

13 August 2018

The Manager
ASX Company Announcements
Sydney

Target's Statement

Attached is a copy of the Target's Statement of Rawson Oil and Gas Limited in response to the off-market takeover bid by Lakes Oil N.L. for all the ordinary shares in Rawson Oil and Gas, as announced to ASX on 31 July 2018.

The Directors unanimously recommend that shareholders **ACCEPT** the Offer in the absence of a superior proposal.

The supporting reasons for the Directors' recommendations are set out in full in the Target's Statement.

A copy of the Target's Statement has been lodged with the Australian Securities and Investments Commission and sent to Lakes Oil N.L. today.

For any queries please contact:

Allister Richardson
Ph: +61 2 9095 4226
Fax: +61 2 8079 0702



Allister Richardson
Chairman



RAWSON
OIL & GAS LIMITED

Target's Statement

This Target's Statement has been issued in response to the off-market takeover bid made by **Lakes Oil N.L.** (ACN 004 247 214) (**Lakes**) to acquire all of the ordinary shares in Rawson Oil and Gas Limited (ACN 082 752 985) (**Rawson** or the **Company**) for **15 Lakes Shares for every one Rawson Share**.

The Rawson Directors unanimously recommend that Shareholders ACCEPT the Offer in the absence of a superior proposal.

Unless extended, the Offer closes on 10 September 2018

**Goldie Corporate Counsel
Level 6, 175 Macquarie Street
Sydney NSW 2000**

Legal Adviser to Rawson

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you are in any doubt how to deal with this document, you should contact your broker, financial, taxation or legal adviser immediately.

CONTENTS

1. DIRECTORS' RECOMMENDATION AND REASONS	5
2. FREQUENTLY ASKED QUESTIONS	7
3. IMPORTANT MATTERS FOR SHAREHOLDERS TO CONSIDER	10
4. KEY FEATURES OF THE OFFER	18
5. INFORMATION REGARDING RAWSON	20
6. INFORMATION RELATING TO THE DIRECTORS	30
7. ADDITIONAL INFORMATION	32
8. GLOSSARY AND INTERPRETATION	37
9. AUTHORISATION.....	39

KEY DATES

Date of Announcement of Lake's Offer	31 July 2018
Date of this Target's Statement	13 August 2018
Closing Date of Offer Period (unless extended)	7pm (AEDT) on 10 September 2018

ENQUIRIES

You may call Rawson on +61 2 9095 4226 if you have any queries in relation to the Offer.

Further information relating to the Offer can be obtained from the ASX website (ASX Code: RAW) at www.asx.com.au or from Rawson's website at www.rawsonoilandgas.com

IMPORTANT NOTICES

Nature of this document

This is a Target's Statement issued by Rawson under Part 6.5 Division 3 of the Corporations Act in response to the off-market takeover offer made by Lakes for all of the fully paid ordinary shares in Rawson.

ASIC lodgement

This Target's Statement is dated 13 August 2018 and was lodged with the ASIC and given to ASX on that date. Neither ASIC, nor ASX, nor any of their respective officers take any responsibility for the contents of this Target's Statement.

Defined terms

A number of defined terms are used in this Target's Statement. These terms are explained in section 8 of this Target's Statement. In addition, unless the contrary intention appears, or the context requires otherwise, words and phrases used in this Target's Statement and defined in the Corporations Act have the same meaning and interpretation as in the Corporations Act.

No account of personal circumstances

This Target's Statement does not take into account your individual objectives, financial situation or, particular needs. It does not contain personal advice. Your Directors encourage you to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Disclaimer as to forward looking statements

Some of the statements appearing in this Target's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include, without limitation, factors and risks specific to the industry in which Rawson operates as well as general economic conditions. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

None of Rawson, Rawson's officers, employees and advisers, any persons named in this Target's Statement with their consent, or any person involved in the preparation of this Target'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 expressed 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 this Target's Statement reflect views held only as at the date of this Target's Statement. Rawson does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.

Disclaimer as to information

The information on Lakes contained in this Target's Statement has been prepared by Rawson using publicly available information. The information in this Target's Statement concerning Lakes, has not been independently verified by Rawson. Accordingly, Rawson does not, subject to the Corporations Act, make any representation or warranty (express or implied) as to the accuracy or completeness of such information.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside of Australia.

Maps and diagrams

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available at the date of this Target's Statement.

Privacy

Rawson has collected your information from its register of members for the purpose of providing you with this Target's Statement. The type of information Rawson has collected about you includes your name, contact details and information on your shareholding in Rawson. Without this information, Rawson would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to Rawson's Related Bodies Corporate and external service providers (such as the share registry of Rawson and print and mail service providers) and may be required to be disclosed to regulators such as ASIC and the ASX. If you would like details of information about you held by Rawson, please contact Rawson.

CHAIRMAN'S LETTER

13 August 2018

Dear Shareholder

OFF-MARKET TAKEOVER OFFER BY LAKES OIL N.L. FOR RAWSON OIL AND GAS LIMITED

On 31 July 2018 Lakes Oil N.L. (**Lakes**) announced an off-market takeover offer (**Offer**) to acquire all of the Shares in Rawson. Under the Offer Rawson Shareholders will receive fifteen (15) Lakes Shares for each Rawson Share.

Lakes has prepared a Bidder's Statement which sets out the full terms of the Offer. The Bidder's Statement is being sent to you. A copy of the Bidder's Statement is also available from the ASX website at asx.com.au.

This Target's Statement sets out your Directors' response to the Offer and contains their recommendation, the reasons for that recommendation and other important information you should consider when deciding whether to accept or reject the Offer. The Directors have given careful consideration to the Offer.

The Rawson Directors unanimously recommend that Shareholders ACCEPT the Offer in the absence of a superior proposal.

The supporting reasons for the Directors' recommendation are set out in full in section 1 of this Target's Statement.

The Offer is subject to a number of conditions and will remain open for acceptance until 7pm 10 September 2018 (unless extended). The Conditions of the Offer are set out in section 8 of the Bidders Statement.

Instructions on how to accept the Offer are set out in section 8.5 of the Bidder's Statement.

Further information

The Directors will be closely monitoring the progress of the Offer and will keep you informed of any material developments in relation to the Offer through releases to the ASX, which will also be published on Rawson's website.

I encourage you to read this document carefully. If you need any more information, I recommend that you seek independent advice or call Rawson on +61 2 9095 4226.

Yours sincerely



Allister Richardson
Chairman

1. DIRECTORS' RECOMMENDATION AND REASONS

1.1 Directors' recommendation and key reasons

Your Directors unanimously recommend that shareholders **ACCEPT** the Offer in the absence of a superior proposal for the reasons set out below.

(a) Access to liquidity in Lakes Shares

Lakes Oil shares offer existing Rawson shareholders a greater level of liquidity in terms of the volume of shares traded. Should shareholders wish to trade in/out of the stock this may be a far easier proposition as a Lakes shareholder given the greater spread of shareholders and shares on issue.

(b) Access to greater volume of prospective resources

In addition to the existing upside that Rawson shareholders have in the Otway Basin and Papua New Guinea, should there be a positive outcome on Lakes' outstanding legal proceedings against the Victorian Government shareholders will have access to the upside available across Lakes' portfolio. For example, PRL 2 in Victoria contains the Wombat Field. This is a priority asset in Lakes' portfolio. As stated in section 2.4 (a) of the Bidders Statement, the Wombat field has been independently assessed with a best estimate prospective conventional resource of 329 PJ by Gaffney Cline and Associates.

(c) Certainty of funding

The Rawson cash position necessitates an almost immediate cash injection to remain viable. The Lakes \$750,000 loan facility offered as part of the takeover will allow Rawson to meet financial obligations that will have to be funded in this coming quarter and keep its tenements in good standing. As detailed in the Bidders Statement, Nangwarry-1 is central to Lakes' forward capital raising plan. The Rawson directors are confident that Lakes will be able to fund the additional cash required to get Nangwarry-1 drilled and that the plans to drill the well will be realised post-takeover. Prior to the takeover offer received from Lakes, Rawson's funding requirements and financial position required meaningful support from the Company's major shareholders. This support could not be guaranteed going forward. Rawson has sought and received a waiver from the ASX from the requirement to get shareholder approval under ASX Listing Rule 10.1 to provide security over its assets to Lakes for this loan.

(d) Strategic combination and synergies

The Directors consider the combination of Lakes 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.

There is upside potential in the Lakes shares as the two entities come together through synergies and cost savings, which Rawson shareholders will benefit from as a Lakes shareholder.

(e) No superior proposal has emerged

As at the date of this Target's Statement, no proposals have been put to Rawson or are currently under consideration by Rawson which are alternatives to the Offer, and the Directors are not aware of any other proposal of substance that might be made as an alternative to the Offer. There can be no assurances that any superior proposal will emerge.

(f) Tax

Eligibility for tax roll over relief.

(g) Certain Rawson shareholders have committed to accept the Offer

Lakes have entered into a pre-Bid Acceptance Deed with major Rawson shareholders in respect of 19,599,625 shares. This represents 17.38% of the 112,754,222 Rawson shares on issue. Lakes only requires acceptances for a further 32.72% Rawson Shares for the Offer's 50.1% minimum acceptance condition to be satisfied.

(h) Other considerations

In considering whether to accept the Offer, your Directors encourage you to:

- read the whole of this Target's Statement and the Bidder's Statement;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- consider the choices available to you as outlined in this Target's Statement;
- carefully consider sections 1.2 (Disadvantages associated with accepting the Offer) and 3 (Important Matters for Shareholders to consider) of this Target's Statement; and
- obtain independent financial, legal, taxation or other professional advice before making a decision as to whether or not to accept the Offer.

1.2 Disadvantages associated with accepting the Offer

(a) The Offer Price is at a discount to the pre-Offer Share price

At the time the Offer was announced, Rawson Shares were trading at 4.0 cents each and a 15 day VWAP of 4.11c. The Offer Price of fifteen Lakes Shares for one Rawson Share represents a discount to the pre offer VWAP market value of approximately \$279,738, being the difference between Rawson's market capitalisation prior to the offer of \$4.03 million and the \$3.75 million valuation of the offer noted in the ASX release of 31 July 2018. In addition to the equity offer Lakes have provided a secured debt facility of \$750,000 to meet ongoing expenditure. The secured facility is for a period of 18 months and at an interest rate of 10%pa. Full details of the facility are available in the Bidders statement that has been forwarded to you.

(b) Shareholders will not have the benefit of any subsequent higher offer from any third party.

Shareholders who accept the Offer will not be able to accept a potential higher offer from a third party in the future. The Board is not aware of any competing proposal or superior proposal to the Offer. The Board will keep Shareholders informed of any material developments.

If Shareholders accept the Offer and Lakes subsequently increases the Offer Price, Shareholders will be entitled to receive the higher price.

1.3 Intentions of the Directors in relation to the Offer

Mr Allister Richardson (Executive Chairman) holds a Relevant Interest in 4,023,986 Shares, as described in section 6.1(a) of this Target's Statement. Mr Richardson intends to accept the Offer in respect of these Shares in the absence of a superior proposal.

Mr Richard Ash (Non-Executive Director) holds a Relevant Interest in 1,490,000 Shares, as described in section 6.1(a) of this Target's Statement. Mr Ash intends to accept the Offer in respect of these Shares in the absence of a superior proposal.

Mr Michael McGowan (Non-Executive Director) holds a Relevant Interest in 1,103,500 Shares, as described in section 6.1(a) of this Target's Statement. Mr McGowan intends to accept the Offer in respect of these Shares in the absence of a superior proposal.

2. FREQUENTLY ASKED QUESTIONS

This section answers some commonly asked questions about the Offer. It is not intended to address all relevant issues for Shareholders. This section should be read together with all other parts of this Target's Statement.

What is the Target's Statement?	The Target's Statement has been prepared by Rawson and provides Rawson's response to the Offer, including the recommendation of your Directors.
What is the Bidder's Statement	The Bidder's Statement is the document setting out the terms of the Offer, a copy of which was lodged with ASIC and announced to the ASX on 31 July 2018.
What is Lake's Offer for my Shares?	Lake's is offering 15 Lakes Shares for every one Rawson Share you hold. The offer is subject to a number of Conditions. The full Terms and Conditions of the Offer are set out in full in section 8 of Lakes' Bidder's Statement
What choices do I have as a Rawson Shareholder?	<p>As a Shareholder you have the following choices in respect of your Shares:</p> <ol style="list-style-type: none"> 1. REJECT the Offer by doing nothing; or 2. ACCEPT the Offer by selling some or all of your Shares. 3. SELL your Shares on ASX. <p>There are several implications in relation to each of the above choices. You should read this Target's Statement and the Bidder's Statement in full to obtain a summary of these implications.</p> <p>If you are in any doubt as to what to do, your Directors recommend that you consult with your investment, taxation, financial or other professional adviser.</p>
How do I REJECT the Offer?	To REJECT the Offer, simply do nothing.
How do I ACCEPT the Offer	To ACCEPT the Offer, you should follow the instructions set out in section 8.5 of the Bidder's Statement
Can I sell my Shares on ASX during the Offer Period?	Yes. During the period of the Offer, you may sell your Shares on ASX provided that you have not accepted the Offer
What are your Directors recommending?	<p>The Directors' recommendation and the reasons for the Directors' recommendation is set out in section 1 of this Target Statement.</p> <p>If there is a change in your Directors' recommendation or there are any material developments in relation to the Offer, your Directors will advise the market accordingly.</p>
Who is offering to purchase Shares?	The Offer is being made by Lakes Oil N.L. (Lakes). Lakes is an oil and gas exploration and production company listed on the ASX. Refer to the Bidder's Statement for further information about Lakes.
How many Shares does Lakes already have interest in?	As at 31 July 2018, Lakes has announced on the ASX that it has a Relevant Interest in 19,599,625 Shares, representing 19.99% of the Voting Power in Rawson. This was made through a Pre-Bid Agreement with certain major Rawson Shareholders.
If I accept the Offer, can I withdraw my acceptance?	If you accept the Offer you will be legally bound to sell those Shares and you cannot later withdraw your acceptance except in limited circumstances permitted by law.

When does the Offer close?	The Offer is currently scheduled to close at 7pm on the 10 September 2018 (unless extended). If you wish to accept the Offer you need to do so before its scheduled closing date
What are the Conditions to the Offer?	<p>The offer is subject to a number of Conditions, as summarised below:</p> <ul style="list-style-type: none"> • 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. <p>Terms of the Conditions are set out in full in section 8 of Lake's Bidder's Statement</p>
When will I receive the Lakes shares if I accept the Offer?	<p>Subject to the terms of the offer in Section 8 of the Bidders Statement you will receive your Lakes on the earlier of:</p> <ul style="list-style-type: none"> • one month after your acceptance and the offer becoming unconditional; or • 21 days after the end of the Offer Period
Can Lakes vary the Offer?	Lakes can only vary the Offer in certain circumstances. These are described in section 8 of this Target's Statement.
What if there is a competing offer?	<p>If a competing offer for Rawson emerges, Shareholders will be informed through an announcement to ASX.</p> <p>If you have already accepted the Offer and are no longer a Shareholder at the time a competing offer emerges, you will be unable to accept the competing offer.</p>
Can I be forced to sell my Shares?	<p>You cannot be forced to sell your Shares unless Lakes acquire a Relevant Interest in at least 90% of all Shares, in which case it is entitled to compulsorily acquire the remaining Shares under the Corporations Act (see section 4.8 of this Target's Statement and section 6.3 and 6.4 of the Bidder's Statement for more information).</p> <p>If Lakes proceeds to compulsory acquisition of Shares from Shareholders who did not accept the Offer, those Shareholders will receive the Offer Price for their Shares.</p> <p>Lakes' intentions with respect to compulsory acquisition are set out in section 6.5 of the Bidder's Statement.</p>
Can I buy Shares during the Offer Period?	Yes. Notwithstanding the Offer, you can continue to buy Shares as you normally would through the ASX during the Offer Period.
What do the Directors intend to do with their Shares?	The Directors intend to accept the Offer in the absence of a superior proposal.
What are Lakes intentions?	Lakes intentions are set out in section 6 of the Bidder's Statement.
Is there a number I can	If you have any further queries in relation to the Offer, you can call Rawson on +61 2 9095 4226.

**call if I have
further queries
in relation to the
Offer?**

--

3. IMPORTANT MATTERS FOR SHAREHOLDERS TO CONSIDER

3.1 The Offer

On 31 July 2018 Lakes, announced an unsolicited off-market takeover bid (Offer) to acquire all of the Shares in Rawson. Under the Offer Rawson shareholders will receive fifteen (15) Lakes Shares for every Rawson Share.

At the date the Offer was announced, Lakes had a Relevant Interest in 19.99% of the Rawson Shares.

Lakes's intentions in relation to the continuation of the business of Rawson, any significant changes to be made to Rawson's business, including any redeployment of Rawson's fixed assets and the future employment of Rawson's present employees are set out in section 6.5 of the Bidder's Statement. These are described as statements of Lakes' intentions at the date of the Bidder's Statement only, which may change as new information becomes available or circumstances change.

The Offer is open for acceptance until 7pm 10 September 2018 unless it is extended.

3.2 Sources of consideration

As set out in section 8 of the Bidder's Statement, Lakes intends to pay a consideration of fifteen Lakes Shares for every one Rawson Share under the Offer.

3.3 Minority ownership consequences

If control of Rawson passes to Lakes, Shareholders who do not accept the Offer will become minority shareholders in Rawson with respect to Lakes' position as controlling shareholder. If this occurs, there may be additional factors that need to be considered, alongside the Directors' recommendation. These factors may include:

- (a) the number of Shares traded on ASX could be significantly reduced. Shares not accepted into the Offer could become more illiquid and infrequently traded and, as such, the ASX market price may no longer be a reliable indicator of value;
- (b) Lakes may be in a position to control the composition of management and the strategic direction of Rawson and its subsidiaries. This would be effected through control of the Board. Lakes has stated, in section 4 of the Bidder's Statement, that it intends to seek the appointment of a majority of Lakes nominees to the Board to reflect the proportionate ownership interest of Lakes and other Rawson Shareholders;
- (c) Lakes may be in a position to pass special resolutions at meetings of Shareholders. This will enable Lakes to, among other things, change Rawson's Constitution; and
- (d) Lakes may be in a position to arrange for Rawson to be removed from the official list of ASX. If this occurs, any remaining Shareholders will not be able to sell their Shares on-market.

You should also read section 6 of the Bidder's Statement which describes Lakes' intentions in the event that it acquires control (including varying levels of control) of Rawson and Section 1 of this Target's Statement which describes your Directors' recommendation and reasons in relation to the Offer.

3.4 Taxation consequences

The taxation consequences of accepting the Offer depend on a number of factors and will vary depending on your particular circumstances. You may wish to refer to section 7 of the Bidder's Statement which includes a summary of the principal Australian tax consequences generally applicable to Rawson Shareholders who dispose of their Rawson Shares under the Offer.

Rawson and its advisers do not accept any liability or responsibility for any taxation implications of accepting or rejecting the Offer. You should seek your own specific independent professional, financial and taxation advice as to the taxation implications applicable to your circumstances before making a decision as to whether or not to accept the Offer for your Shares.

3.5 Risk factors

In considering this Target's Statement, Shareholders should be aware that there are a number of risks, general and specific, which may affect the future operating and financial performance of Rawson and the value of Shares. Many of these risks are relevant to Shareholders today and will be relevant to Shareholders who remain as Shareholders following the completion of the Offer.

Many of these risks are outside the control of Rawson and its Board. There can be no certainty that Rawson will achieve its stated objectives or that any forward looking statements will eventuate.

Additional risks and uncertainties not currently known to Rawson may have a material adverse effect on Rawson's business and the information set out below does not purport to be, nor should it be construed as representing, an exhaustive list of the risks that may affect Rawson or the Shareholders.

Shareholders should read this Target's Statement in its entirety and carefully consider the following risk factors in deciding whether to accept the Offer.

The exploration, development and production of oil and gas involves numerous risks specific to that industry sector which even a combination of experience, knowledge and careful evaluation may be unable to protect against, and which may be outside the control of Rawson and the Rawson Directors. Such risks include, but are not limited to:

Specific Risks Related to Rawson

(a) Adequacy of Funding

Without the guaranteed support of major Rawson Shareholders or the Loan Facility provided as part of the Lakes Offer Rawson will not be able to fund its immediate forward capital requirements.

Rawson may seek to divest all or part of its interests in its portfolio or reduce its commitments to remain solvent without securing immediate working capital.

(b) Litigation

On receipt of a Cancellation of Licence Notice from the PNG Minister of Petroleum and Energy, Rawson has filed injunction and judicial review proceedings against the Minister to stop all or part of licence PPL 560 being awarded to other parties.

While Rawson's legal advisors and counsel in PNG are well regarded experts in their relevant legal fields and are confident in the arguments being pursued to protect Rawson's interests in PPL 560, there is no guarantee the legal proceedings will be successful.

An adverse outcome could lead to Rawson being liable for payment of the PNG Government's costs of defence and, thereby, significantly erode the Rawson cash position and market value.

Rawson 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 Rawson's operations, financial performance and financial position.

Specific Risks Related to Lakes

See section 5.2 of Lakes Bidders Statement.

Specific Risks Related to Accepting the Offer

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 Shares (rather than a number of Lakes Shares with a specified market value). The market value of Lakes 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 Shares) under the Offer and the value of an accepting shareholder's investment in Lakes. Lakes is not obliged to make any adjustment in the consideration payable under the Offer if the value of Lakes Shares changes during the Offer Period.

Some Rawson Shareholders may not intend to continue to hold Lakes 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 Shares that the share price of Lakes may be adversely impacted. Further, Lakes Shares issued to certain Foreign Shareholders will be sold on the ASX. The sale of these Lakes Shares could also have a material adverse effect on Lakes and the price of Lakes Shares.

Unless Lakes 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 Shares received in exchange for the Rawson Shares

b. Merger Integration Risks

Integrating two companies such as Lakes 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 Rawson expect certain synergies to be realised 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 Rawson 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, 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. 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 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 Shares varies significantly from their value on the date of your acceptance of the Offer.

Specific Risks Related to Not Accepting the Offer

(a) 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 acquires between 90% and 100% of the Rawson Shares, Lakes may be entitled to compulsorily acquire the remaining shares of the Rawson Shareholders.

If, in connection with the Takeover Bid, Lakes acquires more than 50.1% but less than 90% of the Rawson Shares, Lakes 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 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 holding a non-controlling interest of between 19.99% and 50.1% of Rawson. If this occurred, it is possible that Lakes 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 is less than 50.1%, which could have an impact on Lakes' intentions regarding Rawson (refer to section 6 of the Bidders Statement).

Industry and Exploration Risks

(a) Commodity price

The demand for, and price of, oil is highly dependent on a variety of factors, including international supply and demand, transmission and distribution costs, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments. Historically, international oil prices have been volatile and may continue to fluctuate significantly in the future. Any substantial decline in the prices of oil or gas could have a material adverse effect on Rawson and the value of Rawson Shares.

(b) Exploration and production

Oil and gas exploration and production involves significant risk. The future profitability of Rawson and the value of Rawson Shares are directly related to the results of exploration and production activities. There are inherent risks in these activities. No assurances can be given that funds spent on exploration will result in discoveries that will eventually be commercially viable. In addition, disruptions to Rawson's expected production may occur due to numerous factors which may result in variations to Rawson's expected revenue and could have an adverse effect on Rawson's financial performance and ongoing operations.

(c) Drilling

Rawson may encounter hazards inherent in oil and gas drilling activities. Examples of such hazards include the risk of unusual or unexpected formations, abnormal pressures or rock properties, adverse weather conditions, mechanical difficulties, conditions which could result in damage to plant or equipment or the environment, or shortages or delays in the delivery of rigs and/or other equipment. Drilling may result in wells that, while encountering oil and gas, may not achieve economically viable results.

(d) Operational

Industry operating risks include fire, explosions, blow outs, pipe failures, abnormally pressured formations, environmental hazards, limitations of activities due to seasonal weather conditions, unanticipated operational and technical difficulties, mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes, riots and other force majeure events and unexpected shortages or increases in the costs of labour, consumables or plant and equipment. The occurrence of any of these risks or events could result in legal proceedings being instituted against Rawson and substantial losses to Rawson due to injury or loss of life, damage to or destruction of property, natural resource or equipment, pollution or other environmental damage, clean up responsibilities, regulatory investigation and penalties or suspension of operations. Damages occurring to third parties as a result of such risks may give rise to claims against Rawson. The occurrence of any of these risks or events could also have an adverse impact on Rawson's financial performance and ongoing operations.

(e) Reserve and resource estimates

Reserves and resources estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates, while valid when made, may change significantly when new information becomes available through additional fieldwork or analysis. Reserves and resources estimates are necessarily imprecise and depend to some extent on interpretations, which may prove inaccurate. Actual Reserves and resources may differ from those estimated which could have a positive or negative impact on Rawson's financial performance.

(f) Environment

Oil and gas exploration, development and production can be potentially environmentally hazardous, giving rise to substantial costs for environmental rehabilitation, damage control and losses. Rawson is subject to environmental laws and regulations in connection with its operations and could be subject to liability due to risks inherent in its activities, such as accidental spills, leakages or other unforeseen circumstances.

(g) Commercialisation and infrastructure

The business of oil and gas development and production involves a degree of risk. Amongst other factors, success is dependent on successful design, construction and operation of efficient gathering, processing and transportation facilities. Even where Rawson recovers commercial quantities of oil or gas, there is no guarantee that Rawson will be able to successfully and economically transport the oil or gas to commercially viable markets or sell the oil or gas to customers to achieve a commercial return.

(h) Legislation, regulation and tenure

Rawson's activities in the oil and gas industry are subject to legislation, regulation and approvals. The introduction of new legislation, amendments to existing legislation, the application of developments in existing law or policies or changes in the interpretation of those laws or policies could have a material adverse effect on Rawson. In addition, Rawson requires various government regulatory approvals for its operations and must comply with those approvals, applicable laws, regulations and policies. The impact of actions, including delays and inactions, by governments may affect Rawson's activities including such matters as access to land and infrastructure, compliance with environmental regulations and production and exploration activities. This may affect the timing and scope of work that can be undertaken.

(i) Native title

Native title rights may adversely impact on Rawson's operations. In particular, Rawson's ability to explore within the area of its South Australian petroleum exploration licences could be affected as they are within an area of a current Native Title Claim, to which Rawson has become a party.

(j) Capital expenditure

Substantial capital expenditure is required for oil and gas exploration, development and production.

Rawson may be unable to meet future capital requirements once current cash reserves are fully expended. In that event, Rawson may be required to raise future additional capital. There are no guarantees that Rawson will be able to raise additional capital on acceptable terms or at all. In the event such funds are not forthcoming, Rawson may seek to divest all or part of its interests or reduce its commitments.

(k) Joint venture risk

Rawson participates in joint venture arrangements and may enter into further joint venture agreements in the future. Under these agreements, Rawson may be voted into programmes and budgets which it does not necessarily agree with or have the cash reserves to fund. It may also be required to contribute to any increases in capital expenditure requirements and/or operating costs. Furthermore, the situation could arise where any or all of the joint venture parties are unable to fund their percentage interest contributions to expenditure, in which case Rawson may have to make increased contributions to ensure that the programmes proceed. Other companies may from time to time be operators under joint venture operating agreements and, to the extent that Rawson is a minority joint venture partner, Rawson will be dependent to a degree on the efficient and effective management of those operating companies as managers. The objectives and strategy of these operating companies may not always be consistent with the objectives and strategy of Rawson, however, the operators must act in accordance with the directions of the relevant majority of joint venturers. Rawson is required under joint venture agreements to pay its percentage interest share of all costs and liabilities incurred by the joint venture in connection with joint venture activities. In common with other joint venture parties, if Rawson fails to pay its share of any costs and liabilities, it may be obliged to transfer its interest in the relevant permits and joint venture agreements to other joint venture participants.

(l) Competition

Rawson operates in a competitive market which includes major oil and gas companies. Many of these companies may have greater financial strength and resources available to them than Rawson and, as a result, may be in a better position than Rawson to compete for future business opportunities.

(m) Sole contractors

Certain aspects of Rawson's business rely on contractors for whom there is no reasonably available alternative, in particular oil and gas transport, oil refining and drilling contractors. If any of these contractors are unable to perform their obligations, this may have a material adverse effect on Rawson's business.

General Risks

(a) Economic conditions

Rawson may be affected by general business cycles and a range of other factors beyond Rawson's and the Rawson Directors' control, including economic and political factors in Australia and overseas, such as economic growth, inflation, interest rates, employment levels, changes in government policies or regulatory regimes, changes in accounting or financial reporting standards and changes in taxation laws (or their interpretation) or regulations in the oil and gas industry. Deterioration of general economic conditions, adverse foreign exchange rate movements, the Australian and overseas stock markets, natural disasters and catastrophic events and changes in industry and commercial factors may also affect Rawson's operating and financial position and the value of Rawson Shares.

(b) Share market fluctuations

Share market conditions may affect the value of Rawson's quoted securities regardless of Rawson's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;

(iv) changes in investor sentiment toward particular market sectors;

(v) the demand for, and supply of, capital; and

(vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither Rawson nor the Directors warrant the future performance of Rawson or any return on an investment in Rawson.

(c) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of Rawson depends substantially on its key personnel. There can be no assurance given that there will be no detrimental impact on Rawson if one or more of these personnel cease their involvement with Rawson.

(d) Liquidity

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

(e) Taxation

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 Rawson operates may impose additional taxes on Rawson. The recoupment of taxation losses accrued by Rawson 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 Rawson 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 Rawson.

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

(f) Insurance

Insurance of all risks associated with oil and gas exploration, development and production is not always available and, where available, the cost can be high. Rawson will not be insured against all possible losses, whether because of the unavailability of cover or because the premiums may be excessive relative to the benefits that would accrue.

(g) Sovereign risk

Rawson operates in countries outside Australia and there are risks that changes in the legal and business environment in those places such as currency and price controls, fiscal, monetary and regulatory policy changes and political changes may adversely affect the ability to develop and produce oil and gas reserves and thus the value of Rawson's assets. Some of the jurisdictions in which Rawson operates have legal systems and laws different to Australia that may lead to uncertainty for Rawson in enforcing legal and contractual rights in those jurisdictions. Local laws in some foreign jurisdictions may also limit Rawson's ability to hold a majority interest in its projects. In addition, contracts with host country governments or national oil companies may contain provisions that give host governments or national oil companies contractual rights to assume ownership of property and/or operatorship of assets which may have a material adverse effect on Rawson's revenue.

(h) Foreign exchange risk

Rawson and its Subsidiaries are exposed to foreign exchange risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Rawson and its Subsidiaries. The majority of the Rawson Group's revenues and purchases are denominated in A\$, although Rawson is exposed to certain non-A\$ cash balances. The Rawson Group's cash flows are

therefore exposed to fluctuations and volatility in the exchange rates between the Australian dollar and the currencies in which the remainder of Rawson's cash flows are denominated.

(i) Force Majeure

Events may occur within or outside Australia that could impact upon the Australian economy, Rawson operations and the price of Rawson 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 Rawson's products and its ability to operate its assets. Rawson has only a limited ability to insure against some of these risks.

4. KEY FEATURES OF THE OFFER

4.1 Offer price payable to Shareholders who accept the Offer

Under the Offer, Lakes is offering Shareholders fifteen Lakes Shares for every one Rawson Share.

4.2 Offer Conditions

The offer is subject to a number of Conditions, 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.

See section 8 of the Bidder's Statement for further information on the Offer Conditions.

4.3 Offer Period

Unless Lakes' Offer is extended, it is open for acceptance until 7pm 10 September 2018.

4.4 Variation of the Offer

The Offer may be varied in accordance with the Corporations Act.

4.5 Withdrawal of Offer

Lakes may not withdraw the Offer to the extent you have already accepted it. However, pursuant to the Corporations Act, Lakes may withdraw the Offer in respect of any unaccepted Offers in certain limited circumstances as prescribed by the Corporations Act.

4.6 Your ability to withdraw your acceptance

Once you have accepted the Offer you will be legally bound to sell those Shares and you cannot later withdraw your acceptance.

4.7 Effect of an increase in the Offer Price

If Lakes increases the Offer Price, all Shareholders, whether or not they have accepted the Offer before that increase will be entitled to the benefit of that increase (unless a Shareholder has sold its shares on-market).

4.8 Compulsory acquisition

Refer to the Bidder's Statement for information concerning Lakes' intentions in relation to compulsory acquisitions of Shares.

(a) Compulsory acquisition within one month after the end of the Offer Period

Lakes would be entitled to compulsorily acquire any Shares in respect of which it has not received an acceptance of its Offer on the same terms as the Offer if, during or at the end of the Offer Period:

- (i) Lakes and its Associates acquire Relevant Interests in at least 90% (by number) of the Shares; and

- (ii) Lakes and its Associates have acquired at least 75% (by number) of the Shares that Lakes offered to acquire (excluding Shares in which Lakes or its Associates had a Relevant Interest at the date of the Offer and also excluding Shares issued to an Associate of Lakes during the Offer Period).

If these thresholds are met and Lakes wishes to exercise its right to compulsorily acquire any outstanding Shares, Lakes will have one month after the end of the Offer Period within which to give compulsory acquisition notices to Shareholders who have not accepted the Offer. Shareholders have certain rights under the Corporations Act to challenge a compulsory acquisition pursuant to the procedure outlined in the Corporations Act, but a successful challenge will require the relevant Shareholder to establish to the satisfaction of a court that the terms of the Offer do not represent 'fair value' for their Shares. If compulsory acquisition occurs, Shareholders who have their Shares compulsorily acquired are likely to be sent their consideration approximately five to six weeks after the compulsory acquisition notices are dispatched to them.

(b) Alternative compulsory acquisition regime

It is also possible that Lakes will, at some time during or after the end of the Offer Period, either alone or with its Related Bodies Corporate, hold full beneficial interests in at least 90% (by number) of all the Shares. Lakes would then have rights to compulsorily acquire all of the Shares that it does not own within six months of becoming the holder, either alone or with its Related Bodies Corporate, of full beneficial interests in 90% (by number) of all the Shares. The price which Lakes would have to pay to compulsorily acquire all of the remaining Shares under this alternative compulsory acquisition regime would have to be considered in a report of an independent expert.

Shareholders would have certain rights under the Corporations Act to challenge a compulsory acquisition pursuant to the procedures outlined in the Corporations Act, but a challenge would require people who hold at least 10% of the Shares that are proposed to be the subject of the compulsory acquisition to object to the compulsory acquisition. If people holding such number of Shares object to the compulsory acquisition, and Lakes still wishes to proceed with the compulsory acquisition, Lakes would be required to establish to the satisfaction of a court that the terms of the compulsory acquisition represent 'fair value' for the Shares. In the absence of a challenge by people holding the requisite number of Shares, Shareholders who have their Shares compulsorily acquired under this procedure are likely to be sent their consideration approximately five to six weeks after the compulsory acquisition notices are dispatched to them.

5. INFORMATION REGARDING RAWSON

5.1 Background information on Rawson

Rawson Oil and Gas Limited is an Australian-listed company focused on oil and gas exploration and production in the South Australia and Papua New Guinea. Rawson was incorporated in NSW and was listed on the ASX in 2005. As at 31 July 2018, there were approximately 247 Rawson Shareholders.

In the Otway Basin, South Australia, Rawson holds two onshore licences, targeting conventional gas prospects. The planned onshore Nangwarry-1 well in PEL 155 has been awarded a PACE Gas Grant of A\$4.95 million from the South Australian Government¹ and is targeting a best estimate prospective resource of 57 Bcf² gas recoverable.

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

5.2 Tenement Portfolio

South Australia – Onshore Otway Basin

The western region of the Otway Basin in South Australia has recently seen an upsurge in exploration. Most noticeably, the 2018 gas discovery by Beach Energy at Haselgrove-3 ST1, which has opened up the Sawpit Sandstone as a successful new play type over the central Penola Trough³.

Rawson tenements in the onshore Otway are shown in Figure 1.

Exploration is being driven by forecast domestic gas supply shortages for the east of coast of Australia⁴ and the revised 2017 South Australia State Energy Plan⁵, which through the Plan for Accelerating Exploration (PACE) initiative, is funding the exploration and production of new gas supply into the SA market as a means of securing energy supply for the State.

The most important established conventional reservoirs in the western Otway Basin are within the Pretty Hill Formation, which contains the Katnook complex gas fields. The formation comprises the Pretty Hill and Sawpit sandstones as well as other undifferentiated sandstones. The Windmere Sandstone and the Waarre Sandstones are also important reservoirs, particularly in the eastern Otway Basin, but also have significant potential in the western Otway Basin.

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 drill-ready Nangwarry prospect (Figure 2), which carries a Best Estimate unrisked recoverable 57 Bcf gas⁶ and is adjacent to existing gas infrastructure.

The PEL 155 JV 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 JV.

Currently the local South East region is supplied by gas via the SEAGas, SESA and SPES pipeline network. This local SE gas market is easily accessible from the Nangwarry location. Access to the

¹ http://www.rawsonresources.com/irm/PDF/2938_0/RawsonOilandGasJVawarded495MPACEGrant

² http://www.rawsonresources.com/irm/PDF/3007_0/NangwarryProspectiveResourceUpgrade

³ On 02 July 2018, Beach Energy announced as part of their Reserves and contingent resources statement to 30 June 2018, that the Haselgrove discovery represented a 2C contingent resource of 15 MMboe (million barrels of oil equivalent)

⁴ Gas Statement of Opportunities for Eastern and South-Eastern Australia, AEMO, March 2017.

⁵ <https://service.sa.gov.au/cdn/ourenergyplan/assets/our-energy-plan-sa-web.pdf>

⁶ The independent technical specialist report was produced by RISC Advisory Pty Ltd (RISC). RISC is an independent oil and gas advisory firm. The preparation of the report was supervised by Mr Ian Cockerill, RISC Head of Geoscience. Mr Cockerill has 20 years' experience and is a qualified petroleum reserves and resources evaluator (QPPRE) as defined by ASX listing rules.

wider SA and Eastern Australian gas markets can be made via the SEAGas pipeline as well.

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 complex fields and is planned for drilling during FY19.

In January 2018 Beach Energy announced a constrained flow rate of 25 MMscfd from the Sawpit Sandstone reservoir in the discovery Haslegrove-3 ST1 well⁷.

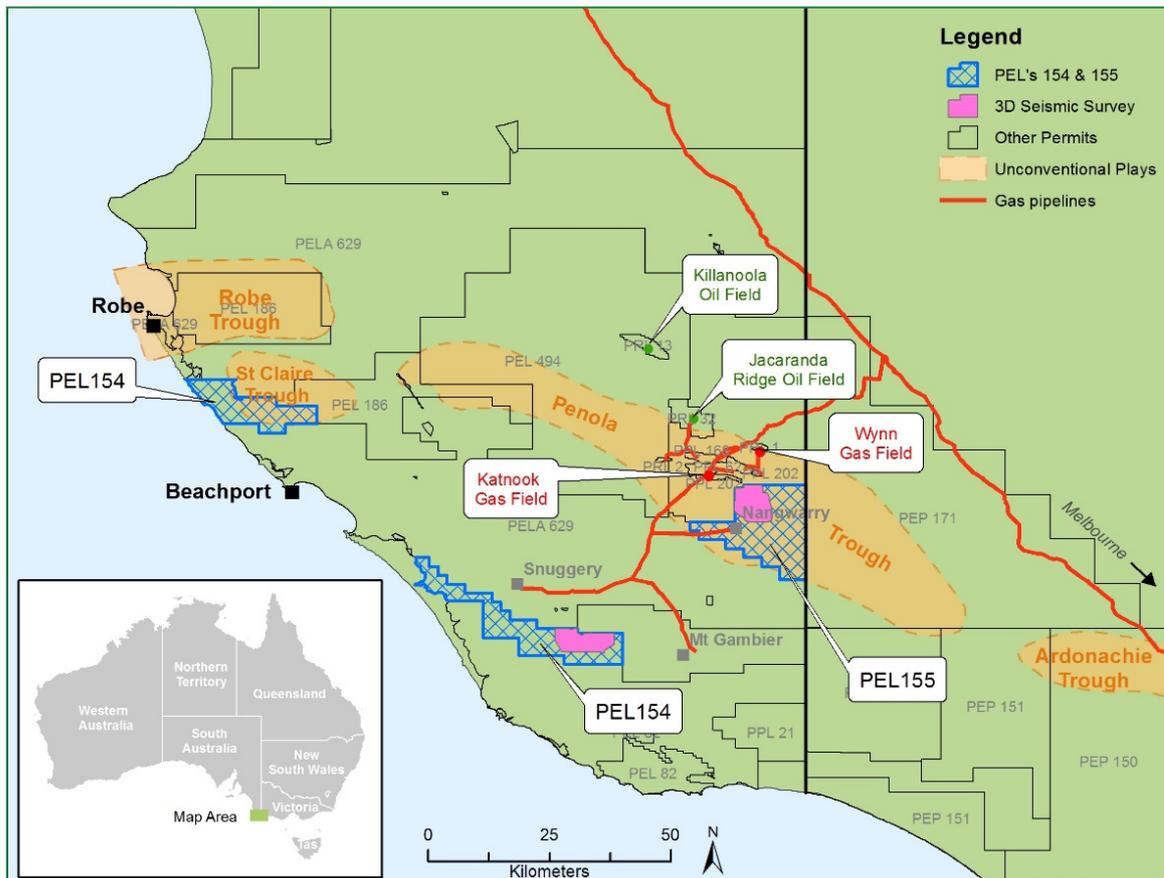


Figure 1. Onshore Otway Basin, South Australia including Rawson tenement (PEL 154 and PEL 155) locations.

PEL 154 – Onshore Otway Basin South Australia

Rawson is Operator and has 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.

The primary prospect in PEL 154 has a prospective best estimate of almost 25 Bcf recoverable gas (Figure 3).

⁷ http://www.beachenergy.com.au/irm/PDF/6923_0/NewgasfielddiscoveryintheOtwayBasin

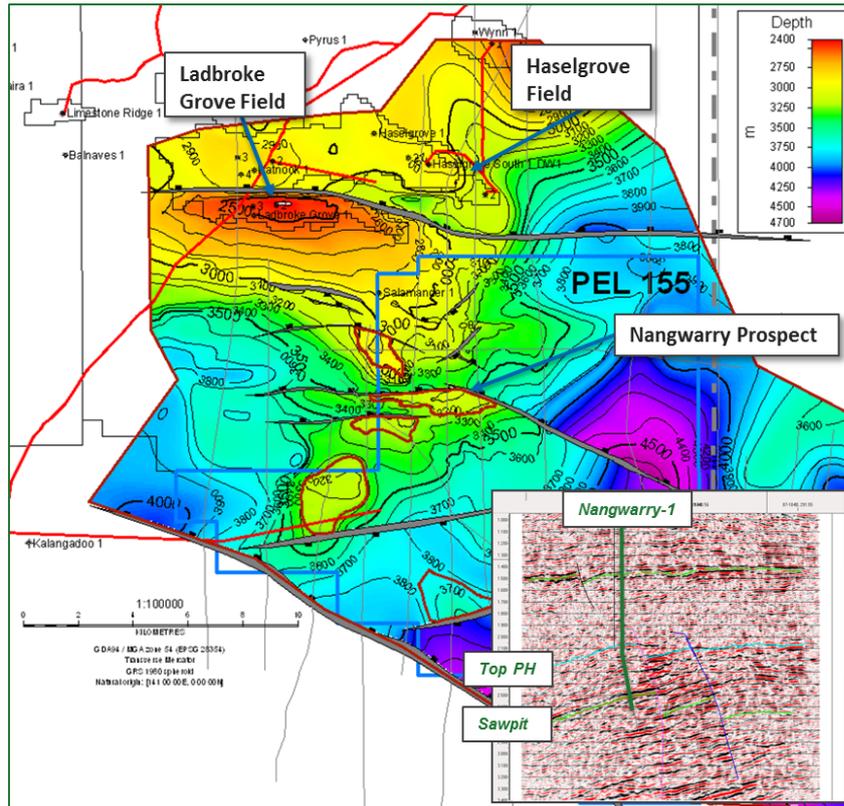


Figure 2. PEL 155, top Pretty Hill depth structure map, showing the Nangwarry prospect and follow up leads.

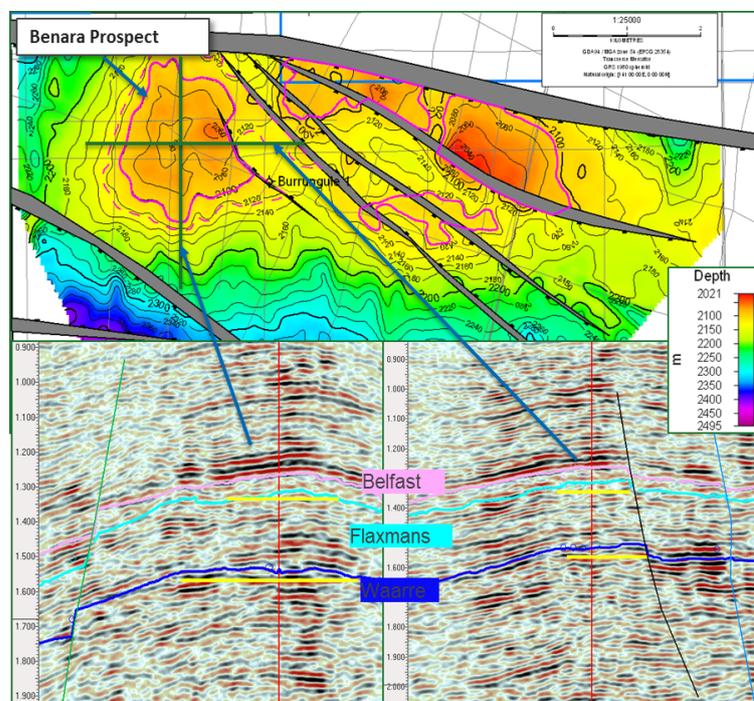


Figure 3. PEL 154, showing primary Waarre Sandstone target (Benara).

Papua New Guinea

Up until very recently E&P efforts in Papua New Guinea have focused on the fold-thrust belt and

foreland areas and the shallow water Gulf of Papua, with crude exports out of the Kumul Terminal in the Gulf and gas coming back to Port Moresby.

Now we are starting to see significant interest in the deepwater Gulf of Papua and multi-client seismic acquisition activity is pushing into the North Coast region of PNG⁸. This interest in the North Coast coupled with the growing viability of mid- and small-scale development options in PNG, such as Gas-to-Power or small FLNG⁹ makes the North Coast the logical step-out exploration region.

Rawson's portfolio (Figure 4) is situated to capitalise on emerging North Coast interest with a variety of risk profiles and play types¹⁰.

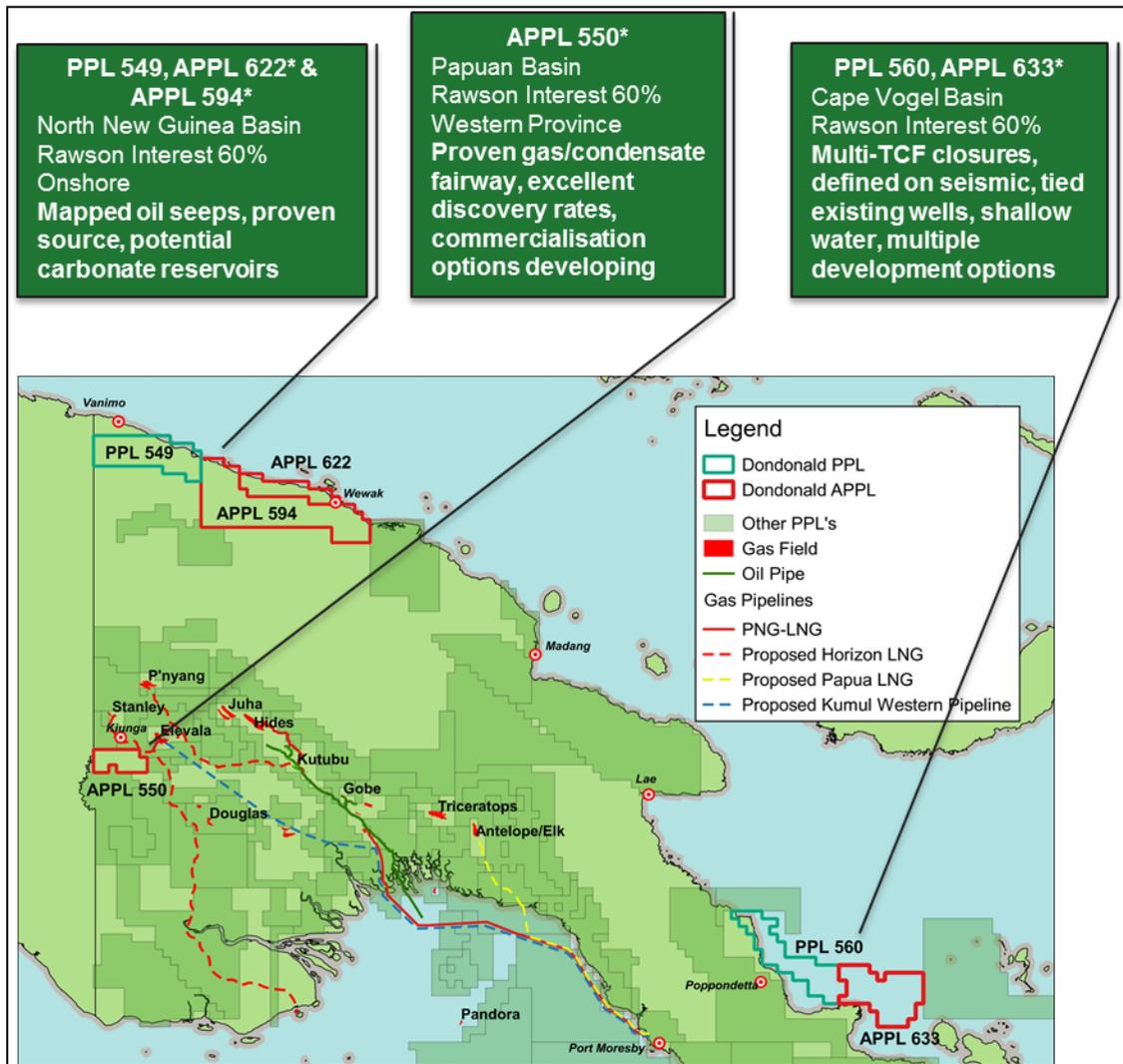


Figure 4. Rawson Oil and Gas exploration portfolio, Papua New Guinea.

PPL 560 and APPL 633 – Cape Vogel Basin

Rawson is the Operator and has a 60% interest in PPL 560, which contains the potential multi-TCF Buna prospect (Figure 5) with an interpreted DHI over the structure indicating the presence of a gas cap.

Our evaluation of existing seismic data with the onshore geological information reveals a variety of

⁸ <http://www.searcherseismic.com/multiclient-data-library.htm>

⁹ LNG Opportunities – An Oil Search Perspective. PNG Chamber of Mines Petroleum, Mining and Petroleum Investment Conference Presentation, 28 Nov 2017

¹⁰ http://www.rawsonresources.com/irm/PDF/2940_0/RawsonOilampGasCorporatePresentationDecember2017

structural and stratigraphic trapping possibilities.

There are many large structures within the basin, ranging from drape and compaction over pre-Miocene basement highs and onlap/pinout traps around the basin margin, to large anticlinal folds of Middle Miocene age (the Kumasi and Buna Structures in PPL 560) and normal and thrust faulted anticlines of Late Miocene to Early Pliocene age.

Present day geothermal gradients in the Cape Vogel Basin suggest that a substantial volume of sediment is buried deep enough for potential source rocks to be mature for hydrocarbon generation. Additionally, the Nubiam shale has shown to have relatively rich TOC content and has good-to-marginal hydrocarbon generating potential.

A previous independent resource assessment of Buna structure included the H30 Castle Hill Limestone and underlying H40 Woruka stratigraphic units and carried a best estimate of 5.5 Tcf gas recoverable¹¹.

Through a campaign of data re-processing and interpretation (Figure 5), Rawson considers there is no evidence of gas charge in the H30 Castle Hill, but do believe there to be a flat-lying DHI and amplitude increase with offset indicative of gas at the H40 level, maintaining Buna as a potentially multi-Tcf proposition.

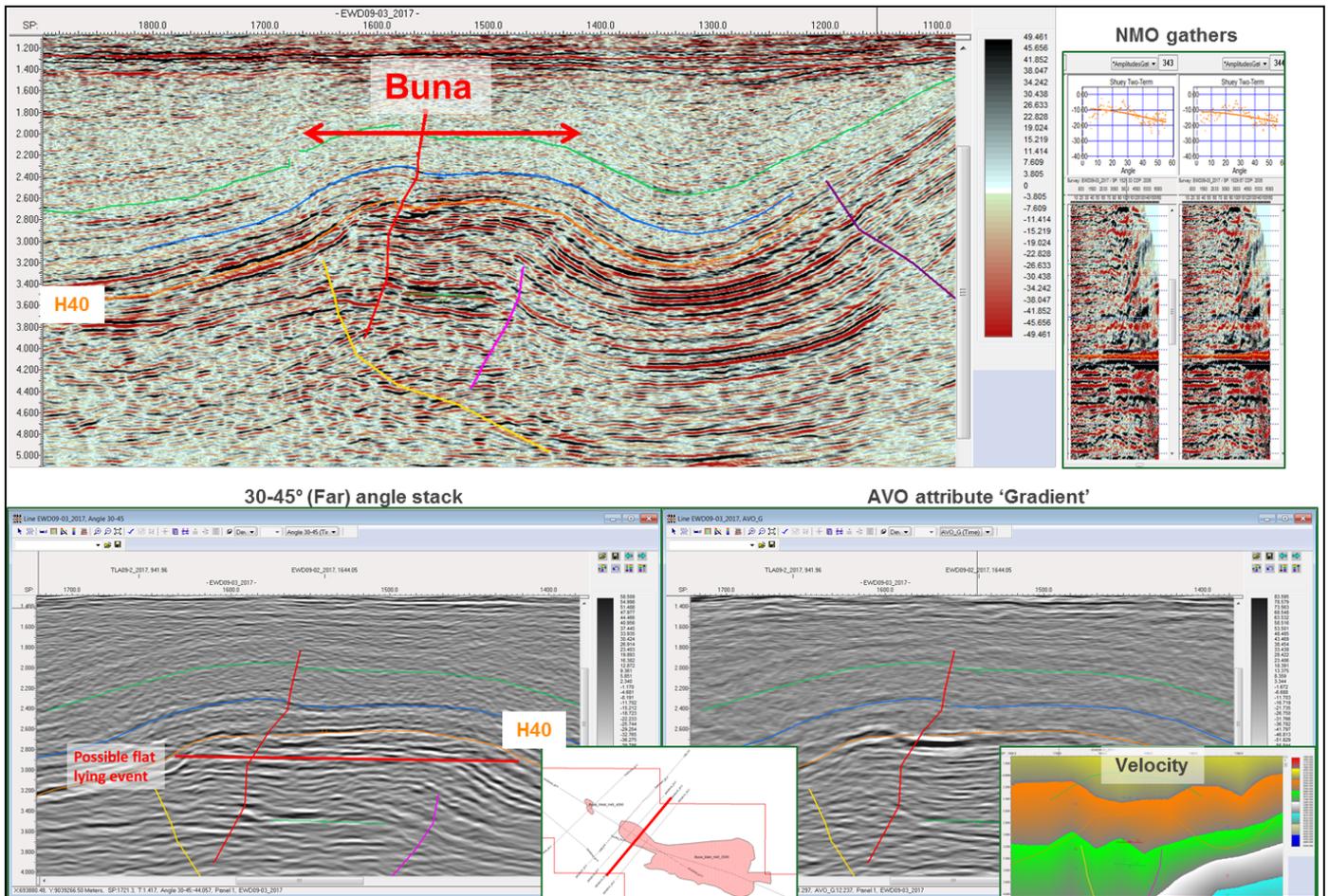


Figure 5. EWD09-03 reprocessed seismic line, showing flat spot and complimentary AVO attribute results.

¹¹ "Undiscovered Hydrocarbon Resources – Petroleum Prospecting Licence Blocks 257 and 258, Papua New Guinea, as at 31 August 2010" Report by Fekete Associates Inc

PPL 549, APPL 594 and APPL 622 – North New Guinea Basin

Rawson is the Operator and has a 60% interest in PPL 549, APPL 594 and APPL 622 (Figure 6). The Year 1 and 2 work program in PPL 549 is complete, including re-mapping, regional well failure analysis and a basin analogue study.

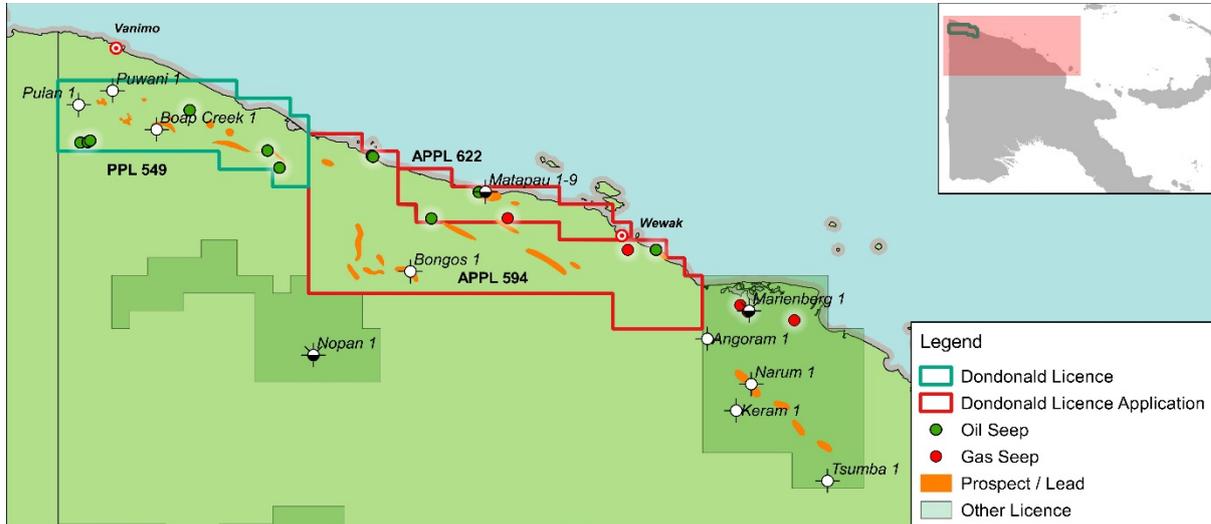


Figure 6. Rawson's North Coast tenement location map.

Seismic interpretation has identified a number of potential carbonate leads that appear analogous to the proven Salawati Basin reefs along strike to the west (Figure 7).

Well review studies of Puwani-1 show that the Barida Beds have a TOC of up to 0.8%, which is a relatively high value for a pelagic foraminiferal ooze and rates as a fair to good source rock characterisation¹². Dry gas shows and vitrinite reflectance data from Boap Creek-1 indicates the thick overburden sequence provides thermal capacity to allow hydrocarbon generation at depth. Coupled with oil seeps along the southern margin, there is every indication there is an active petroleum system in the Aitape sub-basin.

Basin analogue studies have shown the Aitape has similar characteristics to the proven Salawati Basin: both are half-grabens with reefs built and buried on sloping carbonate platforms, in both cases foraminiferal ooze provides the source and seal elements. The Salawati Basin, in Irian Jaya, holds an estimated 475 mm boe of proven hydrocarbon reserves and has been producing oil and gas since the 1930's.

Rawson is proposing an Airborne Gravity Gradiometry survey over PPL 549 to delineate the interpreted reefs from volcanics in a variation request to the regulator to confirm our current interpretation before committing to seismic or drilling.

¹² Geology and Petroleum plays of the Aitape Basin, New Guinea. Andrew Kugler, Jr. In Petroleum Exploration in Papua New Guinea, Proceedings of the First PNG Petroleum Convention, Port Moresby, 12th-14th February 1990, Carmen G.J. and Z., (eds).

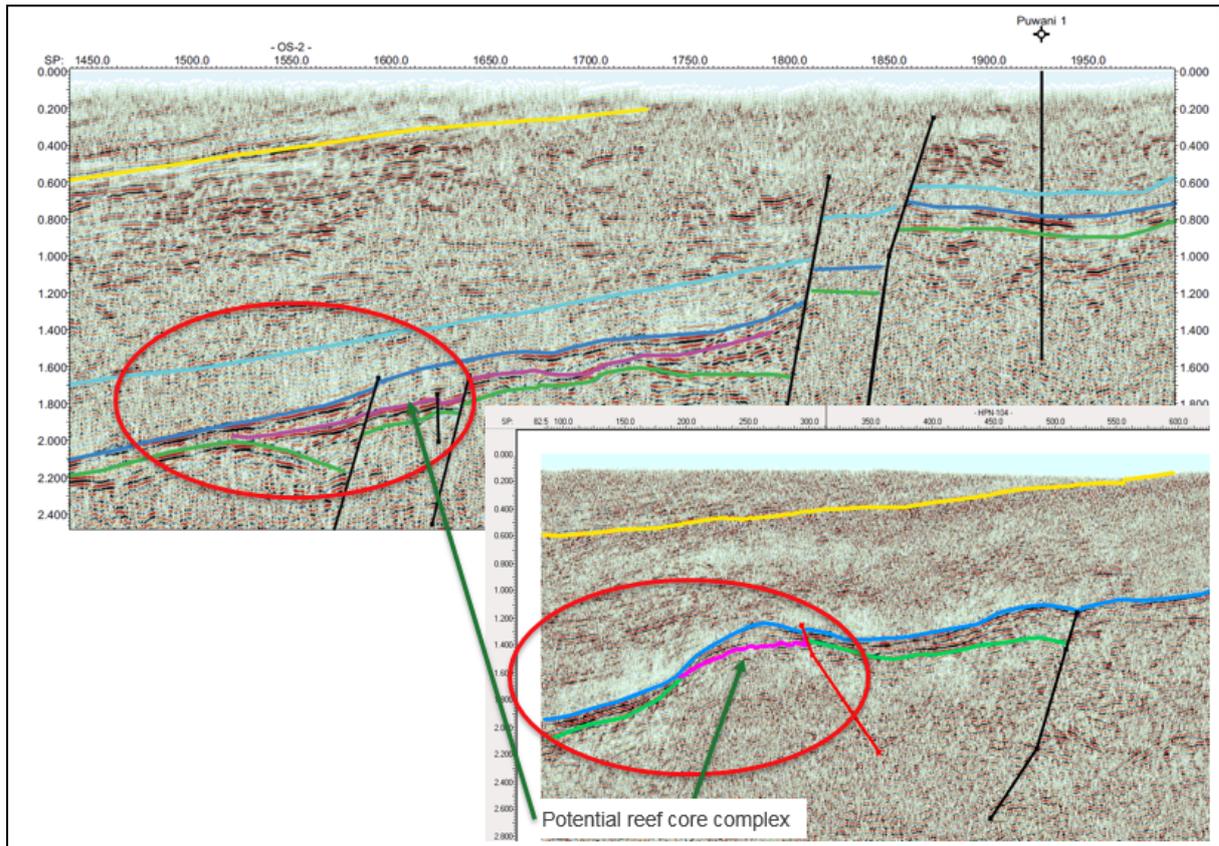


Figure 7. Example interpreted carbonate reef complexes, PPL 549.

APPL 594 and APPL 622 – Wewak Sub-Basin

Rawson previously held the area covered under APPL 622 as PPL 391¹³. APPL 622 captures the proven shallow Matapau oil accumulation.

The Matapau wells were drilled by Anglo Persian in the 1930's with limited production. The wells are approximately 400 m deep, targeting either early Miocene sands or over-thrust fractured basement. The area was abandoned with the onset of World War 2 hostilities and most of the wells are still open today.

The local community have continually dipped the wells to collect small volumes for a source of fuel.

Under PPL 391, Rawson sampled the fluid column in the wells (Figure 8), which stands just below ground surface in some of them. Geochemical analysis provided promising results with 28° API oil indicating relatively low levels of biodegradation and charge into the well bore.

¹³ http://www.rawsonresources.com/irm/PDF/2979_0/QuarterlyActivitiesReport

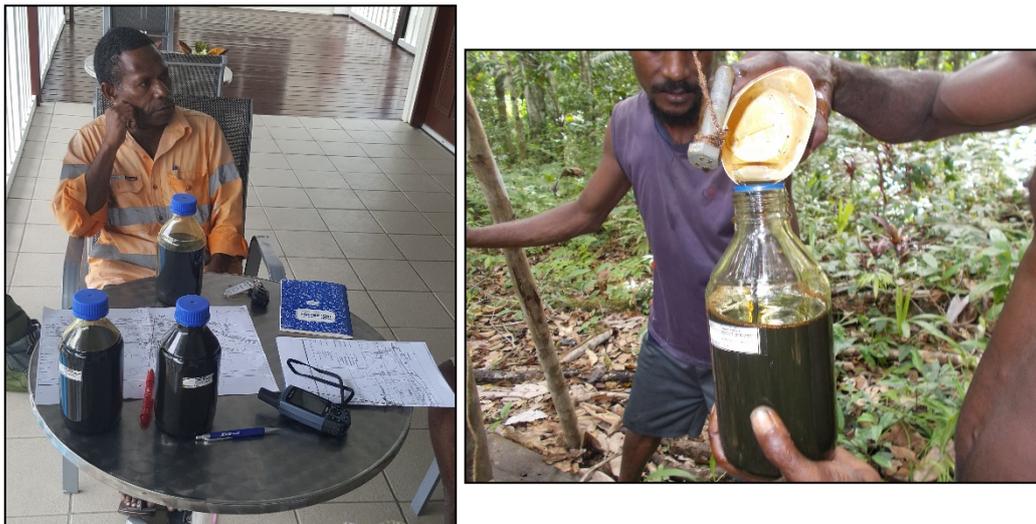


Figure 8. Collecting oil samples from Matapau well bores.

Rawson also attempted a flow test at Matapau but was unable to enter the well bore deep enough to gain meaningful results.

A variation request was sought to twin an existing Matapau well with a low-cost slim stratigraphic-type well approximately 400 to 500 m deep to allow for a modern evaluation of the geology and potential producibility. The wells are located close to the coast and the remains of earlier machine access tracks can be made serviceable easily to accommodate a light-weight rig.

Rawson made the decision to relinquish and simultaneously make a top-file application as the variation request remained under review for a prolonged period. The current APPL 622 primary work program components are centred around the drilling of a slim-hole twin well.

APPL 550 – Western Province, Papuan Basin

APPL 550 is located in the proven Western Province gas-condensate fairway and is surrounded by a high number of successful exploration well discoveries, offset approximately 30 km from Elevala and 50 km from Stanley (Figure 9). The local Fly River Platform area is served by river and road access. The generally low relief topography allows for lower field-based exploration costs compared to other onshore regions in PNG.

PNG's National Oil Company (Kumul) is advancing a Western Province gas pipeline to aggregate the numerous discoveries in the region¹⁴. At the same time, the Stanley licence owners are developing an alternative Western LNG project¹⁵. Aggregate Western forelands recoverable 2C resource is approximately 2 to 2.5 Tcf and P'nyang has an approximate 2C of 3.5 Tcf gas recoverable. APPL 550 is ideally situated to benefit from either Western Province pipeline scenario.

¹⁴ <http://kumulpetroleum.com/news-article/kumul-Ing-a-nation-building-project-by-kphl/>

¹⁵ <https://horizonoil.com.au/wp-content/uploads/2017/03/PNG-Petroleum-and-Energy-Summit-presentation.pdf>

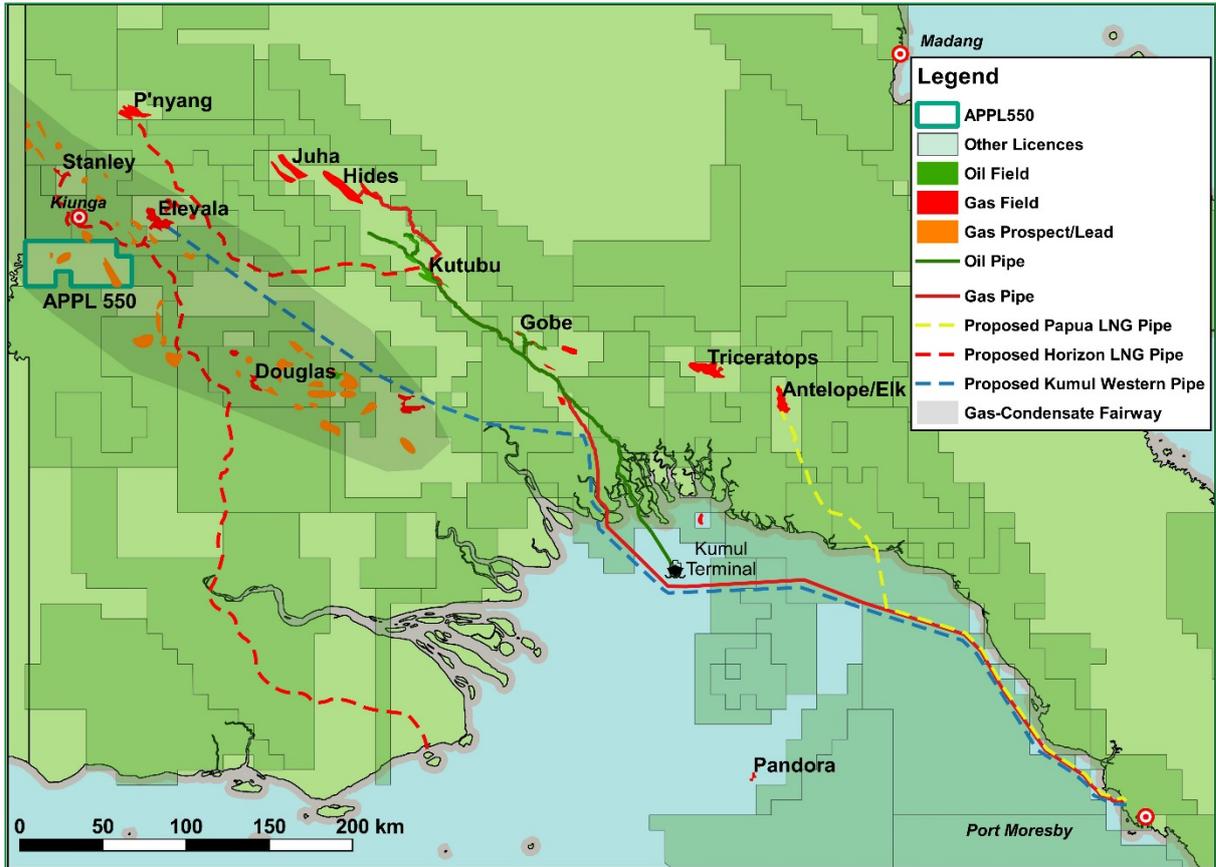


Figure 9. The Western Province of PNG and APPL 550 location in the gas-condensate fairway.

The main reservoir objective in the western Papuan Basin is the Upper Jurassic-Lower Cretaceous Toro Sandstone with the Ieru Formation providing a thick regional shale seal. Deeper sandstones (Koi-lange and Magobu) provide good secondary targets and facilitate migration. The Toro Sandstone is well developed across the Fly River Platform but does lap on to basement in the far west.

Structures across the Papuan Basin foreland are subdued compared to those of the Highlands area. However, global analogues demonstrate the ability of subtle structures in a foreland setting to hold major reserves. The major structural play types in the Papuan Basin foreland region include gentle anticline structures, localised folds and flower structures, tilted fault blocks and drapes over basement highs.

5.3 Directors of Rawson

As at the date of this Target's Statement, the directors of Rawson are:

Name	Position within Rawson
Mr Allister Richardson	Executive Chairman
Mr Richard Ash	Non-Executive Director
Mr Michael McGowan	Non-Executive Director

5.4 Publicly available information about Rawson

Rawson is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Rawson is subject to the ASX Listing Rules which require continuous disclosure of any information Rawson has that a reasonable person would expect to have a material effect on the price or value of its securities.

Copies of ASX announcements made by Rawson are available on the ASX's website at www.asx.com.au (ASX Code: RAW) or on the company's website at www.rawsonoilandgas.com.

5.5 Financial information and related matters

Rawson's last published audited financial statements are for the for the financial year ended 31 December 2017 and were dated 16 March 2018 and lodged with ASX on that date. Copies of Rawson's Annual Report may be obtained from ASX's website at www.asx.com.au (ASX Code: RAW) or from the Company's website at www.rawsonoilandgas.com.

Rawson's last published cash flows are for the quarter ended 30 June 2018 and were lodged with ASX on 31 July 2018. Copies of Rawson's June 2018 Quarterly Report may be obtained from ASX's website at www.asx.com.au (ASX Code: RAW) or from the Company's website at www.rawsonoilandgas.com.

To the Directors' knowledge, there has not been any matter or circumstance, other than as announced to the ASX since the release of the June 2018 Quarterly Report or referred to in this Target's Statement, that has significantly affected, or may significantly affect, the operations or the financial position of Rawson, the results of operations of Rawson, or the state of affairs of Rawson in future financial years.

5.6 Forecast financial information for Rawson

Rawson has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. The Rawson Directors have concluded that, as at the date of this Target's Statement, Rawson is not providing forecast financial information concerning the future financial performance Rawson, as a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

The financial performance of Rawson in any period will be influenced by various factors that are outside the control of the Rawson Directors and that cannot, at this time, be predicted with a high level of confidence.

6. INFORMATION RELATING TO THE DIRECTORS

6.1 Interests and dealings in Rawson securities

(a) Interests in Rawson securities

As at the date of this Target's Statement, the Directors had the following Relevant Interests in Shares:

Director	Shares	Voting Power in Rawson
Mr Allister Richardson	4,023,986	3.57%
Mr Richard Ash	1,490,000	1.32%
Mr Michael McGowan	1,103,500	0.98%

(b) Dealings in Rawson Securities

Prior to and during the period there have been no dealing in Rawson securities by the Rawson directors

(c) Unpaid Consultancy Fees.

In line with previous practise the Directors and consultants to RAW will be seeking approval to meet costs that have been incurred by the Directors and consultants in carrying out RAW business. In line with the corporate strategy RAW does not carry any fixed overhead or employees instead relying on the Directors or a small number of consultants to fulfil those roles. This covers not only the normal corporate matters such as accounting, finance and reporting but also all matters relating to RAW's exploration activities and funding requirements. In the normal course the Directors or consultants frequently undertake roles and pieces of unpaid work or work at reduced rates which are liabilities of RAW but unpaid until the Company can meet the expenditure. As such at the next general meeting unrelated shareholders will be asked to pass a resolution approving payment of the following directors' and consultants invoices for such costs (ex GST where appropriate):

- AL Richardson – 176,000
- Richard Ash – \$200,000
- Michael McGowan – \$80,000
- Hamish White – \$43,750

6.2 Interests and dealings in Lakes securities

(a) Interests in Lakes securities

As at the date immediately before the date of this Target's Statement, no Director had a Relevant Interest in the securities of Lakes.

(b) Dealings in Lakes securities

No Director has acquired or disposed of a Relevant Interest in Lakes in the 4 month period ending on the date immediately before the date of this Target's Statement.

6.3 Benefits and agreements

(a) Benefits in connection with retirement from office

As a result of the Offer, no person has been or will be given any benefit which cannot be given without member approval under the Corporations Act in connection with the retirement of that person, or someone else, from a board or managerial office of Rawson or related body corporate of Rawson.

(b) Agreements connected with or conditional on the Offer

Mr Richard Ash, Director of Rawson, will be offered a position on the Board of Lakes as soon as Lakes has acquired a relevant interest in more than 50.1% of Rawson shares on issue and the Offer has become unconditional

(c) Benefits from Lakes

None of the Directors have agreed to receive, or are entitled to receive, any benefit from Lakes which is conditional on, or is related to, the Offer.

(d) Interests of directors in contracts with Lakes

None of the Directors have any interest in any contract entered into by Lakes.

7. ADDITIONAL INFORMATION

7.1 Effect of the takeover on Rawson's material agreements

To the best of each Director's knowledge, where there are material agreements to which Rawson is a party which contain any change of control provisions which may be triggered because of, or as a result of acceptances of, the Offer. Rawson has provided notice to those parties and are seeking consent where it required.

7.2 Material litigation

Rawson, through Dondonald Limited, as operator of PPL 560, received a 'Notice of Cancellation of Petroleum Prospecting Licence (PPL) No. 560' (Notice) document signed by the Minister for Petroleum of Papua New Guinea, Dr Fabien Pok, dated 23 April 2018. Dondonald did not receive cancellation notices for any of the other licences under its operatorship.

In response to the Notice, Dondonald has applied for an injunction enjoining the Minister from cancelling PPL 560 and from issuing a licence to any third party over the same blocks as covered by PPL 560. In addition, Dondonald applied for a judicial review of the Minister's decision to cancel PPL 560 at the same time.

While the proceedings remain before the Court in PNG, Rawson and Dondonald are continuing to work with the Minister's office and the PNG Department of Petroleum and Energy to resolve all outstanding issues with respect to PPL 560.

This matter is due to be heard in Court on 14 August 2018.

The Directors of Rawson will advise the market of any material change in this matter.

7.3 Rawson's issued securities

As at the date of this Target's Statement, Rawson's issued equity securities consisted of 112,754,222 Shares on issue.

The following options are on issue:

Options	Price	Expiry
400,000	\$0.045	5 November 2018
400,000	\$0.045	5 November 2018
7,500,000	\$0.045	1 December 2018
5,000,000	\$0.10	1 December 2019

7.4 Substantial holders

As at 10 August 2018, the Board is aware from notices filed with the ASX that the following persons and entities have substantial holdings in Rawson:

	Name of substantial holder	Number of shares comprising substantial holding	% of total shares
1.	Lakes Oil N.L.	19,599,625	17.38%
2.	James Sinton Spence	15,177,072	13.46%
3.	Citicorp Nominees Pty Limited	8,652,418	7.67%
4.	Mr Duncan John Hardie	8,609,738	7.64%
5.	Hardie Garnet Pty Ltd	6,731,745	5.97%

7.5 Continuous disclosure

Rawson is a disclosing entity under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require Rawson to notify ASX of information about specified matters and events as they occur for the purpose of making that information available to the market. In particular, Rawson has an obligation (subject to limited exceptions) to notify ASX immediately on becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of the Shares.

Copies of the documents filed by Rawson with ASX between the lodgement of its Annual Report for the financial year ended 30 June 2017 and the date of this Target's Statement may be obtained from the ASX website at www.asx.com.au (ASX Code: RAW) or from Rawson website at www.rawsonoilandgas.com and include:

Date	Announcement Title
10-Aug-2018	LKO: Notice of despatch of Lakes Oil's Bidder's Statement
10-Aug-2018	Change in substantial holding
8-Aug-2018	LKO:Off-Market Takeover Bid for RAW – Bidder's Statement
1-Aug-2018	Change of interest of substantial shareholder from LKO
1-Aug-2018	Quarterly Cashflow Report
31-Jul-2018	Disclosure Document Issue Shares on Exercise Option
31-Jul-2018	Appendix 3B
31-Jul-2018	Quarterly Activities Report
31-Jul-2018	Becoming a substantial holder from LKO
31-Jul-2018	LKO: Recommended Takeover Offer for Rawson Oil and Gas Limited
11-Jul-2018	Gas Sales MOU with Weston Energy
24-May-2018	Nangwarry Prospective Resource Upgrade
21-May-2018	Change in substantial holding

10-May-2018	Change in substantial holding
10-May-2018	Response to Notice of Cancellation PPL560
2-May-2018	Change in substantial holding
30-Apr-2018	Quarterly Cashflow Report
26-Apr-2018	Quarterly Activities Report
6-Apr-2018	PEL155 JV operational Update – Nangwarry-1 Exploration Well
29-Mar-2018	Rawson-Vintage JV Final Equity Positions
26-Mar-2018	Independent Research Report Released
16-Mar-2018	Half Yearly Report and Accounts
29-Jan-2018	Quarterly Activities Report
24-Jan-2018	Quarterly Cashflow Report
19-Jan-2018	Company Secretary Appointment/Resignation
16-Jan-2018	Hasselgrove Gas Discovery Adjacent to PEL 155
21-Dec-2017	Change of Director's Interest Notice
20-Dec-2017	Change in substantial holding
18-Dec-2017	Rawson Oil and Gas JV awarded \$4.95M PACE Grant
28-Nov-2017	Results of Meeting
27-Nov-2017	AGM Presentation to Shareholders
27-Nov-2017	Chairman's Address to Shareholders
22-Nov-2017	Papua New Guinea Petroleum Prospecting Licence 560 Update
16-Nov-2017	Vintage Farm In Executed
14-Nov-2017	Appendix 4G
9-Nov-2017	Rawson Oil and Gas – Appendix 4G
6-Nov-2017	Change in substantial holding
31-Oct-2017	Quarterly Cashflow Report
31-Oct-2017	Quarterly Activities Report
26-Oct-2017	Change in substantial holding
16-Oct-2017	Proxy for 2017 AGM
16-Oct-2017	Notice of Annual General Meeting
3-Oct-2017	Updated Annual Report

Copies of documents lodged with ASIC in relation to Rawson may be obtained from, or inspected at, an ASIC office.

7.6 Consents

Goldie Corporate Counsel has given, and has not withdrawn before the lodgement of this Target's Statement with ASIC, its written consent to be named in this Target's Statement as legal adviser to Rawson in relation to the Offer in the form and context in which it is named.] Goldie Corporate Counsel has not caused or authorised the issue of this Target's Statement, does not make or purport to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based and takes no responsibility for any part of this Target's Statement, other than a reference to its name.

As permitted by ASIC Class Order 13/521 this Target's Statement contains statements which are made in, or based on statements made in, documents lodged with ASIC or given to the ASX. Pursuant to the Class Order, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Target's Statement. If you would like to receive a copy of any of these documents, or the relevant parts of the documents containing the statements (free of charge), during the Offer Period, please contact Rawson.

As permitted by ASIC Instrument 2016/72, this Target's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person; or
- (b) from a public official document or a published book, journal or comparable publication.

7.7 Regulatory and other approval, consent or waiver requirements

Rawson has not been granted any specific modifications or exemptions by ASIC from the Corporations Act in connection with the Offer. Rawson has applied for and received a waiver from ASX from the requirement of ASX Listing Rule 10.1 that Rawson get approval from shareholders for Rawson providing security over its assets to Lakes (who is a substantial shareholder) for Lakes lending \$750,000 to Rawson.

7.8 No other material information

This Target's Statement is required to include all the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- (a) only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- (b) only if the information is known to any director of Rawson. The Directors are of the opinion that the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:
- (c) the information contained in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- (d) the information contained in Rawson's releases to the ASX, and in the documents lodged by Rawson with ASIC before the date of this Target's Statement; and
- (e) the information contained in this Target's Statement.

The Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in the Bidder's Statement.

In deciding what information should be included in this Target's Statement, the Directors have had regard to the matters that shareholders may reasonably be expected to know and the fact that certain matters may reasonably be expected to be known to shareholders' professional advisers.

8. GLOSSARY AND INTERPRETATION

8.1 Glossary

Where the following terms are used in this Target's Statement they have the following meanings:

Announcement Date means 31 July 2018, being the day on which the Offer was announced by Lakes with the ASX.

ASIC means Australian Securities & Investments Commission.

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

ASX means ASX Limited (ABN 98 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX.

Bidder's Statement means the bidder's statement announced by Lakes under Part 6.5 Division 2 of the Corporations Act relating to the Offer, on 8 August 2018.

Board means the board of directors of Rawson.

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

Director means a director of Rawson, and **Directors** means all of them.

Lakes means Lakes Oil N.L. (ACN 004 247 214).

Offer or **Lakes' Offer** means the offer made by Lakes to acquire all of the Rawson Shares, as set out in the Bidder's Statement.

Offer Period means the period during which the Offer will remain open for acceptance.

Offer Price means fifteen Lakes Shares offered for everyone Rawson Share under the Offer.

Prescribed Occurrences Condition means the condition set out in section 8.2 of the Bidder's Statement.

Related Bodies Corporate has the meaning given in the Corporations Act.

Relevant Interest has the meaning given in section 608 and section 609 of the Corporations Act.

Rawson or the **Company** means Rawson Oil and Gas Limited (ACN 082 752 985).

Share means a fully paid ordinary share in the capital of Rawson.

Shareholder means a person who is recorded in Rawson's register of members as the holder of one or more Shares.

Target's Statement means this document, being the statement under Part 6.5 Division 3 of the Corporations Act issued by Rawson in relation to the Offer.

8.2 Interpretation

In this Target's Statement:

- (a) other words and phrases have the same meaning (if any) given to them in the Corporations Act except to the extent otherwise specified;
- (b) words of any gender include all genders;
- (c) words indicating the singular include the plural and vice versa;
- (d) an expression indicating a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a section, clause, annexure, attachment and schedule is a reference to a section of, clause of annexure of and an attachment and schedule to this Target's Statement except to the extent otherwise specified;
- (f) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement;
- (h) a reference to time is a reference to Melbourne time unless otherwise indicated; and
- (i) a reference to dollars, \$, A\$, AUD, cents and ¢ is a reference to the lawful currency of the Commonwealth of Australia unless otherwise stated.

9. AUTHORISATION

This Target's Statement has been approved by a unanimous resolution passed by the Directors of Rawson.

Signed for and on behalf of Rawson Oil and Gas Limited

A handwritten signature in blue ink, appearing to read 'AR', is written over a faint, light blue grid background.

Allister Richardson
Chairman