LAKE RESOURCES N.L.

ABN 49 079 471 980

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2008

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DIRECTORS' REPORT

Your Directors submit the financial report of the company for the half-year ended 31 December 2008.

DIRECTORS

The names of Directors who held office during or since the end of the half-year and to the date of this report are:

Peter J. Gilchrist
James G. Clavarino
Ross Johnston

OPERATING RESULT AND REVIEW OF OPERATIONS

The operating loss after applicable income tax for the half-year to 31 December 2008 was $163,420 (2007: $98,799 loss). During the period the company maintained its exploration activity in Pakistan. The company also raised $783,421 in a rights issue, to fund ongoing activity. Refer also to the Quarterly Reports released by the company for the periods July to September 2008 and October to December 2008.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the half year ended 31 December 2008 has been received and is located in this financial report.

This report is signed in accordance with a resolution of the Board of Directors.

P J Gilchrist
Director

Dated: 2 March 2009

LAKE RESOURCES NL

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DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The financial statements and notes

    (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 company's financial position as at 31 December 2008 and of its performance for the half-year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that the company 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 Board of Directors.

P J Gilchrist
Director

Dated: 2 March 2009

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INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Note	31 December 2008 $	31 December 2007 $
Revenue	2	9,159	53,699
Classification of Expenses by Function:			
Write-off of deferred exploration costs		-	(9,252)
Administrative costs		(47,860)	(60,898)
Corporate costs		(112,719)	(69,291)
Occupancy costs		(12,000)	(13,057)
Loss before income tax		(163,420)	(98,799)
Income tax expense		-	-
Loss for the period		(163,420)	(98,799)
Loss attributable to members of the parent entity		(163,420)	(98,799)
Basic earnings per share (cents per share)		(0.46)	(0.39)
Diluted earnings per share (cents per share)		(0.46)	(0.39)
Dividends per share (cents per share)	9	-	-

The accompanying notes form part of these financial statements.

LAKE RESOURCES NL

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BALANCE SHEET
AS AT 31 DECEMBER 2008

	Note	31 December 2008 $	30 June 2008 $
CURRENT ASSETS			
Cash and cash equivalents		622,983	936,929
Trade and other receivables		14,756	50,140
Other current assets		15,654	12,378
Total Current Assets		653,393	999,447
NON-CURRENT ASSETS			
Property, plant and equipment		107,614	126,177
Exploration and evaluation expenditure	7	4,313,090	3,769,847
Financial assets		10	10
Total Non-Current Assets		4,420,714	3,896,034
TOTAL ASSETS		5,074,107	4,895,481
CURRENT LIABILITIES			
Trade and other payables		5,981	447,356
Total Current Liabilities		5,981	447,356
TOTAL LIABILITIES		5,981	447,356
NET ASSETS		5,068,126	4,448,125
EQUITY			
Issued capital	8	6,524,771	5,741,350
Reserves		1,051,609	1,051,609
Accumulated losses		(2,508,254)	(2,344,834)
TOTAL EQUITY		5,068,126	4,448,125

The accompanying notes form part of these financial statements.

LAKE RESOURCES NL
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STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Issued Capital	Capital Profits Reserve	Asset Revaluation Reserve	Retained Earnings	Total
	$	$	$	$	$
Balance 1 July 2007	5,741,350	4,997	1,046,612	(2,259,177)	4,533,782
Net loss for period	-	-	-	(98,799)	(98,799)
Subtotal	5,741,350	4,997	1,046,612	(2,357,976)	4,434,983
Dividends paid or provided for	-	-	-	-	-
Balance 31 December 2007	5,741,350	4,997	1,046,612	(2,357,976)	4,434,983
Balance 1 July 2008	5,741,350	4,997	1,046,612	(2,344,834)	4,448,125
Net loss for period	-	-	-	(163,420)	(163,420)
Shares issued during the period	783,421	-	-	-	783,421
Subtotal	6,524,771	4,997	1,046,612	(2,508,254)	5,068,126
Dividends paid or provided for	-	-	-	-	-
Balance 31 December 2008	6,524,771	4,997	1,046,612	(2,508,254)	5,068,126

The accompanying notes form part of these financial statements.

LAKE RESOURCES NL
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CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	31 December 2008 $	31 December 2007 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(563,283)	(73,705)
Interest received	9,159	53,642
Dividend received	-	-
Net cash provided by (used in) operating activities	(554,124)	(20,063)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration, evaluation and development expenditure	(543,243)	(368,651)
Purchase of non-current assets	-	(19,903)
Net cash provided by (used in) investing activities	(543,243)	(388,554)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	789,122	-
Transaction costs on issue of shares	(5,701)	-
Net cash provided by (used in) financing activities	783,421	-
Net increase (decrease) in cash held	(313,946)	(408,617)
Cash at start of period	936,929	1,828,464
Cash at end of period	622,983	1,419,847

The accompanying notes form part of these financial statements.

	31 December 2008 $	31 December 2007 $

NOTE 1: BASIS OF PREPARATION

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by Lake Resources NL during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the company and are consistent with those in the June 2008 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

NOTE 2: REVENUE

	31 December 2008 $	31 December 2007 $
Interest received from other parties	9,159	53,699
Total revenue	9,159	53,699

NOTE 3: LOSS FOR THE HALF YEAR

The following expense items are relevant in explaining the financial performance for the interim period:

	31 December 2008 $	31 December 2007 $
Depreciation	18,564	10,701
Rental expense on operating leases	12,000	8,979
Write-off of capitalised exploration expenditure	-	9,252

NOTE 4: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 5: EVENTS SUBSEQUENT TO REPORTING DATE

Since 31 December 2008, no event has arisen that would be likely to materially affect the operations or the state of affairs of the disclosing entity.

NOTE 6: SEGMENT INFORMATION

Primary Reporting - Geographic Segments

	Australia		Argentina		Pakistan		Economic Entity	
	31 December		31 December		31 December		31 December	
	2008 $	2007 $	2008 $	2007 $	2008 $	2007 $	2008 $	2007 $
Sales revenue	9,159	53,699	-	-	-	-	9,159	53,699
Total segment revenue	9,159	53,699	-	-	-	-	9,159	53,699
Total Revenue	9,159	53,699					9,159	53,699
Segment Result	(163,420)	(89,547)	-	(9,252)	-	-	(163,420)	(98,799)
Income tax expense							-	-
Loss after income tax expense							(163,420)	(98,799)

NOTE 7: EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2008 $	30 June 2008 $
Exploration and evaluation costs carried forward in respect of areas of interest:		
- at cost	4,313,090	3,769,847
Movement during the period in exploration and evaluation expenditure:		
Carrying amount at beginning of period	3,769,847	2,692,417
Capitalised exploration and evaluation expenditure	543,243	1,094,296
Write down of discontinued exploration tenements	-	(16,866)
Carrying amount at the end of period	4,313,090	3,769,847

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration of minerals. Capitalised costs amounting to $543,243 (June 2008: $1,094,296) have been included in cash flows from investing activities in the cash flow statement.

	31 December 2008 $	30 June 2008 $

NOTE 8: ISSUED CAPITAL

During the period a non-renounceable rights issue to existing shareholders at $0.10 per fully paid share raised a total of $783,421. Details of the movements in issued capital are as follows:

	31 December 2008 $	30 June 2008 $
35,161,513 (June 2008: 25,608,795) fully paid ordinary shares	6,524,771	5,741,350
Fully paid ordinary shares		
Balance at the beginning of the period	5,741,350	5,741,350
Shares issued during the period	789,122	-
Share issue costs	(5,701)	-
Balance at reporting date	6,524,771	5,741,350
	No.	**No.**
Balance at the beginning of the period	25,608,795	25,608,795
Shares issued during the period	9,552,718	-
Balance at reporting date	35,161,513	25,608,795

NOTE 9: DIVIDENDS

No dividends were declared or paid during or since the end of the period.

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chartered accountants

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Independent auditor's review report
To the members of Lake Resources NL

Report on the Financial Report

We have reviewed the accompanying half-year financial report of Lake Resources NL, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement 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 the company 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 control 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 an Interim Financial Report 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 company's financial position as at 31 December 2008 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 Lake Resources NL, 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Lake Resources NL on 2 March 2009, would be in the same terms if provided to the directors as at the date of this auditor's review report.

Independent auditor's review report
To the members of Lake Resources NL (continued)

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 Lake Resources NL is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Hayes Knight Audit (Qld) Pty Ltd.

Hayes Knight Audit (Qld) Pty Ltd

AM Robertson
Director

Brisbane
Date: 2 March 2009

HayesKnight Audit
chartered accountants

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Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001

To the Directors of Lake Resources NL

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2008 there have been:

(i) no contraventions to the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

Hayes Knight Audit (Qld) Pty Ltd.

Hayes Knight Audit (Qld) Pty Ltd

AM Robertson

AM Robertson
Director

Brisbane
Date: 2 March 2009