



A.C.N. 004 247 214

Lakes Oil N.L.

**ASX
Announcement
and Media Release
29 October 2019**

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ASX Announcement

Trading Status

The following update is provided by the Directors of Lakes Oil NL ("**Lakes Oil** or "**the Company**"; ASX: **LKO**) for shareholders' information in relation to the present suspension of trading of Lakes Oil's securities.

Reason for Suspension – Consequence of AusIndustry retrospective clawback of R&D Grant

The suspension of trading occurred owing to late lodgement of the Company's 2019 Annual Report, due by 30 September 2019. The Annual Report was lodged late as the Company had to source information to satisfy the Company's auditor that a revised 2013/14 taxation assessment, recently issued by the Australian Taxation Office (**ATO**) to claw back Lakes Oil's Research and Development (**R&D**) grant for 2013/14, should not be treated as immediately due and payable. As outlined in the 2019 Annual Report the revised assessment was issued by the ATO as a consequence of AusIndustry's retrospective rejection of Lakes Oil's R&D grant for 2013/14. The ATO is responsible for administration of AusIndustry R&D grants. Lakes Oil strongly disagrees with AusIndustry's rejection and has lodged an appeal with the Administrative Appeals Tribunal. The appeal is not expected to be heard before April 2020.

In the meantime, discussions are underway with the ATO about deferral of payment of the R&D clawback assessment pending the appeal hearing, about which the ATO has provided information to the satisfaction of the Company's auditor. The Director's of Lakes Oil acknowledge the quick and cooperative assistance that was provided by ATO officers.

Ongoing Suspension

As was the also the case in 2017 and 2018, the Company's auditor issued a '*disclaimer of opinion*' regarding Lakes Oil's 2019 financial report. This is not out of the ordinary for an Australian junior exploration company that raises funds from time to time to meet foreseeable, typically near-term, commitments.

In this instance however, the Australian Stock Exchange (**ASX**) has determined that, to recommence trading, it requires Lakes Oil to secure an unqualified audit opinion, in conjunction with other matters.

The Company is now pursuing a number of initiatives aimed to demonstrate that non-discretionary costs can be met for a period satisfactory to the ASX. One key initiative will, as previously announced, be the launch of a capital raising. Preparations, including drafting of a Prospectus, are being expedited.

Other initiatives will be announced as they can be and are realised.

For more information please contact:

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