



A.C.N. 004 247 214

Lakes Oil N.L.

**ASX
Announcement
and Media Release
25 June 2019**

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ASX Announcement

Papua New Guinea Update

Highlights:

- *Political change in PNG has delayed envisaged settlement being finalised.*
- *New Minister for Petroleum, the Hon. Kerenga Kua MP, appointed.*
- *Lakes Oil will endeavour to settle matters with the new Minister.*
- *Judicial review of the previous Minister's purported cancellation of PPL 560 now scheduled for 1 July 2019.*
- *Confirmation of PPL 560 tenure will allow resumption of exploration activity and will make the judicial review unnecessary.*

The Directors of Lakes Oil NL (**Lakes Oil**, ASX:LKO) are pleased to provide the following update regarding the on-going legal proceedings between Dondonald Limited, a majority owned subsidiary of Lakes Oil, and PNG's Minister for Petroleum & Energy (**Minister**). The legal proceedings involve a judicial review of the Minister's April 2018 purported cancellation of Petroleum Prospecting Licence (**PPL**) 560.

As previously advised, following advice from the Minister's legal Counsel that the Notice of Cancellation of PPL 560 would be revoked and that the continuation of PPL 560 would be confirmed, the legal proceedings were adjourned until 7 June 2019 to afford time for the parties to document and finalise their settlement. Unfortunately, a settlement arrangement could not be finalised before the Minister was replaced in a recent change of government.

Lakes Oil has now been advised that the legal proceedings will return to Court on 1 July 2019. In the interim, Lakes Oil will contact the new Minister, the Honourable Kerenga Kua MP, with a view to making sure that this matter is settled once and for all when it returns to Court on 1 July 2019.

If for any reason Dondonald and the new Minister are unable to reach an acceptable settlement before then, the judicial review will proceed on 1 July 2019 as now scheduled.

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

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