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Lakes Oil N.L.

ASX Announcement 17 August 2009

www.lakesoil.com.au

LABORATORY CONFIRMS WOMBAT OIL SIMILAR TO BASS STRAIT

Results have been received today of the analysis of oil recently recovered from Wombat 3.

Importantly, the results show that it is of excellent quality and is not biodegraded in any way.

Initial samples had a 38.91^0 API Gravity.* Samples have shown an API gravity range from 34.00^0 to 51.03^0. These results are similar to oil recovered in Bass Strait.

It is believed that these samples represent the first unaltered live fluids, to be recovered from the Strzelecki Group Formation.

Lakes Oil N.L. is now looking at ways to test the zone which will comply with regulatory authority requirements.

Clarification of Resource Valuation

On 14 August 2009 Lakes Oil N.L. released details of the Asset Valuation complied by Palliser Strategic Management for the Wombat, Trifon, Gangell and Seaspray structures in PRL2, onshore Gippsland Victoria. As stated in that release, those assets are valued (P50 basis) at between $104 million and $217 million.

Lakes Oil N.L. holds a 100% interest in the Wombat structure, and holds a 50% interest in the Trifon, Gangel and Seaspray structures. Accordingly, Lakes Oil N.L. wishes to clarify that the Lakes Oil N.L. held component of those assets are therefore valued (P50 basis) at between $79 million and $155 million. The accelerated growth price scenario becomes $116 million to $155 million.

Lakes Oil N.L.

Robert J Annells
Chairman

Ingrid Campbell
Chief Geologist

*API gravity is a measure of how heavy or light oil is compared to water. Generally speaking, oil with an API gravity of more than 31.1^0 is classified as light crude oil, and oil with an API gravity of between 40^0 and 45^0 commands the highest prices.

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