AGM 22 NOVEMBER 2006

LAKES OIL NL
A.C.N. 004 247 214

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF MEETING

Notice is hereby given that the sixtieth Annual General Meeting of Lakes Oil N.L. will be held on Wednesday 22 November 2006 at 10:30 AM, 20th Floor, 500 Collins Street Melbourne 3000.

BUSINESS

1. **Accounts & Reports**
To consider the Annual Financial Report of the Company and the related reports of the Directors and Auditors for the year ended 30 June 2006.

2. **Election and Re-election of Directors**

Retirement of Mr Peter C Dunn
Mr Peter C Dunn will retire at the conclusion of the Annual General Meeting in accordance with Article 56.1 of the Company's Constitution and does not seek re-election.

Mr Dunn has been a non-executive director of Lakes Oil N.L. since February 1987 and has been one of Lakes Oil's longest serving directors. During this period Mr Dunn has not only provided an enormous contribution to the Board but given unwavering support and advice to Lakes Oil's management team and staff.

Lakes Oil wishes to thank Mr Dunn for his dedication and acknowledge the many years he has served with distinction. We wish him well in his retirement.

(a) **Re-election of Mr Peter B Lawrence as a Director**
To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Peter B. Lawrence, a Director retiring in accordance with Article 56.1 of the Company's Constitution, and being eligible and having signified his candidature for the Office, be and is hereby re-elected a Director of the Company."

(b) **Election of Mr James H Y Syme as a Director**
To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr James H Y Syme, a Director retiring in accordance with Article 55.2 of the Company's Constitution, and being eligible and having signified his candidature for the Office, be and is hereby elected a Director of the Company."

3. **Approval of previous share issues**
In accordance with Listing Rule 7.4 of the Australian Stock Exchange Limited (ASX) to consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That the issue by the Company of 16,666,667 shares at 1.5 cents per share to Greenearth Energy Limited in September 2006 as set out in the Explanatory Memorandum accompanying this Notice of Meeting be approved."

4. **Adopt the Remuneration Report for the year ended 30 June 2006**
To consider and, if thought fit, pass the following resolution as an ordinary resolution;

'That the remuneration report section of the Directors' Report for the Company for the year ended 30 June 2006 be adopted."

By order of the Board

Raymond E South

Raymond E South
Company Secretary

18 October 2006

AGM 22 NOVEMBER 2006

LAKES OIL NL
A.C.N. 004 247 214

EXPLANATORY MEMORANDUM

Resolution 2 (a): RE-ELECTION OF MR PETER B LAWRENCE

In accordance with the ASX Listing Rules and Article 56.1 of the company's Constitution, Mr Lawrence retires by rotation and, being eligible, offers himself for re-election as a Director. Mr. Lawrence is a former member of the Australian Stock Exchange with over 40 years experience as a Stockbroker and is presently a director of Bell Asset Management Limited.

Resolution 2 (b): ELECTION OF MR JAMES H Y SYME

Mr. Syme was appointed to the Board in May 2006 and, in accordance with article 55.2 of the Company's Constitution now offers himself for election as a Director. Mr Syme was Victorian Government solicitor from 2001 to 2006 and previously specialised in business law in the firm of Corrs Chambers Westgarth. He was a member of the Board of Lakes Oil N.L. from 1985 until 1997.

Resolution 3: APPROVAL OF PREVIOUS SHARE ISSUES

ASX Listing Rule 7.1 restricts the number of securities which a listed company may issue in any twelve month period without the approval of shareholders to 15 percent of the number of shares at the start of the period, subject to certain adjustments and permitted exceptions. The approval of this resolution will enable the Company at any time in the next twelve months to issue up to the full 15 percent without further reference to the shareholders and without the securities described below counting towards the calculation. Approval is sought for the issue, on 13 September 2006, of 16,666,667 fully paid shares at 1.5 cents per share to Greenearth Energy Limited.

The purpose of this issue was for the acquisition of 12,500,000 share at an issue price of 2 cents each and 12,500,000 options to subscribe for share at 2 cents each. Greenearth Energy Limited is an unlisted geothermal company that is in the process of applying for geothermal leases currently being offered by the Victorian Government.

Resolution 4: REMUNERATION REPORT - NON BINDING RESOLUTION

Under recent changes to the Corporations Act, a listed entity is now required to put to the vote a resolution that the remuneration report section of the Directors' report be adopted. This remuneration report can be found in the 2006 Annual Report at pages 13 to 14. It sets out a range of matters relating to the remuneration of directors, secretary and senior managers of the Company. A vote on the Remuneration Report is advisory only and does not bind the directors of the company. During this item of business, shareholders at the meeting can comment on and ask questions about the Remuneration Report.

AGM 22 NOVEMBER 2006

LAKES OIL NL
A.C.N. 004 247 214

YOUR VOTE IS IMPORTANT

Voting Exclusion Statement

In relation to the resolutions referred to below, the Chairman will disregard any votes cast on the resolution by or on behalf of any person specified below in relation to that resolution and an associate of any such person when determining the results of the resolution except if:

- the vote is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the. proxy form; or
- it is cast by the Chairman as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3: Each of the persons who participated in the issue of securities as set out in the Explanatory Memorandum.

Proxies and Other Information

A Member who is entitled to attend and vote at the meeting has a right to appoint a proxy. The proxy need not be a Member of the Company. If a Member is entitled to cast two or more votes at the meeting, that Member may appoint two proxies and may specify the proportion of the votes that each proxy is appointed to exercise. Where two proxies are appointed, but the appointments do not specify the proportion of votes, which each proxy may exercise, each proxy may exercise half of the votes (fractions being disregarded).Documents appointing a proxy may be lodged by being posted to, or delivered at, either of the following addresses:

Lakes Oil N.L. **Level 11, 500 Collins Street** **Melbourne Victoria 3000**	or	**Computershare Investor Services Pty Limited** **GPO Box 242** **Melbourne Victoria 3001**

Alternatively, those documents may be faxed to the Company on **(03) 9473 2555.**

An appointment of a proxy will not be valid unless the proxy's appointment, and (if relevant) the Power of Attorney or other authority under which it is signed (or a certified copy of that power or authority), are received by the Company at its registered office, or at one of the addresses or the fax number set out above, at least 48 hours before the meeting.

In accordance with the Corporations Act, the Directors have determined that, for the purposes of the meeting all shares in the Company are to be taken as being held by the persons who held them at the end of the day (as defined in the SCH Business Rules) on Monday 20 November 2006, being the second last trading day prior to the meeting. For the purposes of the meeting transfers registered after that time will be disregarded. This determination applies to all shares which are quoted shares at the specified time.

LAKES OIL N.L.

A.C.N. 004 247 214