



A.C.N. 004 247 214

Lakes Oil N.L.

For personal use only
www.lakesoil.com.au



**LAKES OIL N.L.
ABN 62 004 247 214
AND CONTROLLED ENTITIES**

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2009**

This half-year financial report is to be read in
conjunction with the financial report for the year ended
30 June 2009

Registered Office:
Level 14,
500 Collins Street
Melbourne Vic 3000
Ph: +61 3 9629 1566
Fax: +61 3 9629 1624



LAKES OIL N.L. AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

TABLE OF CONTENTS

	Page
Directors' Report	3
Auditor's Independence Declaration	7
Financial Report for the half year ended 31 December 2009	
Condensed Consolidated Statement of Comprehensive Income	8
Condensed Consolidated Statement of Financial Position	9
Condensed Consolidated Statement of Changes in Equity	10
Condensed Consolidated Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	15
Independent Auditor's Review Report	16

LAKES OIL N.L. AND CONTROLLED ENTITIES DIRECTORS' REPORT

The Directors present their report together with the condensed financial report of the consolidated entity consisting of Lakes Oil N.L. and the entities it controlled, for the half-year ended 31 December 2009 and independent auditor's review report thereon. This financial report has been prepared in accordance with Australian equivalents of International Financial Reporting Standards.

DIRECTORS NAMES

The directors in office since the start of the financial period to the date of this report (unless otherwise stated) are:-

	<u>Period of Directorship</u>
Robert J. Annells	Director Since 1984
Peter B. Lawrence	Director Since 2000
James H.Y. Syme	Director Since 2006
Barney I. Berold	Director Since 2007

REVIEW OF OPERATIONS

The consolidated loss of the group for the half-year after providing for income tax was \$60,360 (2008: \$1,488,814) comprising a loss of (\$1,526,203) (2008: \$1,673,814 loss) from exploration and other activities and a gain of \$1,465,843 in the value of investments held (2008: \$185,000).

During the period the group raised \$10,564,560, before costs, from rights and partly paid share issues. These issues were very well supported by our shareholders given the continued poor global market conditions at that time. These funds enabled us to complete the successful drilling of Wombat 4, and will support the works program outlined below.

In February 2010, after an application process that has continued for over several years, the group received notification from the Department of Primary Industries (Victoria) that the group's application for Petroleum Retention Lease 4 (PEP158) had been refused. We believe that we have a strong case to challenge the refusal and still have avenues of appeal which we are currently exploring. Included in total deferred exploration evaluation costs carried forward in respect of this permit is an amount of \$2,736,398 which will be written off to the profit and loss should we eventually be unsuccessful.

Our exploration and evaluation activities during the period were as follows:

ONSHORE GIPPSLAND BASIN

□ **PRL 2 – Onshore, Victoria**

(Lakes Oil Group, Operator: 100% interest)

Trifon Block (Lakes Oil Group, Operator: 50% interest; Jarden Corporation Australia Pty Ltd 50% interest)

Drilling Operations

The Wombat 4 well was drilled in the period to a total depth of 2,500 metres. This well was a tight gas discovery well. This well is also significant because it is the first time liquid hydrocarbons have been recovered from the Latrobe Group in the onshore Gippsland Basin. This well was drilled following 3D seismic which proved highly predictive. Four drill stem tests (DSTs) were conducted in the Strzelecki Group (primary target) and 3 DSTs in the overlying Latrobe Group (secondary target) and all zones flowed gas at indeterminate rates. Importantly, 27 prospective gas zones have been interpreted in the Strzelecki section with an estimated total potential production of 8.8 million cubic feet per day after fracturing. It is intended to re-enter this well later in 2010 to fracture stimulate several of the best tight gas zones.

Work-over Program - Wombat 2

This well was successfully re-fractured in July 2009 producing initial gas flows of up to 4.3 million cubic feet per day. However a chemical blockage was encountered which impeded the gas flow to the well bore following the re-fracturing. Upon receiving expert advice from USA tight gas experts, we conducted remedial work in August 2009 in an effort to remove the blockage. Flow rates and pressures build-up are slowly improving and monitoring continues.

LAKES OIL N.L. AND CONTROLLED ENTITIES DIRECTORS' REPORT (continued)

Proposed Field Activities

Lakes Oil proposes to drill a new well, located southwest of Wombat 4, in the next quarter. This well will test a Tertiary Latrobe Group play located up-dip from the Wombat 4 location, where intra-Latrobe liquid hydrocarbons were encountered in drill stem tests in a similar interval. The expected total depth will be approximately 1,200 metres. We have commissioned a rig for this well, however the exact timing of commencement of drilling is dependent upon rig availability and the granting of all necessary approvals.

The company is also planning work-over programs that will re-enter, test and evaluate known gas and oil zones in other wells in PRL2. These will include the following wells and their objectives: Boundary Creek 2 - multiple Strzelecki gas zones, Trifon 1 - Tertiary gas zone and Wombat 3 - Strzelecki oil zone.

- **PRL 3 – Onshore, Victoria**
(Lakes Oil Group, Operator: 100% interest of overall permit.

The company is continuing to evaluate and consider the most effective method of oil development from the field near Lakes Entrance. During the period we constructed a composite model of the field using historical information, supplemented with recent oil company data. This will assist in future mapping and analysis of the area.

Discussions with landowners are continuing and no field activities took place during the period.

- **PEP 158 – Onshore, Victoria**
(Lakes Oil Group, Operator: 100% interest)

No work was performed in this permit whilst we awaited Departmental consideration of our appeal on our Retention Lease Application. Refer to the Subsequent Events Note to the Accounts for additional information.

- **PEP 166 – Onshore, Victoria**
(Lakes Oil Group, Operator: 100% interest)

We completed regional mapping of basement structures using available seismic, gravity and magnetic data. This mapping enabled us to create a three dimensional basement model, extending across the Latrobe Valley into adjacent areas of the onshore Gippsland basin.

Additionally we are planning a magneto-telluric survey across the Latrobe Valley region (See also PEP 163 below). This will enable us to image the base Strzelecki basement topography. We are seeking approval for this survey and, if approval is granted, expect to complete the fieldwork during 2010. The results of this survey will be shared with Greenerth Energy Limited.

ONSHORE OTWAY BASIN VICTORIA

- **PEP 163 – Onshore, Victoria**
(Lakes Oil Group, Operator: 100% interest)

Evaluation of potential Lower Cretaceous tight gas prospects in the permit is continuing. Several prospects have been identified and will be further evaluated. A magneto-telluric (MT) survey is being prepared to complement the existing seismic data and provide better depth imaging in the area. Timing for this survey will be co-ordinated with proposed MT work to be done in PEP 166 in Gippsland, Victoria.

- **PEP 164 – Onshore, Victoria**
(Lakes Oil Group, Operator: 100% interest)

Approval was granted for a Term 2 renewal of this permit; however 50% reduction in acreage was a condition of the new grant. Detailed seismic and geological mapping is continuing with the aim of providing several prospective tight gas targets in the Lower Cretaceous Eumeralla Group. This work will continue for the next few months. In 2011, the second year of the work program, we plan to drill a well.

LAKES OIL N.L. AND CONTROLLED ENTITIES DIRECTORS' REPORT (continued)

- **PEP 169 – Onshore, Victoria**
(Lakes Oil Group, Operator: 100% interest)

Detailed seismic mapping of conventional structural plays in Late Cretaceous reservoirs continued and at least 5 new structural prospects have now been identified in the south and southwest of the permit. Final selection for a drilling site will be decided shortly as a well is required for the work program in the near future.

This block contains significant potential for hydrocarbons, located as it is within and around the flanks of the Port Campbell Embayment and on the northern limit of the Shipwreck Trough, which have proven testing of the Late Cretaceous Waarre Formation.

In addition to the Waarre targets, several secondary targets have been mapped in the Tertiary Pebble Point Formation and Early Cretaceous Eumeralla Formation which occur at relatively shallow depths. The secondary targets are still being evaluated as there is less drilling control data in this area. Discussions with potential joint venture partners are continuing.

EROMANGA BASIN QUEENSLAND

- **ATP 560P – Mclvor Block – Onshore, Queensland**
(Lakes Oil Group, 90% interest; Operator: Victoria Petroleum N.L.)

Lakes Oil is reassessing its interest in the joint venture and discussions are taking place which may see an exit from the permit.

- **ATP 560P – Ueleven Block – Onshore, Queensland**
(Lakes Oil Group, 25% interest; Operator: Icon Oil N.L.)

Lakes Oil is reassessing its interest in the joint venture and discussions are taking place which may see an exit from the permit.

ONSHORE USA – SAN JOAQUIN BASIN CALIFORNIA

- **Eagle Prospect – Onshore, California, USA**
(Lakes Oil Group, 15% interest; Operator: Strata-X (formerly Victoria Petroleum Inc.))

The joint venturers are participating in the acquisition of a 3D seismic survey which they believe will provide better resolution of structuring at depth. Recent oil discoveries in the area near this prospect have renewed interest in this project.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the consolidated group's state of affairs during the financial year with the exception of the successful completion of two capital raisings.

In September 2009 a one for four pro-rata non-renounceable rights issue of 1.38 billion shares was made raising \$10,378,060 (2008: Nil). In December 2009 186.5 million partly paid shares were issued to employees and directors raising \$186,500 (2008: Nil).

Proceeds from these issues were used, in part, to complete the Wombat 4 well and will be used for future exploration.

LAKES OIL N.L. AND CONTROLLED ENTITIES
DIRECTORS' REPORT (continued)

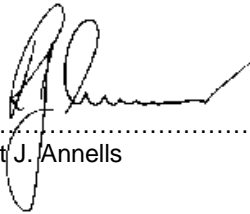
ROUNDING OF AMOUNTS TO NEAREST THOUSAND DOLLARS

The amounts contained in the directors' report and in the financial report have been rounded to the nearest thousand dollars (where rounding is applicable) under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the Class Order applies.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration in relation to the review for the half-year is provided with this report.

Signed in accordance with a resolution of the directors:



.....
Robert J. Annells

Dated this 5th day of March 2010

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Lakes Oil N.L.

In relation to the half-year independent review for the six months ended 31 December 2009, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*.
- (ii) No contraventions of any applicable code of professional conduct.



M W PRINGLE
Partner
5 March 2010



PITCHER PARTNERS
Melbourne

For personal use only

**LAKES OIL N.L. AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	Half-year	
	2009 \$'000	2008 \$'000
Revenue		
Other income	154	181
Fair value gain on financial assets through profit or loss	1,466	185
Total Income	1,620	366
Less: Expenses		
Employee benefits expenses	(416)	(384)
Depreciation and amortisation expense	(60)	(56)
Finance costs	(5)	(5)
Exploration expenditure written off	-	(67)
Accounting and audit expenses	(97)	(34)
Marketing and promotion expenses	(102)	(76)
Rent and occupancy expenses	(154)	(60)
Consulting expenses	(303)	(597)
Administrative expenses	(543)	(576)
Total expenses	(1,680)	(1,855)
Loss before income tax	(60)	(1,489)
Income tax expense	-	-
Loss for the half-year	(60)	(1,489)
Other comprehensive income for the half-year	-	-
Total comprehensive income for the half-year	(60)	(1,489)
Loss attributable to members of the parent:	(60)	(1,489)
Basic loss per share from continuing operations(cents per share)	(0.00)	(0.03)
Diluted loss per share from continuing operations(cents per share)	(0.00)	(0.03)

The accompanying notes form part of these financial statements.

For personal use only

LAKES OIL N.L. AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	31 Dec 2009 \$'000	30 June 2009 \$'000
CURRENT ASSETS		
Cash and cash equivalents	5,974	5,245
Receivables	586	603
Financial assets held at fair value through profit or loss	2,878	1,412
Other financial assets	22	22
Other current assets	102	85
TOTAL CURRENT ASSETS	9,562	7,367
NON-CURRENT ASSETS		
Property, plant and equipment	988	1,037
Deferred exploration, evaluation and development	52,646	45,161
TOTAL NON-CURRENT ASSETS	53,634	46,198
TOTAL ASSETS	63,196	53,565
CURRENT LIABILITIES		
Trade and other payables	1,095	1,761
Provisions	82	68
TOTAL CURRENT LIABILITIES	1,177	1,829
NON-CURRENT LIABILITIES		
Provisions	334	324
TOTAL NON-CURRENT LIABILITIES	334	324
TOTAL LIABILITIES	1,511	2,153
NET ASSETS	61,685	51,412
EQUITY		
Share capital	94,419	84,329
Other reserves	198	1,251
Accumulated losses	(32,932)	(34,168)
TOTAL EQUITY	61,685	51,412

The accompanying notes form part of these financial statements.

For personal use only

**LAKES OIL N.L. AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

Consolidated	Contributed equity \$'000	Reserves \$'000	Accumulated Losses \$'000	Total Equity \$'000
Balance as at 1 July 2008	83,404	1,026	(31,176)	53,254
Loss for the year	-	-	(1,489)	(1,489)
Total comprehensive income for the half-year	-	-	(1,489)	(1,489)
Transactions with owners in their capacity as owners:				
Capital Raising Costs	(25)	-	-	(25)
Employee share options	-	112	-	112
Total transactions with owners in their capacity as owners	(25)	112	-	87
Balance as at 31 December 2008	83,379	1,138	(32,665)	51,852
Consolidated	Contributed equity \$'000	Reserves \$'000	Accumulated Losses \$'000	Total Equity \$'000
Balance as at 1 July 2009	84,329	1,251	(34,168)	51,412
Loss for the year	-	-	(60)	(60)
Total comprehensive income for the half-year	-	-	(60)	(60)
Transactions with owners in their capacity as owners:				
Contributions	10,378	-	-	10,378
Capital Raising Costs	(288)	-	-	(288)
Employee share options	-	56	-	56
Contributions for partly paid shares – staff and directors	-	187	-	187
Share Options expired	-	(1,296)	1,296	-
Total transactions with owners in their capacity as owners	10,090	(1,053)	1,296	10,333
Balance as at 31 December 2009	94,419	198	(32,932)	61,685

The accompanying notes form part of these financial statements.

For personal use only

**LAKES OIL N.L. AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED
STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	Half-year	
	2009 \$'000	2008 \$'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts	132	24
Payments to suppliers and employees	(1,880)	(1,851)
Payment for exploration and evaluation cost	(7,850)	(896)
Interest received	61	162
Net cash flows used in operating activities	(9,537)	(2,561)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(11)	(242)
Payments for bonds and deposits	-	(135)
Proceeds from matured bonds and deposits	-	130
Proceeds from sale of shares in listed company	-	4,969
Net cash flows (used in)/provided by investing activities	(11)	4,722
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issues of ordinary shares	10,378	-
Payment of share issue costs	(288)	(25)
Proceeds from issues of partly paid shares	187	-
Net cash flows (used in)/provided by financing activities	10,277	(25)
Net increase in cash held	729	2,136
Cash and cash equivalents at beginning of half year	5,245	3,656
Cash and cash equivalents at end of half year	5,974	5,792

The accompanying notes form part of these financial statements.

For personal use only

LAKES OIL N.L. AND CONTROLLED ENTITIES
Notes to the half-year financial statements
31 December 2009

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2009 and any public announcements made by Lakes Oil N.L. during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

The half-year financial report was authorised for issue by the directors as at the date of the director's report.

(a) Basis of preparation of the half-year financial report

This general purpose half year financial report has been prepared in accordance with Accounting Standard AASB 134 *'Interim Financial Reporting'* and the *Corporations Act 2001*.

The half-year financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Summary of the significant accounting policies:

The half-year consolidated financial reports have been prepared using the same accounting policies as used in the annual financial reports for the year ended 30 June 2009.

(i) Principles of Consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities, which Lakes Oil N.L. controlled from time to time during the year and at balance date.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist. All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

(ii) Segment Reporting

The Group has applied revised AASB 8 *Operating Segments* as of 1 July 2009. Operating segments are now reported based on internal reporting provided to the CEO, who is the Group's chief operating decision maker. Segment reporting on the basis required under AASB 8 is consistent with the Group's previous reporting of secondary segments.

(c) Rounding of Amounts

The amounts contained in the directors' report and in the financial report have been rounded to the nearest thousand dollars (where rounding is applicable) under the option available to the company under ASIC Class Order 98/100. The company is an entity to which the Class Order applies.

NOTE 2: SUBSEQUENT EVENTS

The economic entity received notification from the Department of Primary Industries (Victoria) that the entity's application for Petroleum Retention Lease 4 (PEP158) had been refused. The Directors believe the company has a strong case to challenge the refusal and still have avenues of appeal which are currently being explored. Included in total deferred exploration evaluation costs carried forward in respect of this permit is an amount of \$2,736,398 which will be written off to the profit and loss should the company be unsuccessful.

NOTE 3: DIVIDENDS

No dividends have been paid or provided for during the half-year.

LAKES OIL N.L. AND CONTROLLED ENTITIES
Notes to the half-year financial statements
31 December 2009 (continued)

NOTE 4: SEGMENT INFORMATION

The Group has two reportable segments as described below:

Segment 1: Exploration for hydrocarbon reserves, principally in on-shore regions of Victoria, Australia.

Segment 2: Investment in entities engaged in exploration for energy reserves.

Half-year 2009	Segment 1 \$'000	Segment 2 \$'000	All other segments \$'000	Total \$'000
Segment revenue				
Total segment revenue	131	1,466	-	1,597
Inter-segment revenue	-	-	-	-
Revenue from external source	131	1,466	-	1,597
Segment result				
Total segment result	(1,489)	1,466	-	(23)
Intersegment eliminations	-	-	-	-
Segment result from external source	(1,489)	1,466	-	(23)
Interest revenue				23
Depreciation and amortisation				(60)
Loss before income tax				(60)
Half-year 2008	Segment 1 \$'000	Segment 2 \$'000	All other segments \$'000	Total \$'000
Segment revenue				
Total segment revenue	9	185	-	194
Revenue from external source	9	185	-	194
Segment result				
Total segment result	(1,790)	185	-	(1,605)
Intersegment eliminations	-	-	-	-
Segment result from external source	(1,790)	185	-	(1,605)
Interest revenue				172
Depreciation and amortisation				(56)
Loss after income tax				(1,489)

Movement in the assets attributed to Segment 1, "Exploration for hydrocarbon reserves, principally in on-shore regions of Victoria, Australia" are disclosed in Note 6 "Deferred exploration, evaluation and development costs".

Movement in the assets attributed to Segment 2, "Investment in entities engaged in exploration for energy reserves" are disclosed in Note 7 Financial Assets at fair value through Profit or Loss".

LAKES OIL N.L. AND CONTROLLED ENTITIES
Notes to the half-year financial statements
31 December 2009

NOTE 5: CONTINGENT LIABILITIES

There have been no changes in contingent liabilities since 30 June 2009.

NOTE 6: DEFERRED EXPLORATION, EVALUATION AND DEVELOPMENT COSTS

	31 Dec 2009 \$'000	30 June 2009 \$'000
Exploration and evaluation costs carried forward in respect of mining areas of interest		
Pre- Production		
- Exploration and evaluation phases		
Balance at the beginning of the period brought forward	45,161	42,703
Add: net expenditure incurred during the period	7,485	2,696
Less: net expenditure written off during the period	-	(238)
Total exploration and evaluation costs carried forward	52,646	45,161

NOTE 7: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Investments in listed securities at fair value through profit and loss comprise:

Stellar Resources	4	2
Strategic Resources	15	10
Greenearth Energy Ltd	2,859	1,400
	2,878	1,412

For personal use only

LAKES OIL N.L. AND CONTROLLED ENTITIES

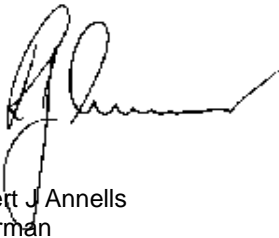
DIRECTORS DECLARATION

The directors declare that the financial statements and notes set out on pages 8 to 14 are in accordance with the *Corporations Act 2001* and:

- (a) Comply with Accounting Standard AASB 134 *"Interim Financial Reporting"* and the *Corporations Regulations 2001*, and
- (b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2009 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Lakes Oil N.L. will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Robert J Annells
Chairman

Melbourne
5th day of March 2010

**LAKES OIL N.L
ABN 62 004 247 214
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
LAKES OIL N.L**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Lakes Oil N.L. and controlled entities, which comprises the condensed consolidated statement of financial position as at 31 December 2009, and the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Lakes Oil N.L. are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Lakes Oil N.L., ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

For personal use only

LAKES OIL N.L
ABN 62 004 247 214
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
CLIENT NAME

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lakes Oil N.L. is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of their performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



M W PRINGLE
Partner
5 March 2010



PITCHER PARTNERS
Melbourne

For personal use only