



LAKES OIL N.L.

(A.C.N. 004 247 214)

Registered Office:
Level 14
500 Collins Street
Melbourne Vic. 3000
Telephone: (03) 9629 1566

Postal Address:
P.O. Box 300
Collins Street West
Melbourne Vic. 8007
Facsimile: (03) 9629 1624

3 April 2009

Ms. Kate Kidson
Principal Adviser, Issuers (Melbourne)
ASX Limited
Level 45,
South Tower,
Stock Exchange Centre
525 Collins Street
Melbourne Vic 3000

Dear Ms Kidson,

RE: LAKES OIL NL PRICE QUERY

We refer to your letter dated 2 April 2009.

We respond to your questions as follows, adopting the same numbering as used in your letter.

1. The Company is unaware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.
2. Not applicable.
3. There are no reasons to date to forecast a 15% variation (from the previous year) in the operating loss before abnormal items and income tax for the financial year ended 30 June 2009.
4. There are no indications at this stage to expect the recording of any material abnormal or extraordinary items for the financial year ended 30 June 2009.
5. The Company is unaware of any direct reason to explain the activity however, some general observations detailed below may provide an explanation for the price change and increase in volume of it's securities:
 - a. There is an increasing awareness within the market and the petroleum industry about new successful technologies being used in the recovery of gas from "unconventional" reservoirs. Lakes Oil NL's tight gas activities in Gippsland are prime examples of such unconventional reservoirs in Australia.

The increased awareness is illustrated by the large numbers being paid for Coal Seal Methane reserves (unconventional gas) in Queensland, together with corporate activity within the sector.

Also in Western Australia a "tight gas" exploration well, "Warro" is currently being drilled using similar technology used by Lakes Oil NL in Gippsland, which again is an example of increasing interest in unconventional gas.

- b. With the above in mind, on 29 October 2008, Lakes Oil NL released an announcement indicating a 2C reserve of 293 Bscf, which was compiled by Gaffney Cline & Associates. An independent asset evaluation of this report was conducted by Palliser Strategic Management and Langusch & Associates. Based on a range of in situ risk-adjusted values calculated from the project modelling and implied trade sale values from recent CSM activity their P50 value range for the Wombat Field 2C resource case is between \$A50million-\$A88million.

*Internet Site: www.lakesoil.com.au
Email Address: lakes@lakesoil.com.au*

- c. Lakes Oil NL is currently capitalised in the market at approximately \$16million and currently has approximately \$6million in cash and liquid assets.

6. Confirmed.

Please do not hesitate to contact me if you require any further clarification regarding the above.

Yours sincerely
LAKES OIL NL



Raymond South
Company Secretary

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ASX Markets Supervision Pty
Ltd
ABN 26 087 780 489
Level 45
South Tower
525 Collins Street
Melbourne VIC 3000
GPO Box 1784
Melbourne VIC 3001
Telephone 61 3 9617 8648
Facsimile 61 3 9614 0303
www.asx.com.au

2 April 2009

Raymond South
Company Secretary
Lakes Oil NL

By e-mail only

Lakes Oil NL (the "Company") RE: PRICE QUERY

We have noted a change in the price of the Company's securities from 0.3 cents on 27 March 2009 to 0.5 cents today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the operating loss before abnormal items and income tax so that the figure for the financial year ended 30 June 2009 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Company may record any material abnormal or extraordinary item for the financial year ended 30 June 2009? If so, please provide details.
5. Is there any other explanation that the may have for the price change and increase in volume in the securities of the Company?
6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

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Your response should be sent to me by e-mail at kate.kidson@asx.com.au or by facsimile on facsimile number 9614 0303. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. EDST) on Friday, 3 April 2009.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the 's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

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Yours sincerely,

Sent by electronic means without signature

Kate Kidson

Principal Adviser, Issuers (Melbourne)

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