



# LAKES OIL N.L.

(A.C.N. 004 247 214)

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The Manager - Companies  
Australian Stock Exchange Limited  
Stock Exchange Centre  
530 Collins Street  
MELBOURNE VIC 3000

Dear Sir,

## LAKES OIL AND SINOPEC AGREEMENT

Lakes Oil N.L. (ASX listing code "LKO") advises that it has today signed a Memorandum of Understanding with China Petrochemical Corp East China Petroleum Bureau (a subsidiary of "Sinopec") of Beijing. Sinopec is the largest oil and gas company in China.

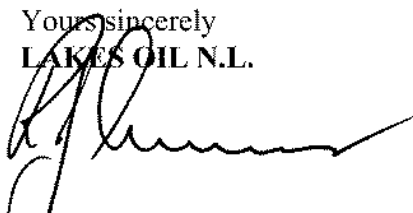
This agreement covers Lakes Oil's onshore Gippsland Basin acreage and agrees that the parties will start commercial negotiations as soon as technical due diligence is completed.

The basis of this agreement is that Sinopec and Lakes Oil will work towards commercialisation of Lakes Oil's onshore tight gas resource in the onshore Gippsland Basin and follows a Lakes Oil team visiting Beijing and a delegation from Sinopec currently visiting Victoria.

The agreement is non-binding on both parties and is aimed at co-operation between Sinopec and Lakes Oil to work towards a binding agreement which will allow development of the Lakes Oil's Gippsland permits to move forward.

Lakes Oil holds a number of exploration permits in the Gippsland area. Recent drilling of wells in the permits has encountered gas and/or oil.

Yours sincerely  
LAKES OIL N.L.



ROBERT J. ANNELLS  
*Chairman*