeure Events Risk**

Events may occur within or outside Australia that could impact upon the Australian economy, Lakes Oil's operations and the price of Lakes Oil Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, uranium concentrate risk or other natural or man-made events or occurrences that can have an adverse effect on the demand for Lakes Oil's products and its ability to operate its assets. Lakes Oil has only a limited ability to insure against some of these risks.

6. Intentions of Lakes Oil

6.1 Introduction

This section sets out Lakes Oil's intentions in relation to the following:

- (a) the continuation of the business of Rawson;
- (b) any major changes to the business of Rawson and any redeployment of the fixed assets of Rawson; and
- (c) the future employment of the present employees of Rawson.

These intentions have been formed on the basis of facts and information concerning Rawson, and the general business environment, which are known to Lakes Oil and Rawson at the time of preparing this Bidder's Statement.

Lakes Oil's final decisions may be varied in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and are subject to possible variation as new information becomes available or circumstances change.

The articulation and formulation of Lakes Oil's intentions are necessarily limited by virtue of the fact that Lakes Oil has only had limited access to information relating to Rawson and its affairs. These intentions are based on the information concerning Rawson, its business and the general business environment, which is known to Lakes Oil at the time of the preparation of this Bidder's Statement.

6.2 Overview and rationale for the Offer

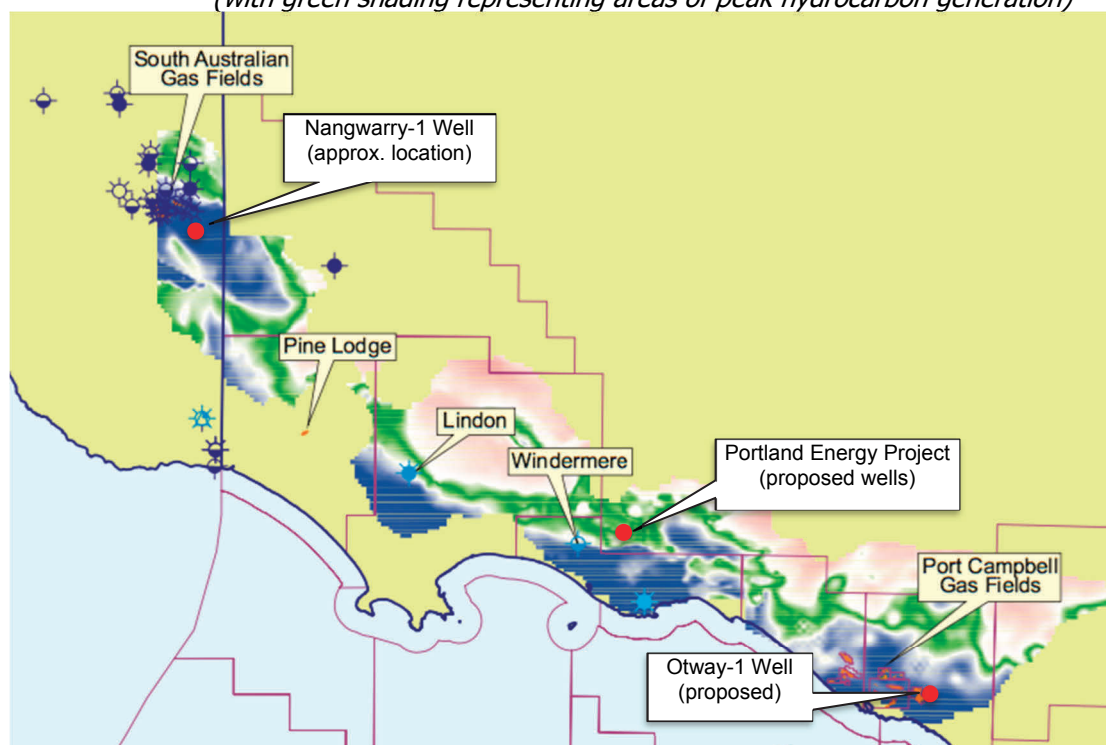
Lakes Oil has decided to make this Offer in recognition of, and to consolidate, the companies' respective interests in highly-prospective and highly-synergistic onshore Otway Basin petroleum exploration authorities.

The synergistic nature of the companies' respective Otway Basin exploration authorities is demonstrated in Figure 10. Figure 10 shows that the Astral 1 petroleum system (essentially the Crayfish Subgroup, including the Pretty Hill and Sawpit Sandstones) extends across much of the onshore Otway Basin. The best potential for production of gas from the Crayfish Subgroup is considered to be in proximity to the green shaded areas of peak hydrocarbon generation.

Lakes Oil's western Victorian exploration wells target the same formations as those to be drilled by Rawson at Nangwarry. Lakes Oil has experience with design and operation of exploration drilling activities of this nature, and will utilise that experience in management of the Nangwarry-1 well. Further, a successful outcome from the Nangwarry-1 well will reinforce the potential of Lakes Oil's Victorian acreage, where exploration activity is presently stalled as a consequence of unprecedented exploration bans imposed by the Victorian Government.

Figure 10: Extent of Astral 1 Petroleum System¹⁰

(with green shading representing areas of peak hydrocarbon generation)



Lakes Oil recognises, that while it is acquiring tenements in a geologically prospective hydrocarbon producing basin that has multiple hydrocarbon-bearing horizons, actual resources can only be evaluated after drilling of a well.

6.3 Intentions upon acquisition of a Relevant Interest in less than 50% of Rawson Shares

The Offer is subject to a number of Conditions set out in sections 8.2 of this Bidder's Statement, including, a minimum ownership Condition requiring Lakes Oil at or before the end of the Offer Period to have a Relevant Interest in at least 50.1% of all the Rawson Shares.

Subject to Corporations Act requirements, Lakes Oil may be able to waive the benefit of some or all of the Conditions in section 8.2. Lakes Oil's current intention is that, unless the Conditions described in section 8.2 are satisfied, the acquisition of Rawson Shares under this Bidder's Statement will not proceed. Lakes Oil reserves its right to review and reconsider this position as the Offer Period proceeds.

In the event that Lakes Oil's acquires less than 50% of the Rawson Shares it is Lakes Oil's present intention that it would request representation on the Board of Rawson (commensurate with its shareholding in Rawson) and, thereby, gain a more detailed appreciation of the opportunities and challenges faced by Rawson and contribute to realisation of those opportunities to the greatest extent possible. In these circumstances, Lakes Oil does not expect to be in a position to give effect to the intentions set out in sections 6.4 and 6.5 (other than as noted to request representation on the Board of Rawson).

¹⁰ Source: Figure 10 of VIMP Report 90 ("A Technical Assessment of the Yet-to-find Hydrocarbon Resource Inventory, Offshore and Onshore Otway Basin, Victoria, Australia", GeoScience Victoria, June 2007).

6.4 Intentions for Rawson as a partly controlled entity

If, as a result of acceptances under the Offer, Lakes Oil acquires a Relevant Interest in Rawson of between 50% and 90% then:

- (a) Lakes Oil will control Rawson but will not be entitled to proceed to compulsory acquisition of outstanding Rawson Shares in accordance with Part 6A.1 of the Corporations Act;
- (b) Rawson will not become a wholly owned subsidiary of Lakes Oil at the end of the Offer Period; and
- (c) existing Rawson shareholders who have accepted the Offer will hold, in aggregate, between approximately 2.9% and 5.1% of Lakes Oil Shares.¹¹

In the circumstance described above it is Lakes Oil's current intention that it will endeavour to implement the current intentions set out below to the extent it is able to do so by law.

Corporate matters

Lakes Oil will seek to replace some of the members of the Board of Rawson with nominees of Lakes Oil so that the proportion of such nominees is broadly similar to the voting power of Lakes Oil (the Bid Implementation Deed contains provisions in this regard - refer clauses 5.12 and 5.13). The identity of replacement board members will be dependent upon circumstances at the time and has therefore not yet been decided by Lakes Oil.

Lakes Oil will invite current Rawson Director, Richard Ash to join the Board of Lakes Oil.

Business Activities

Rawson does not presently have sufficient funds to meet ongoing working capital requirements or to meet its share of the costs of drilling the Nangwarry-1 well. While Lakes Oil is keen to see Rawson retain the maximum possible interest in the well, if Rawson does not become a subsidiary of Lakes Oil then funding of the cost of drilling the well might be problematic. To acquire funding for Rawson's share of the costs of drilling the well it may prove necessary to (for example, but not limited to) undertake a capital raising or to farm-out some involvement in the well. Lakes Oil will consider, but cannot presently commit to, meeting the costs of the Nangwarry-1 well through a farm-out arrangement. A decision in this regard will be dependent upon prevailing circumstances.

Lakes Oil will also seek to gain a comprehensive understanding of Rawson's PNG exploration opportunities in order to contribute to identifying and realising the best possible outcomes from those opportunities.

Employees

Lakes Oil understands that Rawson presently has no employees, does not have permanent office accommodation and that all services are acquired on a contract basis.

To the extent that Rawson's costs can be reduced through provision of services by Lakes Oil, Lakes Oil will seek to provide such services.

¹¹ Assuming no dilution occurs (for example pursuant to the exercise of existing Lakes Oil Options or new shares issued pursuant to a capital raising or other analogous capital events).

6.5 Intentions for Rawson as a wholly owned controlled entity

If Lakes Oil acquires a relevant interest in 90% or more of the Rawson Shares, it will become entitled to proceed to compulsory acquisition of outstanding Shares in accordance with Part 6A.1 of the Corporations Act. In this circumstance, Lakes Oil's current intentions are set out below.

Corporate matters

Lakes Oil intends to:

- (a) proceed with compulsory acquisition of the outstanding Rawson Shares in accordance with the provisions of Part 6A.1 of the Corporations Act;
- (b) replace all Directors of Rawson with its own nominees (the Bid Implementation Deed also contains provisions in this regard - refer clauses 5.12 and 5.13). The identity of replacement board members will be dependent upon circumstances at the time and has therefore not yet been decided by Lakes Oil;
- (c) invite current Rawson Director, Richard Ash to join the Board of Lakes Oil; and
- (d) apply for Rawson to be removed from the official list of the ASX.

Business activities

Should the Company become the owner of Rawson, Lakes Oil will hold a 50% interest (alongside Rawson's existing joint venture partner, Vintage Energy Ltd) in the Nangwarry-1 well. Lakes Oil will, as a priority, seek to meet all ongoing costs for drilling of the well so that further dilution of interest in the well is avoided.

Lakes Oil has already initiated reprocessing of historic 2D and 3D seismic in the area of the Nangwarry-1 well. It is anticipated the reprocessing exercise will allow a material improvement in the definition of subsurface structuring. The improved data will be utilised to ensure the Nangwarry-1 is optimally located and designed.

Lakes Oil will also review Rawson's PNG exploration opportunities in order to formulate and implement a programme(s) to realise the potential value of those opportunities as quickly as possible.

Employees

Lakes Oil understands that Rawson presently has no employees, does not have permanent office accommodation and that all such services are acquired on a contract basis.

To the extent that Rawson's costs can be reduced through provision of services by Lakes Oil, Lakes Oil will seek to provide such services.

Following the acquisition of Rawson, it is presently proposed that:

- (a) Lakes Oil's and Rawson's operations will be consolidated so as to realise any potential cost savings (for example, accommodation costs). Rawson's and Lakes Oil's corporate offices will be co-located;
- (b) Rawson's existing technical service providers will be retained on a contract basis so that their knowledge and expertise can be utilised in management and oversight of the combined Lakes Oil and Rawson exploration portfolio; and
- (c) administrative services will be provided by Lakes Oil's existing service providers.

Other Intentions

Other than as set out in this section 6, it is the present intention of Lakes Oil:

- (a) to continue the businesses of Rawson as at the date of the Bidder's Statement;
- (b) not to redeploy any of the fixed assets of Rawson.

6.6 Limitations on Intentions

Lakes Oil will only make a final decision on the matters set out above following receipt of appropriate legal and financial advice.

Lakes Oil's intentions must be read as being subject to the duty of Rawson's Board, including any nominees of Lakes Oil, to have regard to the interests of all Rawson shareholders and would therefore be subject to its obligations to comply with the applicable provisions of the Corporations Act and the law generally.

7. Tax Considerations

7.1 Introduction

The following is a summary of the potential Australian income tax and capital gains tax (**CGT**) consequences generally applicable to Rawson Shareholders who dispose of Rawson Shares under the Offer. This summary is based on the law and practice in effect on the date of this Bidder's Statement.

The following summary is not intended to be an authoritative or complete statement of the tax law applicable to the specific circumstances of every Rawson Shareholder. In particular, this summary focuses on Rawson Shareholders that are Australian residents for income tax purposes and hold their Rawson Shares on capital account for investment purposes and only considers the Australian tax position. For completeness, general high-level tax comments on Australian tax implications for non-Australian residents are also included below.

This summary does not apply to Rawson Shareholders:

- (a) who hold their Rawson Shares as trading stock or as revenue assets;
- (b) who acquired their Rawson Shares as part of an employee share scheme operated by Rawson;
- (c) that may be subject to special tax rules, such as financial institutions, insurance companies, partnerships (except where expressly stated), tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents; or
- (d) who are subject to the taxation of financial arrangements rules in relation to gains and losses on their Rawson Shares.

All Rawson Shareholders are advised to seek independent professional advice about their particular circumstances and non-resident Rawson Shareholders should seek their own advice on the Australian and foreign taxation consequences, of any sale of their Rawson Shares.

7.2 CGT consequences on the disposal of Rawson Shares for Resident Shareholders

A Rawson Shareholder that accepts the Offer and whose Rawson Shares are subsequently transferred to Lakes Oil, is taken to have disposed of their Rawson Shares for Australian CGT purposes. On disposal of their Rawson Shares, Rawson Shareholders make a capital gain to the extent that the market value of the Offer consideration exceeds the tax cost base of their Rawson Shares (subject to the availability of the CGT discount (see below) and any tax losses available to be offset against the capital gain).

The capital proceeds received for the disposal of the Rawson Shares should be calculated by reference to the market value of the Lakes Oil Shares that each Rawson Shareholder will receive.

The sum of all capital gains incurred by a Rawson Shareholder in the year in which the transaction occurs, reduced by any capital loss incurred during that year, or carried forward from prior years (known as the net capital gain), should be included in the assessable income of the Rawson Shareholder.

Alternatively, a Rawson Shareholder will make a capital loss on the transfer of their shares to Lakes Oil, equal to the amount by which the reduced cost base of their Rawson Shares is more than the capital proceeds (ie the value of shares in Lakes Oil) they receive under the Offer. A capital loss may be used to offset a capital gain made in the same income year or be carried forward to offset a capital gain made in a future income year (subject to the satisfaction of certain loss recoupment tests which apply if the Rawson Shareholder is a company).

7.3 Cost base of Rawson Shares generally

Generally, the cost base of Rawson Shares should be equal to the amount paid to acquire the Rawson Shares. Other incidental costs incurred by a Rawson Shareholder in respect of their acquisition or ownership of Rawson Shares (such as brokerage and undedicated borrowing costs) may also be included in the cost base of the Rawson Shares they own.

Rawson Shareholders should be aware that the CGT cost base may be different if they have previously applied a rollover in respect of their Rawson Shares.

7.4 CGT rollover

Where Lakes Oil acquires 80% or more of the Shares in Rawson, a Rawson Shareholder may be eligible to choose scrip for scrip CGT rollover relief in respect of the disposal of Rawson Shares, so that any CGT payable on the disposal of their Rawson Shares is deferred.

If a Rawson Shareholder elects for CGT rollover relief to apply, any capital gain that they would otherwise make on the disposal of their Rawson Shares will be deferred, as the only consideration that Rawson Shareholders will receive in respect of their Rawson Shares are replacement shares in Lakes Oil.

The benefit of choosing scrip for scrip rollover relief will depend on the individual circumstances of each Rawson Shareholder and therefore Rawson Shareholders should discuss this with their tax advisers.

Where rollover relief is chosen, the tax cost base of the Lakes Oil Shares received by the Rawson Shareholders should equal the tax cost base of the Rawson Shares disposed of. This tax cost base will be allocated on a proportionate basis across the Lakes Oil Shares received. This cost base will be relevant in determining any future CGT liability on the subsequent disposal of the Lakes Oil Shares.

For the purposes of determining whether the CGT discount applies on any subsequent disposal of the Lakes Oil Shares, the date on which the Rawson Shareholders will be deemed to have acquired the Lakes Oil Shares will be the day they acquired their original Rawson Shares.

Generally, where Rawson Shareholders prepare their income tax return on the basis that scrip for scrip rollover has been applied, this will be sufficient evidence of making the choice to obtain rollover relief.

In certain circumstances, it may be necessary for Lakes Oil to make a joint election with Rawson Shareholders in order for CGT rollover relief to apply. To the extent a joint election is necessary for rollover relief to apply then, at the request of the Rawson Shareholder and provided the Rawson Shareholder has informed Lakes Oil in writing of the cost base of their Rawson Shares, Lakes Oil may make the joint election. Lakes Oil confirms that it will not make any choice or election under the CGT rollover provisions that would prevent Rawson Shareholders from obtaining CGT rollover relief where available.

However, if the Offer becomes unconditional and Lakes Oil does not increase its holding to at least 80% of the Rawson Shares on issue as a result of the Offer, CGT rollover relief will not be available for any Rawson Shareholders.

7.5 CGT discount

Any Rawson Shareholder who is an individual, the trustee of a trust or a complying superannuation entity that does not choose CGT rollover relief may be entitled to a “CGT discount” in calculating the net capital gain to be included in their assessable income.

Rawson Shareholders will be eligible for CGT discount provided that:

- (a) the Rawson Shares were acquired at least 12 months before disposal to Lakes Oil;
- (b) the Rawson Shareholder did not choose to index the cost base of their Rawson Shares; and
- (c) the CGT discount is applied to the capital gain after any available capital losses are first applied to reduce the capital gain.

The CGT discount allows a Rawson Shareholder who is an individual or the trustee of a trust to discount the capital gain by 50%, thereby including only the remaining 50% of the capital gain in the taxable income of that individual or trust.

A Rawson Shareholder that is a complying superannuation entity may discount the capital gain by 1/3, thereby only including 2/3 of the capital gain in the taxable income of that complying superannuation entity.

The CGT discount is not available to a Rawson Shareholder that is a company. In addition, to the extent that the integrity rules relating to disposal of shares in an entity apply, then relevant shareholders may be denied access to the general CGT discount.¹²

7.6 CGT consequences on the disposal of Rawson shares for non-resident Shareholders

If you are a non-resident shareholder and accept this Offer you will not be entitled to receive Lakes Oil Shares in exchange for your Rawson Shares unless Lakes Oil determines that:

- (a) it is lawful and not unduly onerous and not unduly impracticable to issue you with Lakes Oil Shares on acceptance of the Offer; and
- (b) is not unlawful for you to accept the Offer by the law of the relevant place outside Australia or its external territories.

As set out in section 8.11 of this Bidder’s Statement, the nominee will arrange for the Lakes Oil Shares that are exchanged for your Rawson Shares to be sold. You will receive the proceeds of sale (less brokerage and sale expenses) of the Lakes Oil Shares calculated in accordance with the formula in section 8.11.

Broadly, non-residents are not entitled to claim any CGT discount on disposal of a CGT asset that was acquired after 8 May 2012. The CGT discount is apportioned if you acquired a CGT asset on or before 8 May 2012. The capital gains tax discount is explained further above.

For a Rawson Shareholder who:

- (a) is not a resident of Australia for Australian tax purposes;
- (b) holds their Rawson Shares on capital account; and
- (c) does not hold their Rawson Shares in carrying on a business through a permanent establishment in Australia,

¹² The integrity rules relating to disposal of shares in an entity may apply if Rawson acquired more than 50% of its underlying assets in the 12 months before the disposal of Rawson Shares.

the disposal of Rawson Shares will generally only result in Australian CGT implications if:

- (d) that shareholder together with its associates held 10% or more of Rawson's Shares at the time of disposal or for any continuous 12 month period within two years preceding the disposal; and
- (e) more than 50% of Rawson's asset market values are due to direct or indirect interests in Australian real property, including Australian mining and exploration leases and licences,

(collectively referred to here as the **TAP Test**).

Lakes Oil is required to withhold 12.5% of the consideration payable to Rawson Shareholders if several conditions are satisfied, including the TAP Test. Lakes Oil is currently of the view that the TAP Test should not be satisfied and therefore does not expect to withhold any amount in respect of tax from the consideration. However if Lakes Oil subsequently considers that it will be required to withhold under these rules, it will contact the relevant Rawson Shareholder to confirm that withholding is required. In such circumstances, Lakes Oil may request that the relevant Rawson Shareholders provide a declaration that the Rawson Shares they are disposing of are not indirect Australian real property interests as at the date of the transaction. Where such a declaration is requested, Lakes Oil can provide a draft declaration for the Rawson Shareholder to complete.

This should apply to the proceeds distributed to non-resident Rawson Shareholders in accordance with the process referred to in section 8.11. A non-resident Rawson Shareholder who has previously been a resident of Australia and chose to disregard a capital gain or loss on ceasing to be a resident will be subject to Australian CGT consequences on disposal of the shares as set out the above sections.

However, scrip for scrip roll-over relief may not be available and non-resident shareholders should seek independent advice in relation to their individual circumstances.

7.7 Rawson Option Holders

- (a) Rawson Option holders who dispose of their Rawson Options and accept cash or Lakes Oil Options will trigger a CGT event and will need to discuss their taxation implications with their taxation adviser.
- (b) Rawson Option holders who are Australian tax residents and who trigger a capital gain on the exchange of their Rawson options for Lakes Oil Options may be eligible to apply scrip for scrip CGT rollover relief if Lakes Oil acquires 80% or more of Rawson's shares under the takeover arrangements and other critical conditions are met. There are increased complications for applying scrip-for-scrip rollover for Option holders and Lakes Oil can provide you with further information regarding your eligibility, upon your request. Please discuss with your taxation adviser whether you have an entitlement to apply CGT rollover relief and advise Lakes Oil of your intentions.
- (c) For Rawson option holders who are not Australian tax residents, Lakes Oil may be required to remit 12.5% of the proceeds of the Rawson Option sale to the Australian Taxation Office. Lakes Oil will notify you in writing if it appears CGT withholding may apply to you. More details on the CGT withholding conditions are set out above. Otherwise, please discuss your Australian CGT implications (if any) with your taxation adviser.

7.8 Stamp duty

The transfer of shares in Rawson or the issue of Lakes Oil Shares is not expected to give rise to any stamp duty liabilities for existing Rawson Shareholders.

7.9 **Goods and Services Tax (GST)**

The sale of Rawson Shares by existing shareholders as contemplated will not attract GST. Similarly, no GST will be payable on the acquisition of Lakes Oil Shares.

Where shareholders are registered or required to be registered for GST, any GST incurred on expenses that relate to the sale of existing shares or acquisition of new shares may not be recoverable if the individual shareholder exceeds the financial acquisitions threshold as set out in the relevant GST legislation. However, a reduced input tax credit equal to 75% of the GST incurred may still be available if the acquisition constitutes a reduced credit acquisition.

Where Rawson Shareholders are not registered, or required to be registered for GST, no GST implications should arise in relation to the Offer.

7.10 **Obtain your own taxation advice**

Do not rely on the comments or the statements contained in this Bidder's Statement as advice about your own affairs. The taxation laws are complex and there could be implications in addition to those generally described in this Bidder's Statement.

Accordingly, consult your own tax advisers for advice applicable to your individual needs and circumstances. To the extent permitted by law, Lakes Oil does not accept any responsibility for tax implications for individual Rawson Shareholders.

Lakes Oil is not a registered tax agent under the *Tax Agent Services Act 2009* (Cth) and cannot provide tax advice to specific Rawson Shareholders. Rawson Shareholders should obtain tax advice from a registered tax agent on the consequences of accepting the Offer.

8. Terms of Offer

8.1 The Offer

- (a) Lakes Oil hereby offers to acquire all of your Rawson Shares (together with all Rights attaching to them) on and subject to the terms and conditions set out in this section 8.
- (b) The consideration under the Offer is fifteen (15) Lakes Oil Shares for every one (1) Rawson Share.
- (c) If, at the time this Offer is made to you, you are an Ineligible Foreign Shareholder, you will not receive Lakes Oil Shares. Instead, you are offered and will receive a cash amount determined in accordance with section 8.11.
- (d) The Lakes Oil Shares to be issued are ordinary shares in Lakes Oil and will be credited as fully paid and have the rights summarised in section 9.4.
- (e) By accepting this Offer, you undertake to transfer to Lakes Oil not only the Rawson Shares to which the Offer relates, but also all Rights attached to those Rawson Shares (refer section 8.8).
- (f) The Offer is dated the Offer Date.
- (g) For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is the Register Date.

8.2 Conditions of the Offer

Subject to section 8.3, the completion of this Offer and any contract that results from an acceptance of this Offer are subject to the fulfilment of the Conditions set out below:

(a) Minimum ownership

At or before the end of the Offer Period, Lakes Oil and its Related Bodies Corporate together have Relevant Interests in at least 50.1% of all the Rawson Shares.

(b) No Regulatory Action

Between the Announcement Date and the end of the Offer Period:

- (1) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- (2) no action or investigation is commenced by any Public Authority; and
- (3) no application is made to any Public Authority (other than by Lakes Oil or any of its Related Bodies Corporate),

(other than an application to, or a decision or order of, ASIC or the Takeovers Panel under, or relating to a breach of Chapter 6A, 6B or 6C of the Corporations Act or relating to unacceptable circumstances within the meaning of section 657A of the Corporations Act in consequence of, or in connection with, the Offer) which restrains, impedes or prohibits (or if granted could restrain, impede or prohibit), or otherwise materially adversely impacts upon, the making of the Offer, the acquisition of Rawson Shares under the Offer or any transaction contemplated by the Bidder's Statement, the Offer or the rights of Lakes Oil in respect of Rawson, or requires the divestiture by any entity within the Lakes Oil Group of any Rawson Shares, or requires the divestiture of any assets of the Lakes Oil Group or Rawson Group.

(c) **No material adverse change**

Between the Announcement Date and the end of the Offer Period (each inclusive), no event, change or condition occurs, is announced or becomes known to Lakes Oil (whether or not it becomes public) where that event, change or condition has or has resulted in, or could reasonably be expected to have or result in:

- (1) without limiting the generality of sub-paragraph (2) below, liabilities, or an adverse effect on the financial or trading position, or profitability of the Rawson Group, taken as a whole, of an amount which (when aggregated with any other event, change or condition) would or could reasonably be expected to result in a diminution of Rawson Group's Net Assets by more than 15%;
- (2) a material adverse effect on:
 - (A) the prospects of the Rawson Group, taken as a whole; or
 - (B) the status or terms of any material approvals, licences, tenements or permits issued by any Public Authority to any entity within the Rawson Group,

other than changes, events or conditions:

- (C) required or permitted by the Bid Implementation Deed;
- (D) fully and fairly disclosed by Rawson in an ASX announcement or otherwise to Lakes Oil in writing prior to execution of the Bid Implementation Deed;
- (E) which do not relate specifically to the Rawson Group and which are beyond the control of Rawson and which arise from:
 - (i) changes in commodity prices, exchange rates or interest rates; or
 - (ii) general economic or business conditions.

(d) **No material acquisitions, disposals or new commitments**

Between the Announcement Date and the end of the Offer Period (each inclusive), neither Rawson nor any Subsidiary of Rawson, other than with the prior written consent of Lakes Oil:

- (1) acquires, offers to acquire or agrees to acquire one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount in aggregate greater than the Specified Amount;
- (2) disposes of, offers to dispose of or agrees to dispose of one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount, or in respect of which the book value is, in aggregate, greater than the Specified Amount;
- (3) enters into, agrees to enter into or announces any agreement to enter into any contract, commitment or arrangement, joint venture or partnership that:
 - (A) requires payments, expenditure or the foregoing of revenue by Rawson and/or any of its Subsidiaries of an amount in excess of A\$15,000 on any individual basis or which is, in aggregate, greater than the Specified Amount; or

- (B) is material in the context of the Rawson Group and is not in the ordinary course of business;
- (4) enters into or agrees to enter into, terminates or agrees to terminate a contract, commitment or arrangement for the provision of services or a licence to a third party that is a new or existing customer that results in Rawson and/or any of its Subsidiaries incurring costs greater than \$A15,000 on an individual basis or is, in aggregate, greater than the Specified Amount for the entire term of such contract, commitment or arrangement;
- (5) provides or agrees to provide financial accommodation or a guarantee, other than to entities within the Rawson Group for any amount, or receives financial accommodation other than from entities within the Rawson Group for any amount;
- (6) enters into, amends, or agrees to enter into or amend any material contract, commitment or other arrangement with a related party (as defined in section 228 of the Corporations Act) of Rawson;
- (7) incurs, agrees to incur or bring forward the time for incurring, or granting to a third party a right the exercise of which would involve Rawson or a Subsidiary incurring or agreeing to incur an amount of capital expenditure in excess of the Specified Amount, other than capital expenditure that has been announced by Rawson to ASX prior to the Announcement Date;
- (8) gives or agrees to give any Encumbrance over any of its assets (or an interest in any of its assets), other than liens in the ordinary and usual course of business;
- (9) does any of the following in respect of the Tenements:
 - (A) enters into, agrees to enter into or announces any agreement to enter into any contract, commitment or arrangement (including without limitation any ore sale, ore processing, joint venture, partnership, farm-in, royalty, marketing, or off-take agreement) in relation to any of the Tenements;
 - (B) relinquishes, sells or disposes of any interest or creates any Encumbrance over any of the Tenements;
 - (C) takes any action or omits to take any action that results in or may reasonably be expected to result in a breach of the terms any of the Tenements or any environmental authority relating to any of the Tenements; or
 - (D) takes any action or omits to take any action that results in or may reasonably be expected to result in the surrender of any of the Tenements or any environmental authority relating to any of the Tenements; or
- (10) without limiting sub-paragraphs (1) to (9) above:
 - (A) enters into, offers to enter into, agrees to enter into or announces any agreement for any transaction; or
 - (B) is otherwise affected by any transaction or proposal,
 - under which any third party would acquire any legal or economic interest in, or there would be any material diminution in, the rights granted under any tenement held by any entity within the Rawson Group,

- (11) announces an intention to do any of the matters referred to in sub-paragraphs (1) to (9) above,

other than:

- (12) where required or permitted by the Bid Implementation Deed; or
- (13) as fully and fairly disclosed by Rawson in an ASX announcement or to Lakes Oil in writing prior to execution of the Bid Implementation Deed.

(e) No change of control rights

Between the Announcement Date and the end of the Offer Period (each inclusive), no person has or will have any right as a result of Lakes Oil making the Offer or announcing its intention to make the Offer, or acquiring Rawson Shares under the Offer, to:

- (1) acquire, or require the disposal of, or require any entity within the Rawson Group to offer to dispose of, any material asset of any entity within the Rawson Group;
- (2) terminate, or vary the terms or performance of, any material agreement with any entity within the Rawson Group;
- (3) terminate, or vary the terms of any material approvals, licenses or permits issued by any Public Authority to any entity within the Rawson Group; or
- (4) require repayment of any moneys borrowed by or any other indebtedness of any entity within the Rawson Group earlier than its stated maturity date, or withdraw or inhibit the ability of any entity within the Rawson Group to borrow moneys or incur indebtedness,

other than a right in respect of which a written, enforceable, irrevocable and unconditional waiver has been obtained and disclosed to the ASX or as fully and fairly disclosed by Rawson in an ASX announcement or otherwise to the Bidder prior to execution of the Bid Implementation Deed.

(f) No material breach of this agreement by Rawson

Between the Announcement Date and the end of the Offer Period, Rawson is not in breach of any provision of this agreement in circumstances where:

- (1) that breach is material;
- (2) the Bidder has given written notice to Rawson setting out that breach; and
- (3) either:
 - (A) the breach is incapable of remedy; or
 - (B) if the breach is capable of remedy but the breach is not remedied by Rawson within 5 Business Days of it receiving notice from Lakes Oil.

(g) No prescribed occurrences

During the period from the date on which the Bidder's Statement is given to Rawson and the end of the Offer Period (each inclusive), none of the following events occur:

- (1) Rawson converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;

- (2) Rawson or a Subsidiary of Rawson resolves to reduce its share capital in any way;
 - (3) Rawson or a Subsidiary of Rawson enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
 - (4) Rawson or a Subsidiary of Rawson issues shares (other than as a result of the exercise of Options) or grants an option over its shares, or agrees to make such an issue or grant such an option;
 - (5) Rawson or a Subsidiary of Rawson issues, or agrees to issue, convertible notes;
 - (6) Rawson or a Subsidiary of Rawson disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - (7) Rawson or a Subsidiary of Rawson charges, or agrees to charge, the whole, or a substantial part, of its business or property;
 - (8) Rawson or a Subsidiary of Rawson resolves to be wound up;
 - (9) a liquidator or provisional liquidator of Rawson or of a Subsidiary of Rawson is appointed;
 - (10) a court makes an order for the winding up of Rawson or of a Subsidiary of Rawson;
 - (11) an administrator of Rawson or of a Subsidiary of Rawson is appointed under section 436A, 436B or 436C of the Corporations Act;
 - (12) Rawson or a Subsidiary of Rawson executes a deed of company arrangement; or
 - (13) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Rawson or a Subsidiary of Rawson.
- (h) **No prescribed occurrences between the Announcement Date and date of the Bidder's Statement**

During the period from the Announcement Date to the date that is the day before the date of the Bidder's Statement (each inclusive), none of the events listed in subparagraphs (1) to (13) of paragraph (g) happen.

8.3 Conditions Generally

- (a) **(Conditions are separate)** Each of the Conditions contained in section 8.2 is a distinct and separate Condition and shall not merge on completion of any contract arising from acceptance of this Offer.
- (b) **(Conditions subsequent)** Each of the Conditions contained in section 8.2 is a condition subsequent. The non-fulfilment of such a Condition subsequent does not, until the end of the Offer Period (or in the case of the Condition in section 8.2(g), until the end of the third Business Day after the end of the Offer Period) prevent a contract to purchase your Rawson Shares arising from your acceptance of this Offer. However, if at the end of the Offer Period (or in the case of the Condition in section 8.2(g), at the end of the third Business Day after the end of the Offer Period), the Conditions in section 8.2 have not been fulfilled and Lakes Oil has not declared the Offer (or it has not become) free from those Conditions, all contracts resulting from the acceptance of the Offers and all acceptances that have not resulted in binding contracts, are automatically void.

- (c) **(Benefit of conditions)** Subject to the provisions of the Corporations Act, Lakes Oil alone is entitled to the benefit of the Conditions contained in section 8.2 and any breach or non-fulfilment of any of those Conditions may be relied upon only by Lakes Oil, and Lakes Oil may waive (generally or in respect of a particular event) the breach or non-fulfilment of that Condition.
- (d) **(Freeing Offer from conditions)** Lakes Oil may free this Offer, and any contract resulting from its acceptance, from all or any of the Conditions in section 8.2, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Rawson and to the ASX declaring this Offer to be free from the relevant Condition or Conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given:
 - (1) in the case of the Condition in section 8.2(g), not later than three Business Days after the end of the Offer Period; and
 - (2) in the case of all the other Conditions in section 8.2, not less than seven days before the end of the Offer Period.
- (e) **(Status notice)** The date for giving the notice on the status of the conditions required by section 630(1) of the Corporations Act is 3 September 2018 (subject to extension in accordance with section 630(2) if the Offer Period is extended).

8.4 Offer Period

- (a) Unless withdrawn, this Offer will remain open for acceptance by you during the period commencing on the Offer Date and ending at 7.00pm (Sydney time) on the later of:
 - (1) 10 September 2018; or
 - (2) any date to which the Offer Period is extended.
- (b) Lakes Oil reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last seven days of the Offer Period, either of the following events occurs:
 - (1) the Offer is varied to improve the consideration offered; or
 - (2) Lakes Oil's Voting Power in Rawson increases to more than 50%,
 then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

8.5 How to accept this Offer

- (a) **General**
 - (1) You may accept this Offer in respect of all (but not less than all) of your Rawson Shares.
 - (2) You may accept this Offer at any time during the Offer Period.
 - (3) If you have any questions about how to accept this Offer or need a replacement Acceptance Form, please contact the Share Registry. Alternatively, you may consult your broker or other financial or professional adviser.

(b) **Rawson Shares held in your name on Rawson's issuer sponsored sub-register**

To accept this Offer for Rawson Shares held in your name on Rawson's issuer sponsored sub-register (in which case your Securityholder Reference Number or 'SRN' will commence with 'I'), you must:

- (1) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
- (2) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is sent and received before the end of the Offer Period, to the address shown on the Acceptance Form.

(c) **Rawson Shares held in your name in a CHESS Holding**

- (1) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number or 'HIN' will commence with 'X') and you are not a Participant, you should instruct your Controlling Participant (for Rawson Shareholders who are not institutions this is normally the stockbroker either through whom you bought your Rawson Shares or through whom you ordinarily acquire shares on the ASX) to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (2) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are a Participant, you should initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (3) Alternatively, to accept this Offer for Rawson Shares held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you may sign and complete the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is sent and received before the end of the Offer Period, to the address shown on the Acceptance Form.
- (4) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.

(d) **Rawson Shares of which you are entitled to be registered as holder**

To accept this Offer for Rawson Shares which are not held in your name, but of which you are entitled to be registered as holder, you must:

- (1) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
- (2) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is sent and received before the end of the Offer Period, to the address shown on the Acceptance Form.

(e) **Acceptance Form and other documents**

- (1) The Acceptance Form forms part of the Offer.
- (2) When using the Acceptance Form to accept this Offer in respect of Rawson Shares in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of this Offer and the instruction on the Acceptance Form) are received by Lakes Oil in time for Lakes Oil to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (3) A reply-paid envelope is enclosed for shareholders with Australian addresses to return their completed Acceptance Form. Overseas shareholders should return their Acceptance Form by airmail.
- (4) The method chosen to deliver the Acceptance Form and other documents is at the risk of each accepting shareholder. Lakes Oil may, however, in its sole discretion waive at any time, prior to the end of the Offer Period, all or any of those requirements.

(f) **Authority to accept Offer**

When accepting this Offer, you should also ensure that if the accepting shareholder:

- (1) is a corporation, the Acceptance Form is signed by two directors, a director and company secretary, or by the sole director in the case of an Australian company with a sole director who is also the sole company secretary;
- (2) is deceased, the Acceptance Form is signed by the person or persons authorised to administer the estate of the deceased shareholder;
- (3) is one or two or more joint holders, all such holders sign the Acceptance Form; or
- (4) is accepting through an attorney under power:
 - (A) the power of attorney has not been revoked;
 - (B) the donor of the power of attorney has not died;
 - (C) the power of attorney has been validly executed;
 - (D) the power of attorney duly empowers the attorney to sign such a form; and
 - (E) the attorney duly signs the Acceptance Form.

8.6 Lakes Oil Shares

Lakes Oil Shares to be allotted under the terms of this Offer will be fully paid ordinary shares ranking equally in all respects from the date of their issue with the existing ordinary shares in Lakes Oil.

Lakes Oil has been admitted to the official list of the ASX and shares of the same class as those to be issued as consideration under this Offer have been granted official quotation by the ASX.

Lakes Oil will apply to the ASX for official quotation of the Lakes Oil Shares to be issued under the Offer within seven days after the date on which the Bidder's Statement is given to Rawson.

In accordance with section 625(3) of the Corporations Act, the Offer is subject to a condition that application for admission to quotation of the Lakes Oil Shares issued under the Offer is made within seven days after the date on which the Bidder's Statement is given to Rawson and permission for admission to quotation will be granted no later than seven days after the end of the Offer Period. This condition may not be waived.

8.7 Entitlement to Offer

Offer made to holders of Shares

This Offer is made to you as the holder of the Rawson Shares which are registered in your name in the register of members of Rawson at 8.00am (Sydney time) on the Register Date. If at any time during the Offer Period another person is or is entitled to be registered as the holder of some or all of those Rawson Shares, then in accordance with section 653B(1)(a) of the Corporations Act:

- (a) an offer corresponding to this Offer is deemed to have been made to that person for the Rawson Shares of which that person is, or is entitled to be, so registered as holder; and
- (b) this Offer is deemed to have been made to you for the remainder (if any) of the Rawson Shares that were registered in your name at 8.00am (Sydney time) on the Register Date.

The Rawson Shares in respect of which this Offer is made or deemed to be made to you, in accordance with this paragraph, are referred to in this document as "your Rawson Shares".

Shares held in separate parcels

If at any time during the Offer Period and before you accept this Offer, your Rawson Shares to which this Offer relates consist of two or more separate and distinct parcels for the purposes of section 653B of the Corporations Act (for example because you are a trustee or nominee for several distinct beneficial owners), then in accordance with section 653B of the Corporations Act:

- (a) this Offer shall be deemed at that time to consist of separate and distinct corresponding offers made to you in relation to the respective separate and distinct parcels of Rawson Shares; and
- (b) an acceptance by you of any of those separate and distinct corresponding offers is ineffective unless:
 - (1) you have given to Lakes Oil notice indicating that your Rawson Shares consist of separate and distinct parcels; and
 - (2) the acceptance indicates the number of Rawson Shares in the separate and distinct parcels to which acceptance relates,

provided that you may at the one time, accept two or more such separate corresponding offers as if they were a single offer in relation to separate parcels of shares.

If this applies to you, contact the Share Registry for such additional copies of this Bidder's Statement and Acceptance Form as are necessary.

Shares registered to broker or other nominee

Beneficial owners whose Rawson Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance and details as to whether they will impose service costs for their role in accepting this Offer.

8.8 Effect of Acceptance

By signing and returning an Acceptance Form in accordance with the procedures set out in section 8.5 and the Instructions on the Acceptance Form, or otherwise accepting this Offer pursuant to section 8.5, you will be deemed to have:

- (a) irrevocably accepted this Offer (and any variation of it) in accordance with its terms in respect of all of your Rawson Shares;
- (b) subject to this Offer being declared free of the Conditions set out in section 8.2 or such Conditions being fulfilled or waived, authorised the transfer of your shares to Lakes Oil for the consideration specified in this Offer;
- (c) represented and warranted to Lakes Oil that on the date of registration of the transfer of your Rawson Shares to Lakes Oil, your Rawson Shares shall be fully paid up and free from all mortgages, charges, liens and other encumbrances (whether legal or equitable) of any kind and that you have full power and authority to sell your Rawson Shares to Lakes Oil;
- (d) irrevocably authorised Lakes Oil (by its directors, officers, servants or agents) to complete on the Acceptance Form correct details of your Rawson Shares, fill in any blanks remaining on the Acceptance Form and rectify any error in or omission from the Acceptance Form as may be necessary to make the Acceptance Form an effective acceptance of this Offer and enable registration of the transfer of your Rawson Shares to Lakes Oil;
- (e) if you signed the Acceptance Form in respect of Rawson Shares which are held in a CHESS Holding, irrevocably authorised Lakes Oil (or any director, secretary, nominee or agent of Lakes Oil) to:
 - (1) instruct your Controlling Participant to initiate acceptance of this Offer in respect of your Rawson Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
 - (2) give any other instructions in relation to your Rawson Shares to your Controlling Participant, as determined by Lakes Oil acting in its own interests as a beneficial owner and intended registered holder of those Lakes Oil Shares.
- (f) authorised Lakes Oil (by its directors, officers, servants or agents) to alter the number of Rawson Shares said to be held by you if it is otherwise than as set out in the enclosed Acceptance Form;
- (g) represented and warranted to Lakes Oil, and agreed with Lakes Oil that your Rawson Shares will be purchased by Lakes Oil with all Rights and that you will execute all such instruments as may be required for the purpose of vesting in it any such Rights;
- (h) irrevocably authorised and directed Rawson to pay to Lakes Oil or to account to Lakes Oil for all Rights, subject however to any such Rights received by Lakes Oil being accounted for by Lakes Oil to you in the event that this Offer is withdrawn or the contract resulting from your acceptance of this Offer is rendered void;
- (i) except where Rights have been paid or accounted for under paragraph 8.8(h), irrevocably appointed Lakes Oil and its directors from time to time jointly and severally as your attorney in your name and on your behalf, with effect from the Offer Date, or any contract resulting from your acceptance of this Offer, becomes unconditional, to execute all such instruments as Lakes Oil may require for the purpose of vesting in it any such Rights;

- (j) represented and warranted to Lakes Oil that, unless you have notified in accordance with section 8.7 (Shares held in separate parcels), your Rawson Shares do not consist of separate parcels of Rawson Shares;
- (k) upon this Offer or any contract resulting from your acceptance of this Offer becoming unconditional, have irrevocably appointed each of Lakes Oil and each of the directors of Lakes Oil from time to time jointly and each of them severally as your attorney to:
 - (1) attend and vote (and otherwise participate) in respect of your Rawson Shares at any and all general meetings of Rawson, to receive notices of all such meetings and to requisition or join with other holders of Rawson Shares in requisitioning or to convene or to join with other holders of Rawson Shares in convening a general meeting or general meetings of Rawson;
 - (2) demand a poll for any vote to be taken at any meeting of Rawson Shareholders;
 - (3) propose or second any resolutions to be considered at any and all meetings of Rawson Shareholders;
 - (4) complete and execute all forms, notices, instruments (including instruments appointing Lakes Oil or a director of Lakes Oil as a proxy or representative in respect of any of those Rawson Shares), transfers (including further transfers of any of those Rawson Shares to any person) and resolutions relating to those Rawson Shares and generally to exercise all powers and rights which you may have as the registered holder or beneficial owner thereof;
 - (5) to request Rawson to register the name of Lakes Oil any of your Rawson Shares which you hold on any register of Rawson;
 - (6) generally to exercise all your powers and rights in relation to your Rawson Shares; and
 - (7) have agreed that in exercising the powers conferred by that power of attorney Lakes Oil and any such director shall be entitled to act in the interests of Lakes Oil as the beneficial owner and intended registered holder of your Rawson Shares;
- (l) agreed that in exercising the powers and rights conferred by the powers of attorney granted under section 8.8(k), the attorney will be entitled to act in the interests of Lakes Oil as the beneficial owner and intended registered hold of your Rawson Shares;
- (m) irrevocably authorised Lakes Oil (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer your Rawson Shares to Lakes Oil's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under this Offer; and
- (n) agreed to accept the Lakes Oil Shares to which you have become entitled by acceptance of this Offer subject to the constitution of Lakes Oil and have authorised Lakes Oil to place your name on its register of shareholders in respect of those Lakes Oil Shares.

Effect if Rights not received by Bidder

If, for any reason, Lakes Oil does not receive any Rights referred to in paragraph 8.8(h), Lakes Oil will be entitled to reduce the amount of consideration payable in accordance with this Offer by the amount of value (as reasonably assessed by Lakes Oil) of such Rights.

Invalid acceptance

If you comply with some but not all, of the requirements for acceptance, Lakes Oil may in its absolute discretion treat the Acceptance Form as valid despite your failure to comply with all requirements.

Partially valid acceptance

Where the requirements for acceptance have been complied with in respect of some but not all of the Rawson Shares, Lakes Oil may in its sole discretion deem your acceptance of this Offer complete in respect of those Rawson Shares for which the requirements have been complied with (**Relevant Shares**) but not in respect of the remainder, despite any other terms of this Offer. In that event, Lakes Oil must provide the consideration of the Relevant Shares but not any of the other Rawson Shares you may hold, notwithstanding any other terms of this Offer.

Indemnity, undertakings and authorisations

Lakes Oil will indemnify you and keep you indemnified in respect of all costs, expenses and obligations which might otherwise be incurred or undertaken as a result of the exercise by an attorney of any powers under this section 8.8. This appointment, being given for valuable consideration to secure the interest acquired in your Rawson Shares, is irrevocable and terminates upon registration of a transfer to Lakes Oil of your Rawson Shares and you will be deemed to have:

- (a) agreed not to attend or vote in person at any general meeting of Rawson or to purport to exercise any of the powers conferred on Lakes Oil or its nominee in paragraph 8.8(k) above;
- (b) agreed to indemnify Lakes Oil in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or in consequence of the transfer of your Rawson Shares being registered by Rawson without production of your Holder Identification Number for your Rawson Shares; and
- (c) authorised Lakes Oil to notify Rawson on your behalf that your place of address for the purpose of serving notices upon you in respect of your Rawson Shares in respect of which you have accepted this Offer is at the address of Lakes Oil as specified by Lakes Oil the notification, and that all such notices are to be marked care of Lakes Oil and to have directed Rawson to serve all correspondence, payments or notifications in respect of any Rights and other communications and documents whatsoever in respect of those Rawson Shares to Lakes Oil at that address.

Duration of authorisations and undertakings

The undertakings and authorities referred to in this section 8.8 will (unless otherwise provided in this document) remain in force after you receive the consideration for your Rawson Shares acquired by Lakes Oil and after Lakes Oil becomes registered holder of them.

8.9 Provision of Consideration

- (a) Subject to section 8.11, the consideration for the acquisition of your Rawson Shares under the Offer is to be satisfied wholly by the issue of Lakes Oil Shares.
- (b) Subject to this section 8.9 and section 8.11, Lakes Oil shall provide the consideration for your Rawson Shares on or before the earlier of:
 - (1) 21 days after the expiry of the Offer Period; or
 - (2) one month after the later of your acceptance and the date the Offer becomes unconditional.

- (c) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):
 - (1) if that document is given with your Acceptance Form, Lakes Oil will provide the consideration in accordance with section 8.9(b);
 - (2) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is subject to a defeating condition, Lakes Oil will provide the consideration due to you on or before the earlier of one month after this Offer becomes unconditional and 21 days after the end of the Offer Period;
 - (3) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is not subject to a defeating condition, Lakes Oil will provide the consideration due to you on or before the earlier of one month after that document is given and 21 days after the end of the Offer Period;
 - (4) if that document is given after the end of the Offer Period, and the Offer is not subject to a defeating condition, Lakes Oil will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the Offer is still subject to a defeating condition, that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, Lakes Oil will provide the consideration due to you within 21 days after the Offer becomes unconditional.
- (d) The obligation of Lakes Oil to issue and allot any Lakes Oil Shares to you to which you are entitled under the Offer will be satisfied by Lakes Oil:
 - (1) entering your name on the register of members of Lakes Oil; and
 - (2) despatching or procuring the despatch to you of an uncertificated holding statement as set forth in section 8.10 below.

8.10 Dispatch of Lakes Oil Shares

Subject to this section 8, an uncertificated holding statement in respect of the Lakes Oil Shares to which you will become entitled by accepting this Offer will be posted to you at your risk by ordinary mail addressed to you at your address as shown in the Acceptance Form, or such other address as you may notify in writing to Lakes Oil.

8.11 Foreign Shareholders

If you are a resident of a jurisdiction other than Australia and its external territories, New Zealand or Papua New Guinea or your address shown in Rawson's register of members is a place outside Australia and its external territories, New Zealand or Papua New Guinea, or you are acting on behalf of such a person then you are an **"Ineligible Foreign Shareholder"**.

Rawson Shareholders resident in New Zealand or Papua New Guinea are entitled to accept the Offer and receive Lakes Oil Shares and should refer to the specific offering and cautionary language below in section 9.24.

If, at the time of acceptance of this Offer, you are resident in or of a place outside Australia, you will not be entitled to receive any consideration under this Offer until all requisite authorities or clearances of the Reserve Bank of Australia (whether under the *Banking (Foreign Exchange) Regulations 1959* (Cth) or otherwise), or of the Australian Taxation Office, have been obtained.

- (a) If you are an Ineligible Foreign Shareholder then unless Lakes Oil otherwise determines that:
 - (1) it is lawful and not unduly onerous or not unduly impractical to make the Offer to you and to issue you with Lakes Oil Shares on acceptance of the Offer; and

- (2) it is not unlawful for you to accept the Offer by the law of the relevant place outside Australia, and its external territories, New Zealand or Papua New Guinea,

then you will not be entitled to receive Lakes Oil Shares as part of the consideration for your Rawson Shares. Lakes Oil may seek legal advice as to the ability to issue Lakes Oil Shares to various Ineligible Foreign Shareholders in particular foreign jurisdictions, depending on a number of factors, including the number of Rawson Shares held by those Ineligible Foreign Shareholders.

If Lakes Oil does not make a determination that particular Foreign Shareholders can be issued Lakes Oil Shares, then by reason of acceptance of the Offer by such Ineligible Foreign Shareholders, Lakes Oil will:

- (1) arrange for the allotment to a nominee for all accepting Ineligible Foreign Shareholders approved by ASIC (**Nominee**) of the Lakes Oil Shares to be issued in accordance with the Offer to which you and all other Ineligible Foreign Shareholders would have been entitled but for this section 8.11;
- (2) cause the Nominee to offer for sale those Lakes Oil Shares within five Business Days after the end of the Offer Period in the manner, at the price and on other terms as are determined by the Nominee (at the risk of the Ineligible Foreign Shareholders); and
- (3) pay to you the amount ascertained in accordance with the following formula:

$$\text{Proceeds of sale} \times \frac{A}{B}$$

where:

- **Proceeds of sale** is the amount which is received by the Nominee upon the sale of all Lakes Oil Shares under this section less brokerage, fees, taxes and other sale expenses;
 - **A** is the number of Lakes Oil Shares which Lakes Oil would otherwise be required to procure to be issued to you as a result of your acceptance of the Offer; and
 - **B** is the total number of Rawson Shares issued to the Nominee under this section 8.11.
- (b) You will receive your share of the net proceeds of the sale of the Lakes Oil Shares calculated in accordance with section 8.11(a) in Australian currency.
 - (c) Payment will be made by cheque in Australian currency. The cheque will be sent to you at your risk by pre-paid air-mail to your address as shown on the copy of the Rawson register maintained by Lakes Oil. Under no circumstances will interest be paid on the proceeds of this sale, regardless of any delay in remitting these proceeds to you.
 - (d) Despite anything else contained in this Bidder's Statement, Lakes Oil is under no obligation to spend any money, or undertake any action, in order to satisfy itself of the eligibility of Foreign Shareholders to receive Lakes Oil Shares.
 - (e) The Nominee may sell the Lakes Oil Shares in such manner, at such price or prices and on such terms as the Nominee determines, and at the risk of the Ineligible Foreign Shareholders.

- (f) As the market price of Lakes Oil Shares will be subject to change from time to time, the sale price of the Lakes Oil Shares sold by the Nominee and the proceeds of those sales cannot be guaranteed. Neither Lakes Oil nor the Nominee gives any assurance as to the price that will be achieved for the sale of the Lakes Oil Shares by the Nominee.
- (g) The Nominee will be appointed by, and will provide the Nominee services to, Lakes Oil. In acting as Nominee, the Nominee will not be acting as agent or sub-agent of any Ineligible Foreign Shareholder, does not have duties or obligations (fiduciary or otherwise) to any Ineligible Foreign Shareholder and does not underwrite the sale of the Lakes Oil Shares.
- (h) If Lakes Oil determines, acting reasonably and in good faith, that it must pay an amount to the Commissioner of Taxation pursuant to Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (**TAA**) with respect to the acquisition of the Rawson Shares from a Rawson Shareholder, Lakes Oil will, for any such Rawson Shareholder:
 - (1) determine the amount to be paid to the Commissioner (**Payment Amount**);
 - (2) procure that Lakes Oil remits the Payment Amount to the Commissioner within the time required under the TAA; and
 - (3) reduce the amount of consideration payable by Lakes Oil to that Rawson Shareholder by the Payment Amount for the purposes of this Offer.

For the avoidance of any doubt, where the conditions in section 8.11(h) are satisfied, Lakes Oil will, for the purposes of this Offer, be deemed to have satisfied its obligations to pay the consideration to a Rawson Shareholder if the amount paid to the Rawson Shareholder is the amount of the consideration that would have otherwise been payable to the Rawson Shareholder pursuant to the Offer, less the Payment Amount for that Rawson Shareholder.

8.12 **Withdrawal**

Power to withdraw

Subject to compliance with section 652B of the Corporations Act, Lakes Oil may only withdraw this Offer with the written consent of ASIC which consent may be given subject to such conditions (if any) as are specified in the consent of ASIC. If this happens, Lakes Oil will comply with any conditions imposed by ASIC and send a notice of withdrawal to ASX and Rawson and to each person to whom the Offer has been made at their address as set out in the register of members of Rawson.

Effect of withdrawal

If, at the time this Offer is withdrawn, all the Conditions in section 8.2 have been freed, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.

If this Offer is withdrawn and the Offer remains subject to one or more conditions in section 8.2, all contracts arising from its acceptance become void.

8.13 **Extension of Offer Period**

Lakes Oil may at any time, and from time to time, vary this Offer by extending the Offer Period, in accordance with section 650C of the Corporations Act.

8.14 **Variation**

Lakes Oil reserves the right to vary this Offer in accordance with the provisions of section 650D of the Corporations Act.

9. Additional Information

9.1 Pre-Bid Acceptance Deed

On 31 July 2018, Lakes Oil announced that it had entered into a pre-bid acceptance deed (**Pre-Bid Acceptance Deed**) with certain Rawson Shareholders (namely Lynley Jane Hardie and Hardie Garnet Pty Limited) (**Pre-Bid Shareholders**) in respect of in aggregate, 19,599,625 Rawson Shares (**Pre-Bid Shares**). Lakes Oil had a Relevant Interest in the Pre-Bid Shares equivalent to 19.99% of Rawson on the Announcement Date. However, following the issue of the Dondonald Shares on exercise of the Dondonald Option, the Relevant Interest of Lakes Oil in Rawson was diluted to 17.38%.

Under the Pre-Bid Acceptance Deed, each Pre-Bid Shareholder has agreed to accept the Offer for the number of Rawson Shares as are set out below:

- (a) Lynley Jane Hardie in respect of 13,901,400 Rawson Shares; and
- (b) Hardie Garnet Pty Limited in respect of 5,698,225 Rawson Shares.

Each Pre-Bid Shareholder must accept the Offer in respect of its respective Pre-Bid Shares by no later than 10.00am (Sydney time) on the third Business Day of the period during which the Offer is capable of being accepted by Target Shareholders.

Under the terms of the Pre-Bid Acceptance Deed, each Pre-Bid Shareholder is not permitted to sell, dispose or encumber its respective Pre-Bid Shares other than pursuant to an acceptance of the Offer.

In addition to the Pre-Bid Shares, one of the Pre-Bid Shareholders holds additional Rawson Shares (**Excluded Shares**). The terms of the Pre-Bid Acceptance Deed expressly acknowledge that that Pre-Bid Shareholder may deal with its Excluded Shares with no restriction arising as a result of the deed and it is not obliged, and it has not agreed, to accept the Offer in respect of the Excluded Shares.

The full terms of the Pre-Bid Acceptance Deed were released to ASX on the Announcement Date, as an annexure to Lakes Oil's Notice of Initial Substantial Holder dated 31 July 2018.

9.2 Funding Arrangements - Secured Loan Facility

As announced on the Announcement Date, Lakes Oil has agreed to provide Rawson with a \$750,000 secured loan facility for the purposes of funding Rawson's short-term working capital requirements (**Secured Loan Facility**) pursuant to the Facility Deed.

As the Secured Loan Facility will be secured over Rawson's assets pursuant to the General Security Deed, drawdown under the Facility Deed is conditional on satisfaction of a number conditions including:

- Lakes Oil holding security over all of Rawson's present and future assets, undertakings, rights and property pursuant to the General Security Deed;
- Rawson obtaining all authorisations required under the ASX Listing Rules (including ASX Listing Rule 10.1)¹³ to permit Rawson to provide Lakes Oil with security over all of Rawson's present and future assets, undertakings, rights and property pursuant to the General Security Deed; and
- the Bid Implementation Deed having been validly executed and unconditionally delivered; and

¹³ Lakes Oil understands that Rawson has applied for a waiver from ASX of ASX Listing Rule 10.1.

- unless otherwise agreed by Lakes Oil, before the end of the Offer Period, either:
 - Lakes Oil obtains a Relevant Interest in at least 50.1% of all of the Rawson Shares; or
 - the Offer is declared, or has become, unconditional.

In addition, drawdown of the Secured Loan Facility must only relate to certain agreed working capital requirements as detailed in Schedule 1 to the Facility Deed.

Interest will be payable quarterly at 10% per annum, accruing daily. Lakes Oil may elect to capitalise all interest which would otherwise be payable prior to the maturity date.

The Secured Loan Facility must be repaid on the termination date being 15 January 2020, unless:

- a Superior Proposal is publicly announced by a Third Party in respect of Rawson in which case the Secured Loan Facility must be repaid in full within 3 months of the Superior Proposal being announced; or
- a Rawson Director does not recommend the Offer to holders of Rawson Shares or recommends against, qualifies their support of or withdraws their recommendation or approval of the Offer in which case the Secured Loan Facility must be repaid in full within 3 months of the recommendation of the Rawson Director not recommending, qualifying or withdrawing their recommendation;
- a Competing Proposal is announced or made during the Exclusivity Period and any of the Rawson Directors recommend that Competing Proposal in which case the Secured Loan Facility must be repaid in full within 3 months of the recommendation of the Competing Proposal;
- any Conditions to the Offer are not satisfied or waived, in which case the Secured Loan Facility must be repaid in full within 18 months of the close of the Offer;
- the Bid Implementation Deed is terminated at the election of Lakes Oil (other than any termination due to Rawson's default), in which case the Secured Loan Facility must be repaid in full within 18 months after the date of termination; or
- the Bid Implementation Deed is terminated (other than any termination to which the immediately preceding paragraph applies), in which case the Secured Loan Facility must be repaid in full within 3 months after the date of termination.

The Secured Loan Facility may be terminated and all moneys advanced become due and payable on 90 days' notice at Lakes Oil's election if either of the following occur:

- a person other than Lakes Oil obtains control of Rawson, or obtains a relevant interest in over 50% of the Rawson Shares under a takeover offer that is or becomes unconditional; or
- Rawson raising any new debt or equity capital in excess of an aggregate \$500,000.

It is a default event under the Secured Loan Facility if, amongst other matters:

- Rawson fails to pay an amount due under the Secured Loan Facility within an agreed remedial period of 5 Business Days (and that failure is not caused by administrative or technical error);
- Rawson otherwise fails to comply any other obligations, subject to a remedial period of 10 Business Days;

- a representation or warranty by Rawson is materially incorrect or materially misleading;
- an insolvency event occurs to Rawson or any member of the Rawson Group;
- it becomes unlawful for any party to perform its obligations under the Facility Deed or the security;
- Rawson repudiates or purports to repudiate the Facility Deed or the security;
- the Facility Deed or the security becomes wholly or partly void, voidable, illegal or unenforceable.

Under each of the Facility Deed and the General Security Deed the parties provide a number of standard representations and warranties, and Rawson provides Lakes Oil with a number of standard positive and negative undertakings.

9.3 **Bid Implementation Deed**

On the Announcement Date, Lakes Oil and Rawson entered into the Bid implementation Deed in relation to the Offer. The Bid Implementation Deed sets out the agreed terms on which Lakes Oil has made the Offer, and the obligations of both Lakes Oil and Rawson in relation to the Offer.

Under the Bid Implementation Deed, Rawson agreed that, amongst other things:

(a) **Conditions**

The Offer is subject to a number of conditions which must be satisfied or waived before an unconditional contract can arise from acceptance of the Offer. These conditions are set out in Schedule 3 of the Bid Implementation Deed and in section 8.2 of the Bidder's Statement.

(b) **Conduct of Business**

Clause 5.8 of the Bid Implementation Deed sets out the obligations of Rawson applying from the date of the Bid Implementation Deed up to and including the end of the Offer Period with respect to the conduct of its business and providing Lakes Oil with access to information. Under the Bid Implementation Deed, Rawson must:

- (1) conduct the Rawson Group's business and operations in the usual and ordinary course consistent with the manner in which each such business and operations were conducted immediately prior to the Execution Date, and must consult with Lakes Oil on the manner of conduct of the Rawson Group's business and operations;
- (2) make all reasonable efforts to:
 - (A) keep available the services of their officers and employees; and
 - (B) preserve their relationships with public authorities, customers, suppliers, landlords, trade unions, licensors, licensees and others with whom they have business dealings;
- (3) not enter any lines of business or other activities in which the Rawson Group is not engaged at the Execution Date;
- (4) respond to any reasonable request from Lakes Oil for information concerning Rawson Group and its business and operations;

- (5) ensure that Lakes Oil is kept up-to-date on any discussions, correspondence and negotiations between any member of the Rawson Group and any Public Authority on any matter;
- (6) subject to the Confidentiality Deeds, provide Lakes Oil and its Representatives reasonable access to officers and employees, offices and other facilities, and books and records of members of the Rawson Group, and otherwise provide reasonable co-operation to Lakes Oil and its Representatives, for the purpose of:
 - (A) Lakes Oil and its Representatives understanding the business and operation of the Rawson Group;
 - (B) Lakes Oil and its Representatives doing all things necessary or desirable under this deed or in connection with the Offer; or
 - (C) Lakes Oil and its Representatives planning for the integration of the Rawson Group into the Lakes Oil Group assuming the Offer becomes unconditional and Lakes Oil holds Relevant Interests in at least 50.1% of the Rawson Shares; and
- (7) ensure that there is no material decrease in the amount of cash in the Rawson Group other than as used in the ordinary course of business.

(c) **Exclusivity**

Clause 8 of the Bid Implementation Deed sets out the exclusivity obligations of Rawson in connection with the implementation of the Takeover Bid. A summary of the key exclusivity obligations of Rawson during the Exclusivity Period is set out below:

- (1) Rawson must not, and must ensure that none of its representatives directly or indirectly:
 - (A) **(no shop)**

solicit, invite, encourage or initiate any Competing Proposal or any enquiries, negotiations or discussions with any Third Party in relation to, or that may reasonably be expected to lead to, a Competing Proposal, or communicate any intention to do any of those things; or
 - (B) **(no talk and no due diligence):**
 - (i) enters into, continues or participates in, negotiations or discussions with any Third Party regarding a Competing Proposal, or if to do so may be reasonably be likely to lead to a Competing Proposal;
 - (ii) make available to any Third Party, or permit any Third Party to receive any non-public information relating to any entity within Rawson Group in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal;
 - (iii) if Rawson proposes to provide any confidential information to a Third Party, before Rawson provides such information to the Third Party, the Third Party has entered into a written agreement in favour of Rawson regarding the use and disclosure of the confidential information by the Third Party and that restricts the Third Party's ability to solicit the employees of the Rawson Group;

- (iv) to the extent that such information has not been previously provided to Lakes Oil, Rawson provides that information to Lakes Oil at the same time as, or as soon as reasonably practicable after, it is provided to the Third Party

The no talk and no due diligence obligation is subject to a “fiduciary out” where the Rawson Board acting in good faith and in order to satisfy what the Rawson Directors reasonably consider to be their fiduciary or statutory duties determine that where there is a Competing Proposal, the Competing Proposal is, or could reasonably be expected to lead to, a Superior Proposal or where there is not yet a Competing Proposal, the steps that the Rawson Directors propose to take could reasonably be expected to lead to a Competing Proposal that is a Superior Proposal.

(C) (Notification and matching right)

- (i) During the Exclusivity Period, Rawson must immediately notify Lakes Oil if any of its Representatives, is approached (directly or indirectly) by any Third Party to engage in any activity or take any other action of a kind referred to in section 9.3(c)(1)(B);
- (ii) If Rawson received a Competing Proposal, Rawson must not enter into any agreement, arrangement or understanding (whether or not in writing) to undertake or give effect to a Competing Proposal and must ensure that none of the Rawson Directors changes, withdraws or modifies their recommendation of the Takeover Bid in favour of the Competing Proposal or recommends the Competing Proposal, unless:
- the Rawson Directors acting reasonably and in good faith determine that the Competing Proposal is a Superior Proposal;
 - Rawson has complied with its obligation to notify Lakes Oil of the approach summarised above;
 - Rawson has given Lakes Oil at least 5 clear Business Days’ notice in writing of the Competing Proposal and provided to Lakes Oil with that notice all material terms of the Competing Proposal, including details of the proposed price or implied value, payment terms, form of consideration, conditions, timing and break fee (if any) provided that Rawson shall be under no obligation to disclose the status of negotiations in respect of a Competing Proposal and the identity of the person who has made the Competing Proposal.
- (iii) During the 5 clear Business day period, Lakes Oil will have the right to offer a counter proposal that will provide a superior outcome for Rawson Shareholders than the applicable Competing Proposal, and if it does so offer:
- Rawson and Lakes Oil must use their best endeavours to agree any amendments to this deed that are reasonably necessary to reflect the Lakes Oil counter proposal; and
 - the Rawson Directors must recommend the Lakes Oil counter proposal to Rawson Shareholders and not the applicable competing proposal.

(d) **Break Fee**

Clause 9 of the Bid implementation Deed sets out the circumstances in which Rawson will pay a break fee of \$33,404 to Lakes Oil. These circumstances include:

- (1) any of the Rawson Directors does not recommend the Takeover Bid or recommend against, qualifies their support of or withdraws their recommendation or approval of the Takeover Bid;
- (2) a Competing Proposal is announced or made during the Exclusivity Period and any of the Rawson Directors recommends that Competing Proposal or the third party who announced or made the Competing Proposal completes the Competing Proposal or acquires more than 50% of Rawson;
- (3) a general meeting of Rawson approves the implementation or taking of any step that would, or would be likely to, prevent a Condition being satisfied or result in a Condition not being satisfied;
- (4) Rawson does or Rawson Directors do (or omit to do) anything which results in any of the Conditions being breached, unless Lakes Oil declares the Takeover Bid free of the breached Condition (which it may do so in its absolute discretion);
- (5) there is a breach of the exclusivity provisions of the Bid Implementation Deed by Rawson (summarised above); or
- (6) Rawson is in material breach of the bid Implementation Deed (other than the exclusivity provisions), and that material breach is not remedied within 5 Business Days of Rawson receiving notice to remedy from Lakes Oil,

(e) **Representations and Warranties**

Lakes Oil, in clause 7.3 to the Bid Implementation Deed, and Rawson, in clause 7.1 to the Bid Implementation Deed, have each given representations and warranties to the other, customary for a transaction of this nature.

(f) **Termination Rights**

Clause 11 of the Bid implementation Deed sets out the termination rights of each party. These are summarised below.

(1) **Termination by either party**

Either party may terminate the Bid Implementation Deed by written notice to the other party if:

- (i) the other is in material breach of this deed and that breach is not remedied by that other within 5 Business Days of it receiving notice from the non-defaulting party of the details of the breach and the non-defaulting party's intention to terminate;
- (ii) Lakes Oil withdraws the Takeover Bid for any reason permitted by law including non-satisfaction of a Condition;
- (iii) Lakes Oil fails to lodge the Bidder's Statement with ASIC or dispatch offers under the Takeover Bid to Rawson Shareholders in accordance with the Corporations Act.

(2) **Termination by Rawson**

Rawson may terminate by written notice to Lakes Oil if all of the Rawson Directors recommend a Superior Proposal, provided always that the exclusivity provisions have been complied with and Lakes Oil has decided not to match that Superior Proposal.

(3) **Termination by Lakes Oil**

Lakes Oil may terminate the Bid Implementation Deed if:

- (i) a Superior Proposal is publicly announced by a Third Party in respect of Rawson; or
- (ii) a Rawson Director does not recommend the Offer to holders of Rawson Shares as described or recommends against, qualifies their support of or withdraws their recommendation or approval of the Offer; or
- (iii) a Competing Proposal is announced or made during the Exclusivity Period and any of the Rawson Directors recommend that Competing Proposal.

A copy of the Bid Implementation Deed was lodged with the ASX on 31 July 2018 and can be obtained from ASX's website www.asx.com.au (ASX:LKO).

9.4 **Rights and liabilities attaching to Lakes Oil Shares**

From their date of issue, the Lakes Oil Shares to be issued pursuant to the Offer will rank equally with the existing Lakes Oil Shares.

The rights and restrictions attaching to Lakes Oil Shares are set out in Lakes Oil's Constitution and, in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules and general law. Under section 140(1) of the Corporations Act, the Constitution of Lakes Oil has effect as a contract between Lakes Oil and each member and between a member of Lakes Oil and each other member. Accordingly, if Rawson Shareholders accept the Offer and are allotted Lakes Oil Shares as consideration, they will become contractually bound to comply with the constitution of Lakes Oil.

A summary of the principal rights attaching to Lakes Oil Shares based is set out below. It does not purport to be exhaustive or to constitute a definitive statement of the rights attaching to Lakes Oil Shares. Such rights involve complex questions of law arising from interaction of the Constitution and statutory and common law requirements. Shareholder should seek their own advice when trying to establish their rights in specific circumstances.

Shares

Shares in Lakes Oil can be issued with preferred, deferred or special rights, privileges or conditions or with any restrictions whether in regard to dividends, voting, return of share capital or otherwise, as determined by the Directors of Lakes Oil. The Lakes Oil's Board may allot, issue, cancel or otherwise dispose of shares to any persons, on any terms and conditions, at that issue price and at those times as the Lakes Oil Board thinks fit.

The Lakes Oil Board has full power to give any person a call or option over any shares during any time and for any consideration as the Directors think fit.

Alteration of rights

Subject to the Corporations Act and the ASX Listing Rules, all or any of the rights and privileges attached to any class of shares (unless otherwise provided by the terms of issue of shares of that class) may be varied or cancelled. This includes by converting or reclassifying shares from one class to another. Variation or cancellation of shares will be with the written consent of shareholders with at least 75% of the shares issued in that class, or with the approval of a special resolution passed at a meeting of holders of the shares of that class.

Calls

The Lakes Oil Board may make calls as they think fit on shareholders for all monies unpaid on shares held by those shareholders which are not monies made payable by the conditions of allotment at fixed times.

A call is deemed to have been made when a resolution of the Lakes Oil Board authorising that call was passed. A call may be made payable by instalments and the Board may revoke or postpone a call.

Forfeiture and lien

Lakes Oil has a first and paramount lien on every share for unpaid calls and instalments on those shares. Additionally, Lakes Oil has a first and paramount lien on every share, if the shares were acquired under an employee incentive scheme, any amount owing to the Company for acquiring those shares and any amount the Company is required by law to pay (and has paid) in respect of the share of a shareholder or deceased shareholder.

A lien extends to reasonable interest at any rates the Lakes Oil Board may determine, and expenses incurred because the amount is not paid.

The Company's lien on a share extends to all distributions and other monies payable for or in respect of the share, including the proceeds of sale of the share. The Company may deduct or set-off against any distributions or other monies subject to the Company's lien any monies due and payable to the Company.

Share transfers

Subject to the Lakes Oil Constitution, the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, a shareholder may transfer all or any shares by a transfer document duly stamped (if necessary) and delivered to the Company.

The transfer document must be in writing in the usual or common form or in any other form as the Lakes Oil Board may determine or, in particular circumstances, agree to accept and must be signed by or on behalf of the transferor or as otherwise permitted by the Corporations Act.

Meeting procedure

Notice of every annual general meeting, general meeting or meeting of any class of shareholders must be given in the manner provided by the Lakes Oil Constitution and the Corporations Act to the shareholders and those persons who are otherwise entitled to receive notices. Three shareholders who are entitled to vote on a resolution at the meeting must be present to constitute a quorum for a general meeting. If a quorum is not present within 30 minutes, any meeting convened on a requisition of shareholders is dissolved and any other meeting stands adjourned to the same day in the next week at the same time and place, or to any other day, time and place as the Lakes Oil Board may appoint by notice to the shareholders.

The Lakes Oil Board may convene a general meeting of the Company whenever they think fit.

Voting rights

Each shareholder has the right to receive notices of, and to attend, general meetings of Lakes Oil.

Subject to the Lakes Oil Constitution, the ASX Listing Rules and the rights or restrictions on voting which may attach to or be imposed on any class of shares, on a show of hands every shareholder present or who has cast a direct vote (including each holder of preference shares who has a right to vote) will have one vote. On a poll every shareholder present or who has cast a direct vote (including each holder of preference shares who has a right to vote) will have one vote for each fully paid share held by that shareholder and a fraction of a vote for each partly paid share.

Voting may be in person or by proxy, attorney or representative.

Remuneration of directors

Subject to Lakes Oil's Constitution and the ASX Listing Rules, the Company in general meeting may from time to time determine the maximum aggregate remuneration to be provided to or for the benefit of the directors of Lakes Oil for services rendered.

The Company may provide the remuneration in cash and/or in the form of non-cash benefits (to the extent determined by the Lakes Oil Board). The directors may determine and fix the value of any non-cash benefits. Directors are also entitled to travel, accommodation and other expenses incurred in attending board meetings, any committee meetings or any company general meetings or otherwise in connection with the Company's business.

Material Person Interest

Subject to the Corporations Act and the ASX Listing Rules, a director is disallowed from voting on any contract or arrangement in which he or she has directly or indirectly a material personal interest. However, that Director may execute or otherwise act in respect of that contract or arrangement.

9.5 Potential impacts on Share Capital

Rawson Shareholders should also have regard to announcements made to ASX by Lakes Oil and further note that the potential remains for other or further Lakes Oil share capital changes to be effected. Section 2.7 of the Bidder's Statement provides additional information in relation to a potential Capital Raising.

9.6 Material contracts

Owing to the Victorian Government's exploration bans preventing active exploration operations, Lakes Oil presently has no material contracts in place in connection with its operations.

9.7 No brokerage

You will not incur brokerage if you accept the Offer.

9.8 Relevant interests of Lakes Oil in Rawson Shares

As at the date of this Bidder's Statement and the date immediately before the first Offer was sent, Lakes Oil holds a 17.38% Relevant Interest in Rawson. Refer to section 9.1 for further information.

9.9 Voting power in Rawson

As at the date of this Bidder's Statement and as at the date immediately before the first Offer was sent, Lakes Oil's Voting Power in Rawson was 17.38%.¹⁴

9.10 Acquisitions in Rawson Shares by Lakes Oil

During the period commencing four months before the date on which this Bidder's Statement is lodged with ASIC and ending the day immediately before the date of the Offer, neither Lakes Oil nor any of Associate of Lakes Oil has provided or agreed to provide consideration for Rawson Shares under any purchase or agreement.

9.11 No escalation agreements

Neither Lakes Oil, nor any associate of Lakes Oil, has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act

9.12 Other benefits

During the four months prior to the date of this Bidder's Statement, Lakes Oil nor any of their associates gave, offered to give, or agreed to give another person a benefit which was likely to induce the other person, or an associate of the other person, to:

- (a) accept an Offer under the bid; or
- (b) dispose of Rawson Shares,

that was not offered to all holders of Rawson Shares under the Offer.

9.13 ASIC Matters - Class Orders and Legislative Instruments

ASIC has published various Class Order and Legislative Instruments providing for modifications and exemptions that apply generally to all persons, including Lakes Oil, in relation to the operation of Chapter 6 of the Corporations Act.

Lakes Oil has also relied on the modification to section 619(3) of the Corporations Act as set out in paragraph 3 of ASIC Class Order 13/521 in relation to the appointment of a nominee in respect of the Ineligible Foreign Shareholders. Lakes Oil will cause an entity to be appointed either before or after the date of this Bidder's Statement, with the prior approval of ASIC, to act as the Nominee appointed Lakes Oil in relation to the Offer for the sales referred to in section 8.11.

Lakes Oil has relied on other modifications to the Corporations Act as referred to in section 9.21.

9.14 Rawson Options

As contemplated by the Bid Implementation Deed, Lakes Oil will make offers to acquire or cause the cancellation of all of the Rawson Options, with such offers to be subject to any necessary conditions. The Rawson Options and proposed consideration to be offered is set out in the table below.

The cancellation of options for consideration and without shareholder approval will require a waiver from ASX Listing Rule 6.23.2 (which will itself likely contain conditions that must be satisfied).

¹⁴ This represents the shares subject to the Pre-Bid Acceptance Deed with the Pre-Bid Shareholders (details of which are given in section 9.1). Until the Pre-Bid Shareholders accept the Offer, the Pre-Bid Shareholders retain the right to vote those shares in general meetings of Rawson.

Number of Rawson Options	Exercise Price	Expiry	Proposed Consideration
7,500,000	\$0.045	1 December 2018	7,500,000 Lakes Oil options exercisable at \$0.005 per share with 8 January 2021 expiry
400,000	\$0.045	5 November 2018	304,000 Lakes Oil options exercisable at \$0.005 per share with 8 January 2021 expiry
5,000,000	\$0.10	1 December 2019	2,200,000 Lakes Oil options exercisable at \$0.005 per share with 8 January 2021 expiry
400,000	\$0.045	5 November 2018	304,000 Lakes Oil options exercisable at \$0.005 per share with 8 January 2021 expiry

One of the Rawson optionholders is Mr Richard Ash (a director of Rawson). Should Lakes Oil acquire a Relevant Interest in 50.1% of Rawson and the Offer become unconditional, Lakes Oil will invite Mr Richard Ash to become a director of Lakes Oil (and thereby Mr Richard Ash may become a related party of Lakes Oil). Accordingly, the issue of Lakes Oil options to Mr Richard Ash will be conditional upon Lakes Oil Shareholder approval or such other alternative method (for example, the payment of a small amount) which otherwise complies with the law.

9.15 Lakes Oil is a disclosing entity

Due to the fact that Lakes Oil is offering Lakes Oil Shares as consideration for the acquisition of Rawson Shares, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of Lakes Oil Shares under sections 710 to 713 of the Corporations Act. Lakes Oil does not need to issue a prospectus for the Offer of the Lakes Oil Shares as the Offer is occurring under a takeover bid.

Lakes Oil is a disclosing entity (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, Lakes Oil is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of Lakes Oil Shares.

Lakes Oil Shares have been quoted on the ASX during the 12 months prior to the date of this Bidder's Statement. For this reason, Lakes Oil is only required to disclose information in this Bidder's Statement that would usually be required where its shares have been continuously quoted securities.

In general terms, where Lakes Oil Shares are continuously quoted securities the Bidder's Statement is only required to contain information in relation to the effect of the Offer on Lakes Oil and the rights and liabilities attaching to the Lakes Oil Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of Lakes Oil unless such information has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and it is information:

- (a) that investors and their professional advisors would reasonably require for the purposes of making an informed assessment of such matters; and
- (b) relating to the rights and liabilities attaching to the Lakes Oil Shares.

Information that is already in the public domain has not been reported in this Bidder's Statement other than that information which is considered necessary to make this Bidder's Statement complete.

Lakes Oil, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to Lakes Oil (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an ASIC office; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request during the Offer Period:
 - (1) the financial statements of Lakes Oil for the 12 months ended 30 June 2017 (being the annual financial report most recently lodged by Lakes Oil with ASIC);
 - (2) the half-year financial report for the half-year ended 31 December 2017; and
 - (3) all continuous disclosure notices given by Lakes Oil after the lodgement of that annual financial report with ASIC and before the lodgement of this Bidder's Statement with ASIC.

Requests for free copies of these documents may be made by calling the Lakes Oil information line on 1300 153 346 (within Australia) or +61 3 9415 4158 (outside Australia).

Copies of all documents lodged with ASIC and referred to in this Bidder's Statement can be inspected at the registered office of Lakes Oil during normal office hours. Lakes Oil also has a web-site, <http://www.lakesoil.net.au> which includes a wide range of information on Lakes Oil (including copies of the above documents) and its activities. A list of announcements made by Lakes Oil on ASX between 30 June 2017 and the date of this Bidder's Statement, appears in Attachment 2.

Rawson Shareholders are encouraged to monitor announcements made to the ASX after the date of this Bidder's Statement for updates regarding Lakes Oil and its activities.

9.16 **Corporate Governance**

The Lakes Oil Group has adopted corporate governance policies (**Corporate Governance Policies**) in order to implement and maintain a culture of good corporate governance practices both internally and in its external dealings. In adopting the Corporate Governance Policies the Lakes Oil Board is mindful of the Revised Corporate Governance Principles and Recommendations (Third edition) published by the ASX (**ASX Guidelines**).

The Corporate Governance Policies are available in the corporate governance section of Lakes Oil web-site at <http://www.lakesoil.net.au>.

9.17 Interests of Lakes Oil Directors in Lakes Oil Shares

The table below shows the interests of the directors of Lakes Oil in Lakes Oil Shares at the date of this Bidder's Statement.

Table 6:

Name	Number of Lakes Oil Shares held prior to Offer	Nature of Relevant Interest
Barney Berold	112,057,060	Direct and Indirect
Christopher Tonkin	57,186,782	Direct
Ian Plimer	59,061,782	Direct
Kyle Wightman	66,711,637	Direct
Nicholas Mather	69,907,453	Indirect
William Stubbs	56,561,782	Indirect

9.18 Remuneration of Lakes Oil Directors

The Constitution of the Company provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting (which is currently \$300,000 per annum).

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties. Details of remuneration (including any contingent or deferred compensation) and benefits provided to Directors and their associated entities during the past two financial years is as follows:

1 July 2016 to 30 June 2017

Director	Cash salary and fees \$	Superannuation \$	Equity Settled \$	Total \$
Barney Berold	17,941	2,892	12,500	33,333
Nicholas Mather	18,055	-	15,278	33,333
Ian Plimer	17,941	2,892	12,500	33,333
William Stubbs	17,941	2,892	12,500	33,333
Christopher Tonkin	17,941	2,892	12,500	33,333
Kyle Wightman	17,941	2,892	12,500	33,333

1 July 2017 to 30 June 2018

Directors	Director's Fees/Salaries \$	Superannuation \$	Equity Settled \$	Total \$
Barney Berold	8,316	2,892	22,125	33,333
Nicholas Mather	-	-	33,333	33,333
Ian Plimer	8,316	2,892	22,125	33,333
William Stubbs	8,316	2,892	22,125	33,333
Christopher Tonkin	8,316	2,892	22,125	33,333
Kyle Wightman	2,916	2,892	27,525	33,333

9.19 **Disclosure of interests of certain persons**

Other than as set out in this Bidder's Statement no:

- (a) director or proposed director of Lakes Oil;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- (c) promoter of Lakes Oil; or
- (d) underwriter to the issue of Lakes Oil Shares or financial services licensee named in this Bidder's Statement as being involved in the issue of Lakes Oil Shares,

(together, the **Interested Persons**) holds at the date of this Bidder's Statement or held at any time during the last two years, any interest in:

- (e) the formation or promotion of Lakes Oil;
- (f) property acquired or proposed to be acquired by Lakes Oil in connection with its formation or promotion, or the offer of Lakes Oil Shares under the Offer; or
- (g) the offer of Lakes Oil Shares under the Offer.

9.20 **Disclosure of fees and benefits received by certain persons**

Except as set out in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (a) to a director or proposed director of Lakes Oil to induce him or her to become, or to qualify as, a director of Lakes Oil; or
- (b) for services provided by an Interested Person in connection with the formation or promotion of Lakes Oil or the offer of Lakes Oil Shares under the Offer.

HopgoodGanim Lawyers has acted as legal advisor to Lakes Oil in relation to the Offer (except in relation to taxation advice). The fee for professional services paid or payable to HopgoodGanim Lawyers to date in connection with the Offer is approximately \$86,000.

9.21 **Consents**

The Directors of Lakes Oil have given and have not, before the lodgement of this Bidder's Statement with ASIC, withdrawn their consent to be named in this Bidder's Statement in the form and context in which they are named.

The following persons have given and have not, before the date of this Bidder's Statement, withdrawn their consent to the following in this Bidder's Statement in the form and context in which it appears, and to all references in this Bidder's Statement to that information in the form and context in which it appears:

- (a) HopgoodGanim Lawyers, to be named as legal advisor to Lakes Oil (except in relation to taxation advice);
- (b) Computer Share Investor Services Pty Ltd, to be named as the Share Registry.

To the maximum extent permitted by law, HopgoodGanim Lawyers, Computershare Investor Services Pty Ltd expressly disclaim and take no responsibility for any part of this Bidder's Statement, other than a reference to their respective names.

As permitted by ASIC Class Order [CO 13/521] (**Class Order**), this Bidder's Statement contains statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX as set out below:

Entity	Announcement	Date of Announcement
Rawson	Disclosure Document Issue of Shares on Exercise of Options	31 July 2018
Rawson	Appendix 3B	31 July 2018
Rawson	Nangwarry Prospective Resource Upgrade	24 May 2018
Rawson	Response to Notice of Cancellation PPL560	10 May 2018
Rawson	Half Yearly Report and Accounts	16 March 2018
Rawson	Updated Annual Report	3 October 2017
Dark Horse Resources Limited (formerly Navaho Gold Limited)	NavGas Oil & Gas Project Presentation	4 February 2015

Pursuant to the Class Order, the consent of the parties making those statements is not required for, and those persons have not consented to, the inclusion of such statements in this Bidder's Statement. On request by a Rawson Shareholder during the Offer Period, Lakes Oil will provide a copy of those documents (or the relevant parts of those documents) free of charge and within 2 Business Days of such request. A request should be made in writing to Lakes Oil using the details set out in the Corporate Directory.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72 (Corporations Instrument 2016/72), this Bidder's Statement may include or be accompanied by certain statements:

- which fairly represent what purports to be a statement by an official person; or
- which are a correct and fair copy of, or extract from, what purports to be a public official document; or
- which are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable publication.

9.22 Ineligible Foreign Shareholders

Rawson Shareholders who are Ineligible Foreign Shareholders will not be entitled to receive Lakes Oil Shares as consideration for their Rawson Shares pursuant to the Offer, unless Lakes Oil otherwise determines. A Rawson Shareholder is an Ineligible Foreign Shareholder for the purposes of the Offer if their address as shown in the register of members of Rawson is in a jurisdiction other than Australia or its external territories, New Zealand or Papua New Guinea. However, such a person will not be an Ineligible Foreign Shareholder if Lakes Oil is satisfied that it is not legally or practically constrained from making the Offer to a Rawson Shareholder in the relevant jurisdiction and to issue Lakes Oil Shares to such a shareholder on acceptance of the Offer, and that it is lawful for the shareholder to accept the Offer in such circumstances in the relevant jurisdiction. Notwithstanding anything else in this Bidder's Statement, Lakes Oil is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters. The Lakes Oil Shares which would otherwise have been issued to Ineligible Foreign Shareholders will instead be issued to a Nominee approved by ASIC, who will sell these shares. The net proceeds of the sale of such shares will then be remitted to the relevant Ineligible Foreign Shareholders. See section 8.11 for further details.

9.23 **Stock exchange announcements**

A list of announcements made by Lakes Oil to the ASX between 30 June 2017 and the date of this Bidder's Statement is set out in Attachment 2. This information may be relevant to your assessment of the Offer. Copies of the announcements are available from the ASX or at <http://www.lakesoil.net.au>.

9.24 **Offering language for particular Foreign Shareholders / Notice to shareholders resident outside Australia**

This Bidder's Statement and the Offer do not constitute an offer of securities in any jurisdiction in which it would be unlawful. In particular, this Bidder's Statement may not be distributed to any person, and the Lakes Oil Shares may not be offered or sold, in any country outside Australia except to existing Lakes Oil shareholders and to the extent permitted below.

New Zealand

This Bidder's Statement is not a New Zealand disclosure document under New Zealand law and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 (or any other relevant New Zealand law). The offer of Lakes Oil Shares under the Offer is being made to existing Rawson Shareholders with registered addresses in New Zealand in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016, and, accordingly, this Bidder's Statement may not contain all the information that a disclosure document is required to contain under New Zealand law.

Papua New Guinea

This Bidder's Statement may be distributed in Papua New Guinea (**PNG**) only to Rawson Shareholders. This document has not been registered as a prospectus in PNG and no notice of the Offer will be submitted to the Registrar of Companies. No other documents are being lodged with the Registrar of Companies or the PNG Securities Commission in respect of the Offer. Any offer of Lakes Oil Shares is not, and should not be construed as, an offer of securities to the public in PNG.

9.25 **Further information**

Further information about Lakes Oil can be found on Lakes Oil's web-site at <http://www.lakesoil.net.au>.

9.26 **Other material information**

Except as disclosed in this Bidder's Statement, there is no other material information known to Lakes Oil which is material to the making of the decision by a Rawson shareholder as to whether to accept the Offer.

The Corporations Act only requires that Lakes Oil disclose information which is as up to date as is reasonable in the circumstances. Further, Lakes Oil is not required to disclose information in this Bidder's Statement if it would be unreasonable to require Lakes Oil to do so because the information had previously been disclosed to holders of Lakes Oil Shares.

9.27 **Costs and expenses**

All costs and expenses of the preparation and circulation of this Bidder's Statement and the Offer contained within, and all transfer duty or brokerage charges payable on transfer of your Rawson Shares will be paid by Lakes Oil.

9.28 Governing Law

This Bidder's Statement and Offer and any contract that results from your acceptance of this Offer are governed by the laws in force in Victoria.

9.29 Expiry Date

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

10. Definitions and interpretations

10.1 Defined Terms

In this Bidder's Statement, the following words have these meanings unless the contrary intention or the context otherwise requires:

Acceptance Form means the form of acceptance and transfer enclosed with this Bidder's Statement and forms part of the Offer (the Instructions on which are for guidance only and do not form part of this Offer).

Announcement Date means the date of announcement of Lakes Oil's intention to make the Offer, being 31 July 2018.

ASIC means Australian Securities and Investments Commission.

Associate has the meaning given to that term in the Corporations Act.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange it operates, as the context requires.

ASX Listing Rules or **Listing Rules** means the Official Listing Rules of ASX.

ASX Settlement means ASX Settlement Pty Limited ABN 49 008 504 532.

ASX Settlement Operating Rules means the operating rules of ASX Settlement which govern the administration of CHESS.

A\$ or **\$** means Australian dollars.

Bcf means billion cubic feet.

Bid or **Takeover Bid** means an off-market bid by Lakes Oil for all Rawson Shares under Chapter 6 of the Corporations Act.

Bid Implementation Deed or **BID** means the bid implementation deed entered into between Lakes Oil and Rawson on the Announcement Date.

Bidder's Statement or **Statement** means this document, being the statement of Lakes Oil including any supplementary bidder's statements, under Part 6.5 Division 2 of the Corporations Act relating to the Offer.

Board of Rawson or **Rawson's Board** means the board of directors of Rawson.

Board of Lakes Oil or **Lakes Oil's Board** means the board of directors of Lakes Oil.

Broker means a person who is a share broker and a participant in CHESS.

Business Day means a day on which banks are open for business in Perth excluding a Saturday, Sunday or public holiday.

Capital Raising has the meaning given to that term in section 2.7.

CGT means Capital Gains Tax.

CHESS means Clearing House Electronic Subregister System operated by ASX Settlement, which provides for the electronic transfer, settlement and registration of securities in Australia.

CHESS Holding means a holding of Rawson Shares on the CHESS Subregister of Rawson.

CHESS Subregister has the meaning set out in the ASX Settlement Operating Rules.

Competing Proposal means any expression of interest, proposal, offer, transaction, arrangement or arrangement:

- (a) which, if entered into or completed, would result in a Third Party (either alone or together with any Associate):
 - (1) holding a Relevant Interest or economic interest in (or the have the right to acquire a Relevant Interest or economic interest in) 50% or more of the Rawson Shares;
 - (2) directly or indirectly acquiring or obtaining an economic interest in all or substantially all of the business conducted by, or assets or property of, the Rawson Group;
 - (3) acquiring Control of Rawson; or
 - (4) otherwise acquiring, or merging with, Rawson,

whether by way of takeover bid, scheme of arrangement, shareholder-approved transaction, capital reduction, share buy-back, sale or purchase of securities, issue of securities, sale of assets, strategic alliance, dual listed company structure (or other synthetic merger), joint venture, partnership, or other transaction or arrangement;
- (b) which requires or would require Rawson or any Rawson Director to change, withdraw or modify their recommendation of the Takeover Bid.

Conditions means the conditions to the Offer as set out in section 8.2 of this Bidder's Statement.

Confidentiality Deeds means the confidentiality deeds dated on or about 9 February 2018 and 28 April 2018 between Lakes Oil and Rawson.

Controlling Participant in relation to your Shares, has the same meaning as in the ASX Settlement Operating Rules.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of Rawson or Lakes Oil (as the context requires) from time to time.

Dondonald Option means the Put and Call Option announced by Rawson on 18 July 2016.

Dondonald Shares means the 14,707,072 Rawson Shares issued on exercise of the Dondonald Option.

Encumbrance means a mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, claim, covenant, profit a prendre, easement or any other security arrangement or any other arrangement having a similar effect.

Execution Date means the date of execution of the Bid Implementation Deed by the parties, being 31 July 2018.

Facility Deed means the facility deed between Lakes Oil and Rawson dated 31 July 2018 in respect of the Secured Loan Facility.

Foreign Shareholder means a Rawson Shareholder who is a resident of a jurisdiction other than Australia and its external territories or whose address shown in Rawson's register of members is a place outside Australia and its external territories.

General Security Deed means the general security deed between Lakes Oil and Rawson dated 31 July 2018 in respect of the Secured Loan Facility.

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state.

Ineligible Foreign Shareholders has the meaning given in section 8.11.

Instructions means those instructions on how to accept the Offer set out more particularly on the Acceptance Form.

Interested Persons has the meaning given to that term in section 9.19.

Lakes Oil or Company or Bidder means Lakes Oil NL ACN 004 247 214.

Lakes Oil Group or Bidder Group means Lakes Oil and its Subsidiaries.

Lakes Oil Shareholder means a holder of Lakes Oil Shares.

Lakes Oil Shares means ordinary fully paid shares in Lakes Oil.

Liquids means liquid compounds such as propanes, butanes, pentanes and heavier products extracted from the gas flowstream.

Merged Group means Lakes Oil and its affiliated companies (including Rawson and Rawson's subsidiaries) which will exist as a result of the takeover bid as constituted by this Offer, should the Offer be 100% successful.

Net Assets means an amount equal to the net assets (being total assets less total liabilities) of the Rawson Group (on a consolidated basis), determined in accordance with Australian Accounting Standards as applied in the most recent financial statements of Rawson prior to the Execution Date.

Nominee has the meaning given to that term in section 8.11.

Offer means the Bidder's offer to acquire Rawson Shares as contained in section 8 of this Bidder's Statement.

Offer Date means the date on which the Offer was first made to shareholders of Rawson, namely 8 August 2018.

Offer Period means the period during which the Offer remains open for acceptance by Rawson Shareholder as set out in section 8.4 of this Bidder's Statement.

Participant has the meaning set out in the ASX Settlement Operating Rules.

PJ means Petajoules.

Pre-Bid Acceptance Deed has the meaning given to that term in section 9.1 of this Bidder's Statement.

Pre-Bid Shares has the meaning given to that term in section 9.1 of this Bidder's Statement.

Pre-Bid Shareholders has the meaning given to that term in section 9.1 of this Bidder's Statement.

Public Authority means any government or any governmental, semi-governmental, statutory or judicial entity or authority, or any minister, department, office or delegate of any

government, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange.

Rawson or Target means Rawson Oil and Gas ACN 082 752 985.

Rawson 2017 Annual Report means the financial statements of Rawson for the year ended 30 June 2017, dated 29 September 2017.

Rawson Group or Target Group means Rawson and its Subsidiaries.

Rawson Option means an option, issued by Rawson prior to the Announcement Date, to subscribe for one Rawson Share.

Rawson Shareholder means a holder of Rawson Shares.

Rawson Shares or Shares means the issued fully paid ordinary shares in the capital of Rawson and includes all Rights attaching to them and the term Rawson Share or Share shall have a corresponding meaning.

Register means the Register of Rawson Shareholders maintained by Rawson in accordance with the Corporations Act.

Register Date means 8 August 2018, being the date set by the Bidder under section 633(2) of the Corporations Act.

Regulatory Approvals means any consent, registration, filing, agreement, notarisation, certificate, licence, approval, permit, authority or exemption from, by or with a Governmental Agency necessary to implement the Offer.

Related Body Corporate has the meaning given in section 50 of the Corporations Act.

Relevant Interest has the meaning given to that term in the Corporations Act.

Rights means all accretions, rights or benefits of whatever kind attaching to or arising from Rawson Shares directly or indirectly after the date of this Bidder's Statement, including, without limitation, all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared or paid by Rawson or any of its subsidiaries.

Secured Loan Facility has the meaning given to that term in section 9.2.

Share Registry has the meaning given to that term in the Corporate Directory.

Specified Amount means A\$100,000.00.

Subsidiary shall have the meaning ascribed to it in the Corporations Act.

Superior Proposal means a bona fide Competing Proposal after the Execution Date which the Rawson Directors have determined, acting in good faith and in order to satisfy what the Rawson Directors consider to be their fiduciary or statutory duties (and after having taken written advice from their external financial and legal advisers):

- (a) is reasonably capable of being valued and completed on a timely basis, taking into account all aspects of the Competing Proposal, including the identity of the person making it, and any legal, financial, regulatory and timing considerations and any conditions precedent; and

- (b) would, if completed substantially in accordance with its terms, be more favourable to Rawson Shareholders (as a whole) than the Takeover Bid (as such Takeover Bid may be amended or varied following application of the matching rights in clause 8.5 of the Bid Implementation Deed), taking into account all the terms and conditions of the Competing Proposal and the identity of the person making the Competing Proposal.

Takeovers Panel means the takeovers panel having powers under Part 6.10 of the Corporations Act.

Takeover Transferee Holding has the same meaning as in the ASX Settlement Operating Rules.

Target's Statement means the Target's Statement to be issued by Rawson in response to this Bidder's Statement as required under the Corporations Act.

Tenements means PEL 154, PEL155, PPL 549, PPL 560, APPL 550, APPL 5940, APPL 622 and APPL 633.

Third Party means a person other than an entity within the Lakes Oil Group.

TJ/d means Terajoules per day.

Voting Power has the meaning given to that term in the Corporations Act.

10.2 Interpretation

Terms used in this Bidder's Statement and Offer have the meaning (if any) given to them in Chapter 6 of the Corporations Act unless that term is otherwise defined or that meaning is inconsistent with the context in which the term is used.

In this Offer unless the context otherwise requires:

- (a) headings are for convenience of reference only and do not affect the meaning of the sections they introduce;
- (b) the singular includes the plural and vice versa;
- (c) words importing any gender include all other genders;
- (d) references to persons include corporations;
- (e) appendices and annexures to this Offer form part of this Offer;
- (f) references to paragraphs are to paragraphs in this Offer; and
- (g) references to "dollar" or "\$" are references to Australian currency.

Approval of Bidder's Statement

This Bidder's Statement has been approved by a unanimous resolution passed by the directors of Lakes Oil.

Signed for and on behalf of
Lakes Oil N.L

A handwritten signature in black ink, appearing to read 'E. J. van der...' followed by a horizontal line.

Director

Dated: 8 August 2018

Attachment 1: Corporate Directory - Lakes Oil

Directors	Australian Legal Advisers to the Offer
Chris Tonkin Chairman and Non-Executive Director Barney Berold Non-Executive Director Nicholas Mather Non-Executive Director Ian Plimer Non-Executive Director William Stubbs Non-Executive Director Kyle Wightman Non-Executive Director	HopgoodGanim Lawyers Level 8, Waterfront Place 1 Eagle Street Brisbane Queensland 4000
Company Secretary	Share Registry
Melanie Leydin	Computershare Investor Services Pty Ltd Yarra Falls 452 Johnston Street Abbotsford Victoria 3067 Australia Telephone: 1300 153 346
Registered office	
Level 14 500 Collins Street Melbourne Victoria 3000 Telephone: (03) 9629 1566 Facsimile: (03) 9629 1624 Website: www.lakesoil.com.au	

Attachment 2: Announcements in relation to Lakes Oil since 30 June 2017

Date	Heading
1 August 2018	Change of interests of substantial shareholder for RAW
31 July 2018	RAW: Disclosure Doc.Issue Shares on Exercise Option
31 July 2018	Becoming a substantial holder for RAW
31 July 2018	Recommended Takeover Offer for Rawson Oil & Gas Limited
27 July 2018	Quarterly Activities and Cashflow Report June 2018
13 June 2018	Change of Directors Interest Notices x 6
12 June 2018	Section 708A Notice and Appendix 3B
12 June 2018	Change in substantial holding
12 June 2018	Change in substantial holding from DHR
8 June 2018	Removal of LKOGB
7 June 2018	Final Interest Payment and Automatic Conversion - LKOGB
6 June 2018	GeoVic Website Well Status Changes
25 May 2018	Suspension of Notes (ASX Code LKOGB)
16 May 2018	Change of Directors Interest Notices x 6
14 May 2018	Section 708A Notice and Appendix 3B
2 May 2018	LKOGB Unsecured Converting Notes - Final Interest Payment
2 May 2018	Interest Payment - LKOGB
26 April 2018	Quarterly Activities and Cashflow Report March 2018
10 April 2018	Change of Directors Interest Notices x 6
9 April 2018	Section 708A Notice and Appendix 3B
16 March 2018	Change of Directors Interest Notices x 6
16 March 2018	Change in substantial holding
14 March 2018	Section 708A Notice and Appendix 3B
13 March 2018	Litigation Update
28 February 2018	Financial Report for the Half-Year Ended 31 December 2017
16 February 2018	Change in substantial holding
13 February 2018	Change of Directors Interest Notices x 6
12 February 2018	Section 708A Cleansing Notice and Appendix 3B
29 January 2018	Quarterly Activities and Cashflow Report December 2017
15 January 2018	Change of Directors Interest Notices x 6
12 January 2018	Section 708A Cleansing Notice and Appendix 3B
19 December 2017	Change of Directors Interest Notices x 6
18 December 2017	Change in substantial holding
15 December 2017	Appendix 3B
15 December 2017	Share Purchase Plan Results
13 December 2017	Section 708A Cleansing Notice and Appendix 3B
8 December 2017	Proposal to Victorian Government - Update
7 December 2017	Appendix 3B - Issue of shares on conversion of notes
14 November 2017	Change of Directors Interest Notices x 6

Date	Heading
13 November 2017	Section 708A Cleansing Notice and Appendix 3B
13 November 2017	Results of Annual General Meeting
13 November 2017	AGM Presentation
19 November 2017	Dispatch of Share Purchase Plan Documents to Shareholders
10 November 2017	Notice under ASIC Class Order 09/425 - Share Purchase Plan
7 November 2017	Share Purchase Plan
6 November 2017	LKOGB Unsecured Converting Notes - 3 rd Interest Payment
6 November 2017	Interest Payment - LKOGB
27 October 2017	Quarterly Activities and Cashflow Report September 2017
19 October 2017	Change in substantial holding
19 October 2017	Change in substantial holding
18 October 2017	Section 708A Cleansing Notice and Appendix 3B
17 October 2017	Section 708A Cleansing Notice and Appendix 3B
17 October 2017	Change of Directors Interest Notices x 6
16 October 2017	Capital Raising Update
13 October 2017	Notice of Annual General Meeting/Proxy Form
13 October 2017	Section 708A Cleansing Notice and Appendix 3B
11 October 2017	Proposal to Victorian Government
4 October 2017	Becoming a substantial holder from DGR
28 September 2017	Appendix 4G and Corporate Governance Statement
28 September 2018	2017 Annual Report to Shareholders
18 September 2017	Change of Directors Interest Notices x 6
14 September 2017	Section 708A Cleansing Notice and Appendix 3B
12 September 2017	Litigation Update
1 September 2017	Litigation Update
21 August 2017	Litigation Update
9 August 2017	Change of Directors Interest Notice
9 August 2017	Section 708A Cleansing Notice and Appendix 3B
31 July 2017	Quarterly Activities and Cashflow Report June 2017
10 July 2017	Change of Directors Interest Notice
10 July 2017	Section 708A Cleansing Notice and Appendix 3B

LAKES OIL NL

ACN 004 247 214

Return your Form:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:



Phone:

(within Australia) 1300 153 346
(outside Australia) +61 3 9415 4158

RAWTKO

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Transfer and Acceptance Form

ISSUER



Your form must be received by the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Lakes Oil NL ("Lakes Oil") (ACN 004 247 214) to acquire all of your Shares in Rawson Oil and Gas Limited ("Rawson") (ACN 082 752 985) the terms of which are set out in the Bidder's Statement from Lakes Oil dated 8 August 2018 as replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Rawson register, as provided to Lakes Oil. The current address recorded by Lakes Oil is printed above and overleaf. If you have recently bought or sold Shares your holding may differ from that shown. If you have already sold all your Shares in Rawson, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Shares.

Step 3: Signing Instructions

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 must sign.

Power of Attorney: Where signing as Power of Attorney ("POA"), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

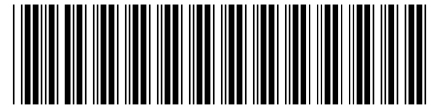
- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form ➔



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Transfer and Acceptance Form

STEP 1

Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Offer Details: Securityholding as at Wednesday, 8 August 2018:

2000

By accepting the Offer for ALL of your Shares, you are accepting the Offer for ALL the Rawson Shares as recorded by Lakes Oil as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2

Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Shares in Rawson. The consideration applicable is set out in the terms of Lakes Oil's Offer.

STEP 3

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

I/We accept the Offer made by Lakes Oil for Shares in Rawson and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Shares as per the above instruction.

Individual or Securityholder 1

**Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)**

Securityholder 2

Director

Securityholder 3

**Director/Company Secretary
(cross out titles as applicable)**

**Contact
Name**

**Contact
Daytime
Telephone**

Date / /

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by Lakes Oil NL. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to Lakes Oil NL or to third parties upon direction by Lakes Oil NL where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

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LAKES OIL NL

ACN 004 247 214

RAWTKO

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Return your Form:



To Your Controlling Participant:

Return this form directly to your stockbroker



By Mail:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:



Phone:

(within Australia) 1300 153 346
(outside Australia) +61 3 9415 4158

Transfer and Acceptance Form

CHESS



Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Lakes Oil NL ("Lakes Oil") (ACN 004 247 214) to acquire all of your Shares in Rawson Oil and Gas Limited ("Rawson") (ACN 082 752 985) the terms of which are set out in the Bidder's Statement from Lakes Oil dated 8 August 2018 as replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.
Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Rawson register, as provided to Lakes Oil. The current address recorded by Lakes Oil is printed above and overleaf. If you have recently bought or sold Shares your holding may differ from that shown. If you have already sold all your Shares in Rawson, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Shares.
As your Rawson Shares are in a CHESS holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want Lakes Oil to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise Lakes Oil and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

By signing this form, you warrant to Lakes Oil (and authorise Lakes Oil to warrant on your behalf) that you have full legal and beneficial ownership of the Shares to which this form relates and that Lakes Oil will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.
You should allow sufficient time for your Controlling Participant or Lakes Oil to initiate the acceptance of Lakes Oil's Offer on your behalf. Neither Lakes Oil or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

Step 3: Signing Instructions

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 must sign.

Power of Attorney: Where signing as Power of Attorney ("POA"), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →



X 2222222222

I ND

Transfer and Acceptance Form

STEP 1

Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

Offer Details: Securityholding as at Wednesday, 8 August 2018:

2000

By accepting the Offer for ALL of your Shares, you are accepting the Offer for ALL the Rawson Shares as recorded by Lakes Oil as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2

Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Shares in Rawson. The consideration applicable is set out in the terms of Lakes Oil's Offer.

STEP 3

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

I/We accept the Offer made by Lakes Oil for Shares in Rawson and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Shares as per the above instruction.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary
(cross out titles as applicable)

Contact
Name

Contact
Daytime
Telephone

Date / /

Privacy Notice

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Computershare 