

INDEX OF DOCUMENTS HELD ON THE PETROLEUM REGISTER FOR PEL 62

1. - Bankers Undertaking for \$15,000 held by the Westpac Banking Corporation.
2. - Licence document and Memorandum dated 3/11/95.
Interests: Lakes Oil NL 50%
Sun Resources NL 50%
3. - Gazettal of PEL 62 on the 9/11/95.
4. - Joint Venture Operating Agreement dated 19/12/95 between Lakes Oil NL and Sun Resources NL
5. - Variation of the first and second years of the term of the Licence dated 1/11/96.
6. - Variation of year 3 licence conditions and partial surrender, reducing the licence area to 1407 km² dated 29 October 1998.

PETROLEUM ACT 1940

MEMORANDUM

PETROLEUM EXPLORATION LICENCE NO 62

This memorandum will certify that on *29th* *OCTOBER* 1998,
I gave my consent, pursuant to delegated powers dated 20 November 1997,
gazetted 4 December 1997, page 1526, to surrender portion of PEL 62 licence
area reducing the licence area to 1407 km².

A Variation of Licence Conditions is hereby also entered upon the Petroleum
Register.



Dennis Mutton
CHIEF EXECUTIVE
PRIMARY INDUSTRIES AND RESOURCES SA
Delegate of the Minister for Primary Industries,
Natural Resources and Regional Development

PETROLEUM ACT 1940

VARIATION OF LICENCE CONDITIONS

PETROLEUM EXPLORATION LICENCE NO. 62

I, D R Mutton, Chief Executive, Department of Primary Industries and Resources in the State of South Australia pursuant to the provisions of the Petroleum Act 1940, and pursuant to delegated powers dated 20 November 1997, Gazetted 4 December 1997, page 1526, HEREBY VARY THE CONDITIONS of Petroleum Exploration Licence No. 62 of which the licensees are:

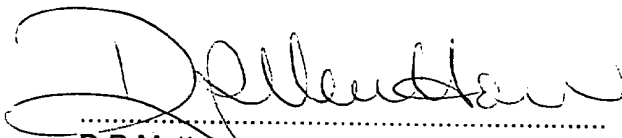
Lakes Oil NL (ACN 004 247 214) and
Sun Resources NL (ACN 009 196 810)

PEL 62 VARIED CONDITIONS

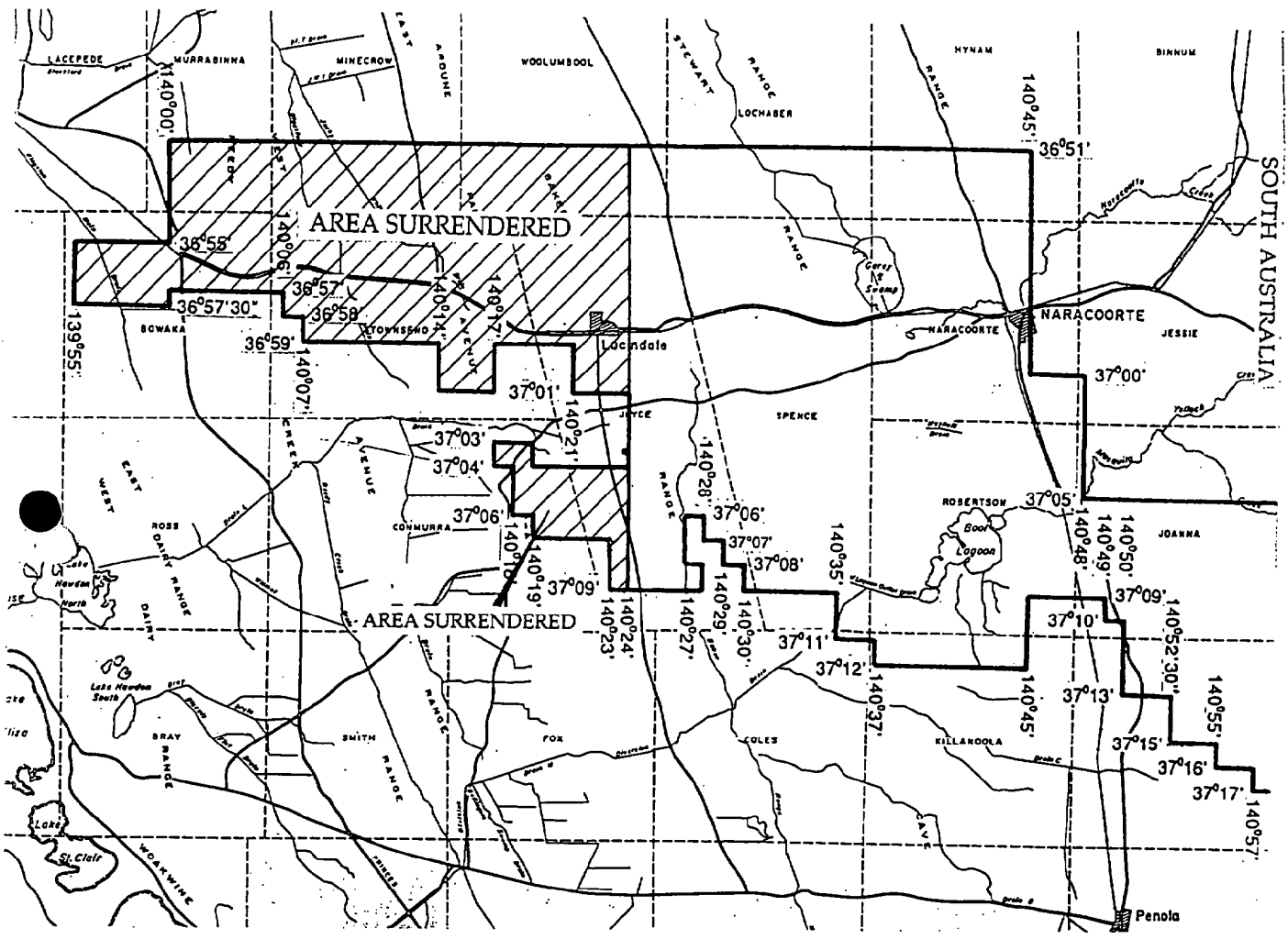
The licensee shall comply with all conditions specified in Petroleum Exploration Licence No. 62 dated 3 November 1995, except that in accordance with Section 17(3) of the Petroleum Act 1940 Condition 2(c) is hereby cancelled.

Signed by the Chief Executive
Department of Primary Industries and Resources SA
at Adelaide this

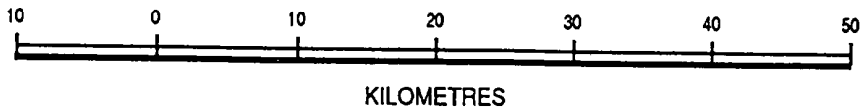
29th day of *OCTOBER* 1998.



D R Mutton
CHIEF EXECUTIVE
PRIMARY INDUSTRIES AND RESOURCES SA
Delegate of the Minister for Primary Industries,
Natural Resources and Regional Development



SCALE 1 : 500 000



NOTE: There is no warranty that the boundary of this licence is correct in relation to other features on the map. The boundary is to be ascertained by reference to the Australian Geodetic Datum and the schedule.

THE PLAN HEREINBEFORE REFERRED TO
LAKES OIL N.L. & SUN RESOURCES N.L.
PETROLEUM EXPLORATION LICENCE NO. 62

MEMORANDUM

Petroleum Exploration Licence No. 62

A variation of Licence Conditions is hereby entered upon the Petroleum Register.



A J Andrejewskis
Chief Executive Officer
Department of Mines and Energy
Delegate of the Minister for Mines and Energy

SR 27/2/133

1 1 11 196

PETROLEUM ACT 1940

I, ANDREW JOSEPH ANDREJEWSKIS, Chief Executive Officer, Department of Mines and Energy, pursuant to delegated powers dated 14 June 1995, Gazetted 15 June 1995, page 2845, for and on behalf of Stephen John Baker, the Minister for Mines and Energy in the state of South Australia pursuant to the provisions of the Petroleum Act, 1940, HEREBY VARY THE CONDITIONS of Petroleum Exploration Licence No. 62 of which the licensees are:

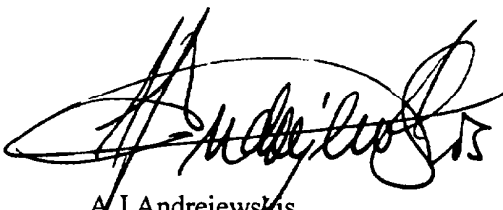
Lakes Oil NL (ACN 004 247 214) and Sun Resources NL (ACN 009 196 810)

VARIED CONDITIONS

The licensees shall comply with all the conditions specified in Petroleum Exploration Licence No. 62 dated 3 November 1995, except that in accordance with Section 17(3) of the Petroleum Act, 1940, condition 2(a) and (b) is hereby deleted and replaced by:

- (a) In the first and second years of the term of the licence; data acquisition, seismic reprocessing, drilling of one well to be spudded by 2 January 1997, evaluation of results from well, geological/geophysical studies at a total estimated cost of \$600,000 (six hundred thousand dollars).
- (b) Nil.

Signed this 1st day of *November* 1996.



A J Andrejewskis
Chief Executive Officer
MINES AND ENERGY SOUTH AUSTRALIA
Delegate of the Minister for Mines and Energy

MEMORANDUM

Section 43 and 44, Petroleum Act 1940

Petroleum Exploration Licence No. 62

This memorandum will confirm that on *17 JANUARY* 1996 I authorised the lodgement of the following document onto the Petroleum Register.

Joint Venture Operating Agreement dated 19 December 1995 between Lakes Oil NL and Sun Resources NL



R A LAWS
DIRECTOR, PETROLEUM DIVISION
Delegate of the Minister for Mines and Energy

In accordance with Section 117 of the *Petroleum Act 2000* (Act) this document forms part of 'The Commercial Register'.

Section 118 of the Act provides for the following:

Authority to search register

(1) A person is entitled to have access to the material included in the commercial register, on payment of the prescribed inspection fee, if the access is authorised by—

(a) a person who has a legal or equitable interest in the relevant licence or registered dealing; or

(b) the Minister.

(2) The Minister must not authorise access under subsection (1)(b) unless the Minister has consulted with the licensee to whom the material relates and is satisfied that access should be authorised in the public interest.

THE FOLLOWING PETROLEUM GROUP OFFICERS CAN BE CONTACTED FOR FURTHER INFORMATION.

Joe Zabrowarny
Manager Petroleum Licensing and Royalties
(08) 8463 3203
E-mail: zabrowarny.joe@saugov.sa.gov.au

Or

Mario Colella
Petroleum Licensing and Royalties Officer
(08) 8463 3209
E-mail: colella.mario@saugov.sa.gov.au

PETROLEUM ACT 1940

PETROLEUM EXPLORATION LICENCE NO. 62

I, ANDREW JOSEPH ANDREJEWSKIS, Chief Executive Officer, Department of Mines and Energy (CEO) in the State of South Australia pursuant to the provisions of the Petroleum Act, 1940 and all other enabling powers, for and on behalf of Dale Spehr Baker, Minister for Mines and Energy (Minister), pursuant to delegation dated 14 June 1995, (refer Government Gazette dated 15 June 1995 page 2845), HEREBY GRANT to Lakes Oil NL (ACN 004 247 214) of Level 5, Challenger Tower, 459 Collins Street, Melbourne 3000 and Sun Resources NL (ACN 009 196 810) of Level 4, QV1, 250 St Georges Terrace, Perth 6000 (hereinafter referred to as the licensees) a Petroleum Exploration Licence in respect of the area set out below, to have effect for a period of five years and to expire on 2 November 2000 but carrying the rights of renewal under the Petroleum Act 1940.

[Handwritten signature]

DESCRIPTION OF AREA

The land comprised in this licence is that part of the State of South Australia described in the Schedule hereto being:

- (a) land that now is or was formerly the subject of a grant of a freehold estate or of a perpetual Crown lease where such an estate or lease was first granted before 31 October 1975,
- (b) land which is or was formerly subject to a lease under the Pastoral Land Management and Conservation act 1989 (or any preceding legislation in relation to leases for pastoral purposes) except that this licence does not authorise the undertaking of any act or activity on such land that would be inconsistent with the rights of Aborigines preserved or conferred by section 47 of that Act.

or

- (c) land (other than any reserve under the National Parks and Wildlife Act 1972) which has been, before 31 October 1975, reserved or dedicated for a public purpose and used before that date for that purpose in a manner wholly inconsistent with the continuing existence of common law native title rights.

SOUTH AUSTRALIA - STAMP DUTY

DOCUMENT TYPE D CONSIDERATION/VALUE/SECURITY \$

CONDITIONS \$ 10

PENALTY PAID \$

COPY 1 OF 2 ORIGINALS COPIES

ABJUDGED DUTY STAMPED DATE 6/11/95 AND

for THE COMMISSIONER OF STAMPS

1. The licensee shall at all times comply with:
 - a) the provisions of the Petroleum Act, 1940 and of any regulations for the time being and from time to time in force under the Act; and
 - b) all directions given to it under the Act or the regulations for the time being and from time to time in force under that Act.

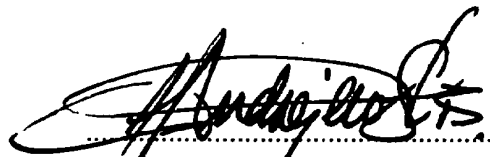
2. During the term of the licence, the Licensee shall carry out or cause to be carried out exploratory operations on the area comprised in the licence in accordance with such work programmes as are approved by the Minister from time to time. These exploratory operations shall include *but* not necessary be limited to:-
- a) in the first year of the term of the licence, data acquisition, seismic re-processing, aeromagnetic interpretation and the drilling of one well at a total estimated cost of \$500 000 (five hundred thousand dollars).
 - b) in the second year of the term of the licence, evaluation of results from year 1 well, geological/geophysical studies at a total estimated cost of \$100 000 (one hundred thousand dollars).
 - c) in the third year of the term of the licence, acquire 50km of seismic at a total estimated cost of \$250 000 (two hundred and fifty thousand dollars).
 - d) in the fourth year of the term of the licence, the drilling of one exploration well at a total estimated cost of \$450 000 (four hundred and fifty thousand dollars).
 - e) in the fifth year of the term of the licence, evaluation of results from second well, geological/geophysical studies at a total estimated cost of \$100 000 (one hundred thousand dollars).
3. Within sixty days after the end of each year (being the period of twelve calendar months ending on the anniversary of the date upon which this licence comes into force), the Licensee shall submit to the Minister a full and complete written statement of expenditure actually made or caused to be made by the Licensee during that year upon approved exploratory operations. This statement of expenditures shall be accompanied by a written opinion on the veracity of the statement from an auditor whose qualifications and independence from the Licensee are acceptable to the Minister.
4. In the event that the Licensee during any year of the term of this licence (a year being the period of twelve calendar months ending on the anniversary of the date upon which the licence comes into force) fails to comply with the exploratory operations requirements of this licence, it is an express term of this licence that the Minister then may at his discretion either cancel this licence or authorise such variation to these requirements as the Minister thinks fit.
5. An application to drill a well within the area comprised in the licence shall include written proposals of the Licensee, in relation to the bringing under control of the well, in the event that effective control of the well is lost, and to the clean-up of oil spills, including financial proposals such as well control insurance, public liability insurance or other means to cover the costs involved in such operations.
6. Not less than thirty days before the commencement of each year (being the period of twelve calendar months ending on the anniversary of the date upon which this licence comes into force), the Licensees must arrange to meet, in person, with the CEO or his representative to review the progress of the programme of exploration for the current licence year, and to present a

proposal for the programme of exploration for the forthcoming year.

- 7. If at any time the work being carried out or intended to be carried out by, or at the cause of, the Licensee is in the opinion of the CEO not in accordance with the sound principles and practices of petroleum exploration, he may give the Licensee written directions as to the work carried out or intended to be carried out, and the Licensee shall comply with those directions.
- 8. In addition to the reports specified in the Petroleum Regulations, 1989, the Licensee shall promptly prepare and submit to the CEO in a form acceptable to him, detailed reports on all exploratory operations done or caused to be done by or on behalf of the Licensee within and in relation to the licence area.

Signed by the Chief Executive Officer,
Department of Mines and Energy at Adelaide

this 3rd day of November 1995

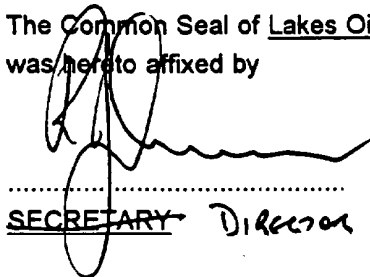
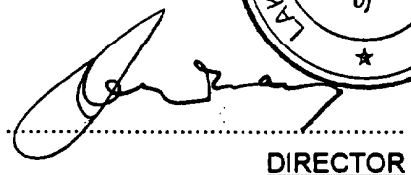


Chief Executive Officer
Department of Mines and Energy
Delegate of the Minister for
Mines and Energy

Signed sealed and delivered
by the said LICENSEES at Melbourne

this Sixth day of October 1995

The Common Seal of Lakes Oil NL
was hereto affixed by

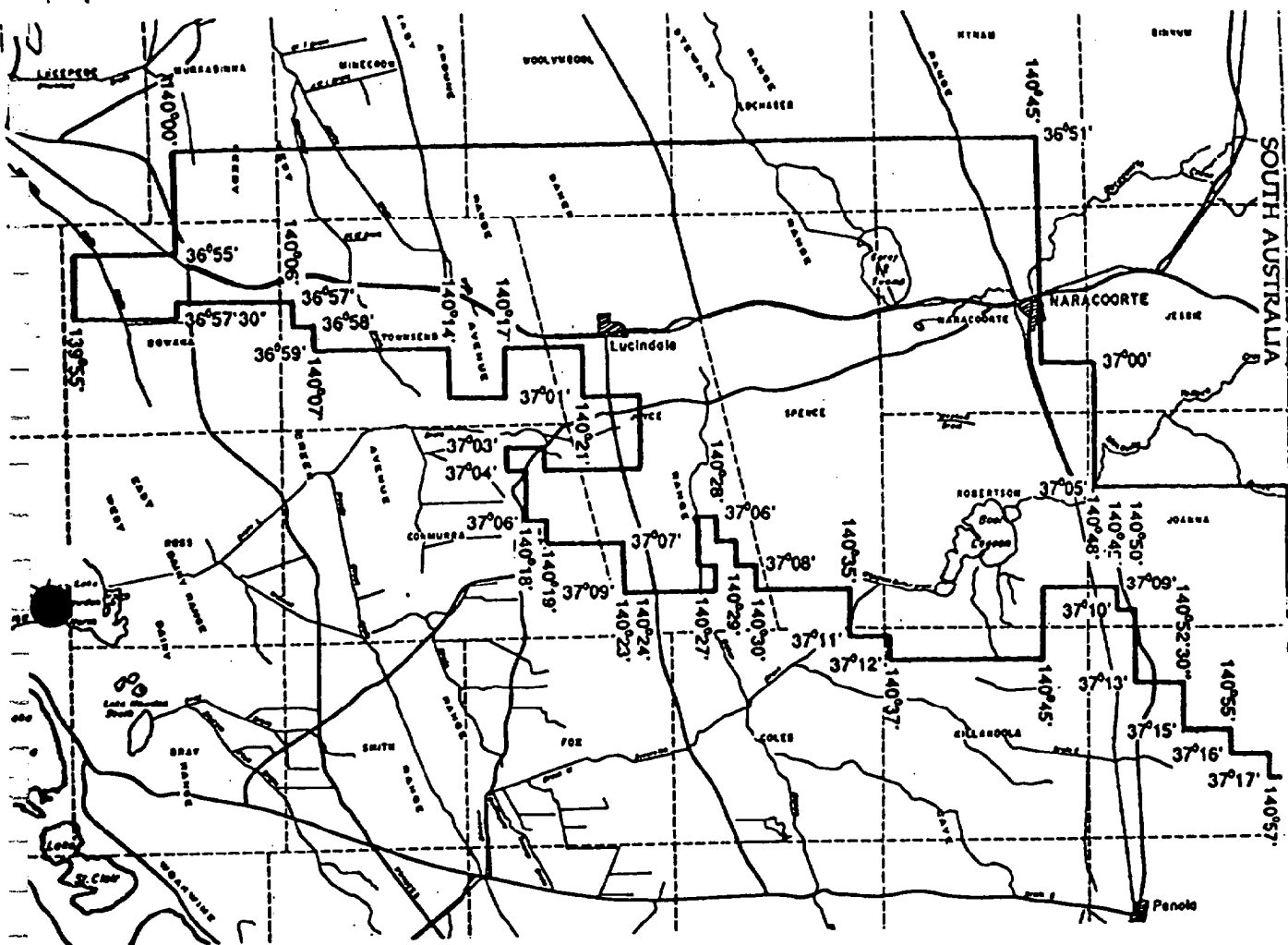

SECRETARY Director
DIRECTOR



The Common Seal of Sun Resources NL
was hereto affixed by

.....
SECRETARY

.....
DIRECTOR



SCALE 1 : 500 000



NOTE: There is no warranty that the boundary of this licence is correct in relation to other features on the map. The boundary is to be ascertained by reference to the Australian Geodetic Datum and the schedule.

THE PLAN HEREINBEFORE REFERRED TO

LAKES OIL N.L.

SUN RESOURCES N.L.

PETROLEUM EXPLORATION LICENCE NO. 62

PEL 62 SCHEDULE

502 0064 064

All that part of the State of South Australia, bounded as follows:

Commencing at a point being the intersection of latitude 36° 51' S and longitude 140° 00' E, thence east to longitude 140° 45' E, south to latitude 37° 00' S, east to longitude 140° 48' E, south to latitude 37° 05' S, east to the eastern border of the State of South Australia thence southerly along the said border to latitude 37° 17' S,

	west to longitude	140° 57' E
north to latitude 37° 16' S	west to longitude	140° 55' E
north to latitude 37° 15' S	west to longitude	140° 52' 30" E
north to latitude 37° 13' S	west to longitude	140° 50' E
north to latitude 37° 10' S,	west to longitude	140° 49' E
north to latitude 37° 09' S	west to longitude	140° 45' E
south to latitude 37° 12' S	west to longitude	140° 37' E
north to latitude 37° 11' S,	west to longitude	140° 35' E
north to latitude 37° 09' S	west to longitude	140° 30' E
north to latitude 37° 08' S	west to longitude	140° 29' E
north to latitude 37° 07' S,	west to longitude	140° 28' E
north to latitude 37° 06' S	west to longitude	140° 27' E
south to latitude 37° 08' S	east to longitude	140° 28' E
south to latitude 37° 09' S,	west to longitude	140° 23' E
north to latitude 37° 07' S	west to longitude	140° 19' E
north to latitude 37° 06' S	west to longitude	140° 18' E
north to latitude 37° 04' S	west to longitude	140° 17' E
north to latitude 37° 03' S,	east to longitude	140° 19' E
south to latitude 37° 04' S	east to longitude	140° 24' E
north to latitude 37° 01' S	west to longitude	140° 21' E
north to latitude 36° 59' S,	west to longitude	140° 17' E
south to latitude 37° 01' S	west to longitude	140° 14' E
north to latitude 36° 59' S	west to longitude	140° 07' E
north to latitude 36° 58' S,	west to longitude	140° 06' E
north to latitude 36° 57' S	west to longitude	140° 00' E
south to latitude 36° 57' 30" S	west to longitude	139° 55' E
north to latitude 36° 55' S	east to longitude	140° 00' E

and north to the point of commencement, all the within latitudes and longitudes being geodetic and expressed in terms of the Australian Geodetic Datum as defined on p. 4984 of Commonwealth Gazette number 84 dated October 6, 1966.

AREA: 2023 square kilometres approximately.

**SECOND SCHEDULE
ACCOUNTING PROCEDURE**



SECTION I - GENERAL PROVISIONS

1. Definitions

Terms defined in the Operating Agreement shall, when used in this Accounting Procedure, have ascribed to them respectively the same meanings, and the following terms shall have the following meanings;

"Agreement" means the Joint Operating Agreement of which Accounting Procedure is the Second Schedule.

"Controllable Material" means material which the Operator subjects to record, control and inventory. A list of the types of such materials shall be furnished to Non-Operator upon request.

"Material" means tangible personal property, including supplies and equipment, acquired and held for use in Joint Operations.

2. Statements, Billings and Adjustments

Each Party is responsible for preparing its own accounting and tax reports for the purposes of meeting Australian and any other country's requirements. The Operator is required to furnish to the Non-Operators statements and billings in such form as is required to furnish to the Non-Operators statements and billings in such form as is required to discharge such Australian responsibilities, and to enable the Non-Operators to account for Joint Operations according to established industry and accountancy practices.

The Operators shall bill the Non-Operators on or before the last day of each month for their proportionate share of expenditures for the preceding month. Such billing shall be the net total of the month's cash expenditure on behalf of the Joint Account. The billing will be summarised by appropriate classification so as to be indicative of the nature thereof except that detail shall be provided on unusual charges and credits. The Operator shall, upon request by the Non-Operator, furnish a description of such accounting classifications.

Amounts included in the billings shall be expressed and paid for only in Australian currency, except as provided in paragraph 3 thereof.

Payments of any such bills shall not prejudice the right of any Non-Operator to protest or question the correctness thereof; however, all bills and statements rendered to the Non-Operators by the Operator for any Permit Year shall conclusively be presumed to be true and correct after three (3) months following the end of any such year, unless within the said three (3) months period an Non-Operator takes written exception thereto and makes claim on the Operator for adjustment. No adjustment favourable to the operator shall be made unless it is made within such prescribed period. The provisions of this paragraph shall not prevent adjustments resulting from a physical inventory of the Participant-Owned Assets.

3. Advances and payments

The Operator may call forward cash advances from all (but not less than all) Parties for their proportionate share of estimated cash requirements for the succeeding month's operations. The Operator shall be required to maintain separate bank accounts in relation to Joint Operations and such other additional bank accounts as may be required. The Operator shall request the Non-Operators to make such advances as least three (3) days prior to the first day of the month in which the Non-Operators are required to do so. The Operator shall provide a best estimate of the cash required from the Non-Operators for the six (6) months next following the month for which advances are requested. The due date or dates for such advances shall be set by the Operator, but shall not be prior to the first day of the month for which the advances are required. The requests for advances shall be expressed and paid for in Australian currency. The Non-Operators shall, on or before the due date, make the advances requested. On the same date each Non-Operator shall despatch a facsimile advice to Lakes Oil N.L., facsimile number (03) 9747 1624 or to such other place as the Operator may designate, giving details of advances made.

The Operator shall maintain as low a cash balance as reasonably possible in the bank accounts specified. Funds not required to maintain a daily working credit balance in the Joint Account shall be invested by the Operator for the benefit of the Joint Account in such manner as the Operating Committee may determine. Should the Operator be required to pay any large sums of money in relation to Joint Operations, which were unforeseen at the time of providing the Non-Operators with the said monthly estimates of its requirements, the Operator may request the Non-Operators to pay special advances covering the Non-Operators' proportionate shares of such payments. The Non-Operators shall despatch their proportionate special advances within fourteen (14) days of receipt of such notice.

In the conversion of currencies, the accounting for advances of different currencies as provided for in this paragraph 3 of this Section I, or any other currency transactions

affecting the Joint Operations, it is the intent that none of the Parties shall experience an exchange gain or loss at the expense of, or to the benefit of, the other Parties.

Subject to obtaining all requisite Governmental approvals, the Operator shall open such foreign currency bank account(s) as are required to handle the foreign currency of their corporate accounts.

Any gain or loss on currency conversion shall be for the Joint Account.

If any or all of the Non-Operators' advances exceed their share of actual expenditures, the next succeeding cash advance requirements, after such determination, shall be reduced accordingly. However, a Non-Operator may request that its excess advances be refunded. In this eventuality, the Operator will refund all excess balances to the Non-Operator so entitled. The Operator shall make such refunds within fourteen (14) days after receipt of a Non-Operator's request.

If a Non-Operator's advances are less than its share of actual expenditures, the deficiency shall, at Operator's option, be added to subsequent cash advance requirements or be paid by the Non-Operator within fourteen (14) days following the receipt of the Operator's billings to the Non-Operator for such deficiency.

If, in the Operator's opinion, a significant excess of cash becomes evident, the Operator (which shall endeavor to maintain as low a cash balance as is reasonably possible) will advise details of such excess to the contributors which may elect to have their share of such excess cash reimbursed by the Operator. If any Non-Operator so elects the Operator will refund all excess funds to all Non-Operators entitled to such refunds.

Default interest received as required by the Agreement shall be paid to the non-defaulters in proportion to their contribution to the advance or billing in respect of which the defaulter is in default.

4. Audits

- (a) Each Non-Operator may nominate a representative (who may appoint an alternative) to a committee (hereinafter called "the Audit Committee") the responsibilities of which shall be to co-ordinate the requirements of the Parties individually as regards audit of the Operator's Accounts and its activities as the Operator and those of its contractors concerned. The purpose of such co-ordination shall be to minimise the burden of audits on the Operator and its contractors to such extent as is consistent with the requirements of the parties. Where there are two or more Non-Operators, the Non-Operators shall make every

effort to conduct joint or simultaneous audits and shall do so in a manner which will result in a minimum of inconvenience to the Operator.

- (b) Subject to the provisions of this paragraph 4 Non-Operators or any of them may, at any time but not more often than once in any Permit Year, require there to be an audit. Such audit shall be at the cost of Non-Operators requiring such audit. No audit of the Operator or any of its contractors may be required by any Party or carried out by any Party more than six (6) months following the end of the year to which the audit relates or in which the particular transaction or activity occurred.
- (c) As soon as practicable, but not later than three (3) months from the effective date of resignation or removal of the Operator as provided in Article IV of the Agreement, an audit of the accounts maintained by the Operator shall be commenced by the Audit Committee with the co-operation and assistance of the former Operator. The costs of an audit under these circumstances shall be charged to the Joint Account.

SECTION II - CHARGEABLE COSTS AND EXPENDITURES

The Operator shall charge the Joint Account for all costs necessary to conduct Joint Operations. Such costs shall include, but not necessarily be limited to, the following items;

1. Concession, Licence or Permit Payments

Expenditures necessary to acquire and to maintain rights to the Area, including rentals and royalties when such rentals and royalties are paid by the Operator for the benefit of the Parties.

2. Labour and Related Costs

Salaries and wages of employees of the Operator and its Affiliates who are directly engaged in the conduct of Joint Operations (whether temporarily or permanently assigned in Australia), as well as the cost of employee benefits, customary allowances and personal expenses reasonably incurred in accordance with the Operator's usual practice, and amounts imposed by governmental authorities, which are applicable to such employees.

Salaries and wages and related costs of such employees of the Operator and its Affiliates who are not solely engaged in the conduct of Joint Operations shall be apportioned to joint Operations and the Operator's other activities in a manner proportionate to their direct involvement.

3. Material

Material purchased or furnished by the Operator for use in Joint Operations as provided under Section III.

4. Transportation and Employee Relocation Costs

- (a) Transportation of material and other related costs, such as expediting, crating, dock charges, inland and ocean freight and unloading at destinations.
- (b) Transportation of employees as required in the conduct of Joint Operations.
- (c) Relocation costs to the Area of employees permanently or temporarily assigned to Joint Operations. Relocation costs from the Area, except when the employee is re-assigned to a location other than the country of origin. Such costs shall include transportation of employees' families and their personal and household effects and all other relocation costs as are reasonably incurred in accordance with the Operator's usual practice.

5. Services

- (a) Contract services, professional consultants and other services procured from outside sources other than services covered by paragraph 8 of this Section II.
- (b) Technical services, such as, but not limited to, laboratory analysis, drafting, geophysical and geological interpretation, engineering and related data processing performed by the Operator and its Affiliates for the direct benefit of Joint Operations, provided such costs shall not exceed those currently prevailing if performed by outside technical service companies.
- (c) Use of equipment and facilities furnished by the Operator at rates commensurate with the cost of ownership and operations, but such rates shall not exceed those currently prevailing in the general vicinity of the Area. Rates shall include the cost of maintenance, repairs, other operating expenses, insurance, taxes and depreciation.

6. Damages and Losses to Joint Property

All costs or expenses necessary for the repair or replacement of Participant Owned Assets resulting from damages or losses incurred by fire, flood, storm, theft, accident, or any other cause. The Operator shall furnish the Non-Operators with notice of damages or losses in

excess of ten thousand Australian dollars (\$A10,000) in respect of each item, as soon as practicable.

7. Insurance

- (a) Premiums for Required Insurance and Determined Insurance, except that Parties not participating in such Determined Insurance shall not share in the costs.
- (b) Credits for settlements received from the insurance carrier and others; however, if some Parties do not participate in Determined Insurance, they shall not share in any such settlements.
- (c) Actual expenditures incurred in the settlement of all losses, claims, damages, judgments and other expenses for the benefit of Joint Operations.
- (d) The Parties who participate in Determined Insurance will pay in the premiums referred to in sub-paragraph (a) above and share in credits referred to in sub-paragraph (b) above, pro-rata in proportion to their respective Participating Interests.

8. Legal Expense(s)

All costs or expenses of handling, investigating and settling litigation or claims arising by reason of Joint Operations or necessary to protect or recover Participants-Owned Assets, including but not limited to, legal fees, court costs, costs of investigation or procuring evidence and amounts paid in settlement or satisfaction of any such litigation or claims; however, no charge shall be made for the services of the legal staff of the Operator and its Affiliates or the expenses of lawyers not employed by the Operator or its Affiliates, unless by prior agreement of the Non-Operators.

9. Duties and Taxes

All duties and taxes (except taxes based on income), fees and governmental assessments of every kind of nature related to operations.

10. Offices, Camps and Miscellaneous Facilities

The net cost of maintaining and operating all offices, sub offices, camps, warehouses, housing and other facilities directly serving Joint Operations shall be charged to the Joint account. If such facilities serve operations in addition to Joint Operations, the net costs shall be allocated to the respective operations on an equitable basis.

11. Other Services

- (a) Operator shall charge administrative overhead to the Joint Account, but such charge shall be in lieu of all cost and expenses not otherwise provided for herein.
- (b) The charge under sub-paragraph (a) above shall be charged each month at the following rates on total expenditures attributable to Joint Operations in the preceding month:

For the first \$1,000,000 -	5%
For the next \$2,000,000 -	2%
For the next \$3,000,000 -	1%
For the next \$4,000,000	1%
Over \$10,000,000 -	.25%

Costs and expenses covered by such charge shall not include the charge itself or the minimum monthly charge of one thousand Australian dollars (\$A1,000) (to which the Operator shall be entitled regardless of the amount of total expenditures attributable to joint Operations in the preceding month), Permit acquisition costs, bonuses, Permit rentals, royalties, government fees and similar items as mutually agreed upon by the parties. Credits arising from disposition of Participant-Owned Assets shall not be deducted from total expenditures in determining such charge.

The above rates shall be reviewed by the Parties periodically (but not more frequently than annually) and the future charges adjusted upward or downward by mutual agreement as indicated by the Operator's cost experience. It is the intent that the Operator fully recover its applicable overhead costs.

12. Other Expenditures

Any other specifically identifiable expenditures not covered by or dealt with in, the foregoing provisions which are incurred by the Operator and its affiliates for the necessary and proper conduct of Joint Operations.

SECTION III - MATERIALS

1. Acquisitions

- (a) Material purchased shall be charged at the net cost incurred by the Operator. Net cost shall include, but shall not be limited to, such items as transportation costs, duties, licence fees and applicable taxes and shall reflect all discounts allowed.
- (b) New material (Conditions "1") transferred from the Operator's stock or other properties shall be priced at the new purchase net cost determined in accordance with sub-paragraph (a) above. Good used Material (Condition "2"), being used Material in sound and serviceable condition, suitable for re-use without reconditioning, shall be priced at seventy-five percent (75%) of such new purchase net cost. Used Material which cannot be classified as Condition "2" shall be priced at a value commensurate with its use.
- (c) Whenever material is not readily obtainable at prices specified above by reason of force majeure, the Operator may charge the Joint Account for the required Material at the Operator's actual cost incurred in procuring such Material, in making it suitable for use, and in moving it to the required site, provided that notice in writing is furnished to the Non-Operators of the proposed charge at least thirty (30) days prior to contracting for such Material. Each Non-Operator shall have the right, by so electing and notifying Operator within thirty (30) days after receiving notice from the Operator, to furnish in kind all or part of its share of such Material, provided that it is suitable for use and acceptable to the Operator. In the event that a Non-Operator is able to furnish more than its share of required materials it may do so to the extent that other Parties are unable to or do not exercise the option hereby granted.
- (d) The Operator and the Non-Operators do not warrant the material furnished beyond the dealer's or manufacturer's guarantee. In the case of defective Material, credit shall not be passed to the Joint Account until adjustment has been received by the Operator from the manufacturers or their agents.

2. Disposals

The Operator shall be under no obligation to purchase the interest of the Non-Operators in new or used surplus Material.

GRANT OF PETROLEUM EXPLORATION LICENCE

Department of Mines and Energy, Parkside, 3 November 1995

NOTICE is hereby given that the undermentioned Petroleum Exploration Licence has been granted under the provisions of the Petroleum Act, 1940, pursuant to delegated powers dated 14 June 1995, *Gazetted* 15 June 1995, page 2845.

A. J. ANDREJEWSKIS, Chief Executive Officer, a Delegate of the Minister for Mines and Energy

No. of Licence	Licensees	Locality	Date of Expiry	Area in km ²	Reference
62	Lakes Oil NL Sun Resources NL	Otway Basin of South Australia	2 November 2000	2 023	SR 27.2.133

Description of the Area

All that part of the State of South Australia, bounded as follows: commencing at a point being the intersection of latitude 36°51'S and longitude 140°00'E, thence east to longitude 140°45'E, south to latitude 37°00'S, east to longitude 140°48'E, south to latitude 37°05'S, east to the eastern border of the State of South Australia thence southerly along the said border to latitude 37°17'S, west to longitude 140°57'E, north to latitude 37°16'S, west to longitude 140°55'E, north to latitude 37°15'S, west to longitude 140°52'30"E, north to latitude 37°13'S, west to longitude 140°50'E, north to latitude 37°10'S, west to longitude 140°49'E, north to latitude 37°09'S, west to longitude 140°45'E, south to latitude 37°12'S, west to longitude 140°37'E, north to latitude 37°11'S, west to longitude 140°35'E, north to latitude 37°09'S, west to longitude 140°30'E, north to latitude 37°08'S, west to longitude 140°29'E, north to latitude 37°07'S, west to longitude 140°28'E, north to latitude 37°06'S, west to longitude 140°27'E, south to latitude 37°08'S, east to longitude 140°28'E, south to latitude 37°09'S, west to longitude 140°23'E, north to latitude 37°07'S, west to longitude 140°19'E, north to latitude 37°06'S, west to longitude 140°18'E, north to latitude 37°04'S, west to longitude 140°17'E, north to latitude 37°03'S, east to longitude 140°19'E, south to latitude 37°04'S, east to longitude 140°24'E, north to latitude 37°01'S, west to longitude 140°21'E, north to latitude 36°59'S, west to longitude 140°17'E, south to latitude 37°01'S, west to longitude 140°14'E, north to latitude 36°59'S, west to longitude 140°07'E, north to latitude 36°58'S, west to longitude 140°06'E, north to latitude 36°57'S, west to longitude 140°00'E, south to latitude 36°57'30"S, west to longitude 139°55'E, north to latitude 36°55'S, east to longitude 140°00'E, and north to the point of commencement, all the within latitudes and longitudes being geodetic and expressed in terms of the Australian Geodetic Datum as defined on p. 4984 of *Commonwealth Gazette* number 84 dated 6 October 1966.

NATIONAL PARKS REGULATIONS, 1990

Closure of the Gammon Ranges National Park

PURSUANT to regulation 7 (3) (c) of the National Parks Regulations, 1, Allan Norman Holmes, the Director of National Parks and Wildlife, close to the public the whole of the Gammon Ranges National Park from sunset on Friday, 17 November 1995, until sunrise on Saturday, 25 November 1995.

The following roads within the park shall be exempt from this notice:

- The main Copley to Wooltana Road; and
- The main Yunta to Arkaroola Road,

which will both remain open to allow passage through the park.

The purpose of this closure is to ensure the safety of the public during a feral animal culling program within the reserve during that period.

Use of Firearms within the Reserve

Pursuant to regulations 7 (4), 18 (1) and 37 of the National Parks Regulations, 1, Allan Norman Holmes, the Director of National Parks and Wildlife grant permission to members of the Hunting and Conservation Branch of the Sporting Shooters Association of Australia, in possession of both a current Hunting Permit and a firearm to enter and remain in the Gammon Ranges National Park for the purpose of taking feral animals during the period from sunset on Friday, 17 November 1995 until sunrise on Saturday, 25 November 1995.

This permission is conditional upon the observance by each of those persons of the requirements of the National Parks and Wildlife Act, 1972, the National Parks Regulations, 1990, and the Hunting Regulations, 1975, including those requiring compliance with the directions, requests, requirements and orders of Wardens.

Pursuant to Regulation 7 (4) of the National Parks Regulations, 1990, it shall be an offence for any person not exempted by this notice to enter, remain in, or carry a firearm within the Gammon Ranges National Park.

Dated 30 October 1995.

A. N. HOLMES, Director, National Parks and Wildlife

ROADS (OPENING AND CLOSING) ACT 1991:
SECTION 37

NOTICE is hereby given pursuant to Section 37(1) of the Roads (Opening and Closing) Act, 1991, that:

WHEREAS it is considered that FRANK JOHN NAISH, GEORGE DUTTON GREEN and WILLIAM HENRY WIGLEY were entitled to a certificate of title over the closed road marked 'F' on Road Plan 281, District of Stirling, deposited in the office of the Surveyor-General at Adelaide, vide notice of confirmation of road order published in the *Government Gazette* of 2 May 1889 at page 1048:

AND whereas no certificate of title was issued in respect of the said closed road and the person entitled to the issue of that certificate of title is dead or unknown:

AND whereas application is made by GRACE MABEL TRENORDEN, 16 Pepper Street, Stirling 5152 for the issue of a certificate of title over the said closed road adjoining the western boundary of allotment 4 on Filed Plan 151306 by virtue of possession:

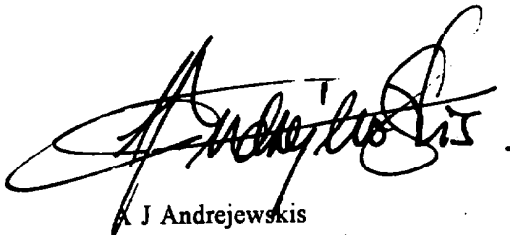
AND whereas I am satisfied that the applicant is in possession of the said closed road and that there is apparently no other person entitled to possession thereof:

MEMORANDUM

PETROLEUM EXPLORATION LICENCE NO 62

1. This Licence granted on 3 November 1995 is hereby entered on the Petroleum Register.
2. A security in the sum of a \$15,000 Bank Guarantee has been lodged with respect to this licence.
3. Interests in the licence are:

	%
Lakes Oil NL	50
Sun Resources NL	50



A J Andrejewskis
Chief Executive Officer
DEPARTMENT OF MINES AND ENERGY
Delegate of the Minister for Mines and Energy

3 / 11 1995

SR 27/2/133

PETROLEUM ACT 1940

PETROLEUM EXPLORATION LICENCE NO. 62

I, ANDREW JOSEPH ANDREJEWSKIS, Chief Executive Officer, Department of Mines and Energy (CEO) in the State of South Australia pursuant to the provisions of the Petroleum Act, 1940 and all other enabling powers, for and on behalf of Dale Spehr Baker, Minister for Mines and Energy (Minister), pursuant to delegation dated 14 June 1995, (refer Government Gazette dated 15 June 1995 page 2845), HEREBY GRANT to Lakes Oil NL (ACN 004 247 214) of Level 5, Challenger Tower, 459 Collins Street, Melbourne 3000 and Sun Resources NL (ACN 009 196 810) of Level 4, QV1, 250 St Georges Terrace, Perth 6000 (hereinafter referred to as the licensees) a Petroleum Exploration Licence in respect of the area set out below, to have effect for a period of five years and to expire on *2 November* 2000 but carrying the rights of renewal under the Petroleum Act 1940.



DESCRIPTION OF AREA

The land comprised in this licence is that part of the State of South Australia described in the Schedule hereto being:

- (a) *land that now is or was formerly the subject of a grant of a freehold estate or of a perpetual Crown lease where such an estate or lease was first granted before 31 October 1975,*
- (b) *land which is or was formerly subject to a lease under the Pastoral Land Management and Conservation act 1989 (or any preceding legislation in relation to leases for pastoral purposes) except that this licence does not authorise the undertaking of any act or activity on such land that would be inconsistent with the rights of Aborigines preserved or conferred by section 47 of that Act.*

or

- (c) *land (other than any reserve under the National Parks and Wildlife Act 1972) which has been, before 31 October 1975, reserved or dedicated for a public purpose and used before that date for that purpose in a manner wholly inconsistent with the continuing existence of common law native title rights.*

SOUTH AUSTRALIA - STAMP DUTY	
DOCUMENT TYPE <u>D</u>	CONSIDERATION/VALUE/SECURITY \$ <u> </u>
DUTY PAID \$ <u>10</u>	
CONDITIONS	
PENALTY PAID \$ <u> </u>	
COPY <u> </u> OF <u> </u> ORIGINAL WITH <u>2</u> COPIES	
1. The licensee shall at all times comply with:	DATE <u>6/11/95</u> AND <u>[Signature]</u>
	FOR THE COMMISSIONER OF STAMPS

- 1. The licensee shall at all times comply with:
 - a) the provisions of the Petroleum Act, 1940 and of any regulations for the time being and from time to time in force under the Act; and
 - b) all directions given to it under the Act or the regulations for the time being and from time to time in force under that Act.

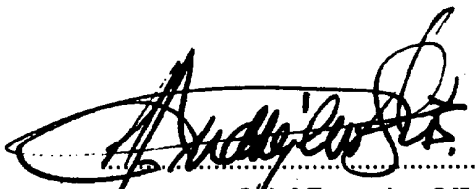
2. During the term of the licence, the Licensee shall carry out or cause to be carried out exploratory operations on the area comprised in the licence in accordance with such work programmes as are approved by the Minister from time to time. These exploratory operations shall include *but* not necessary be limited to:-
 - a) in the first year of the term of the licence, data acquisition, seismic re-processing, aeromagnetic interpretation and the drilling of one well at a total estimated cost of \$500 000 (five hundred thousand dollars).
 - b) in the second year of the term of the licence, evaluation of results from year 1 well, geological/geophysical studies at a total estimated cost of \$100 000 (one hundred thousand dollars).
 - c) in the third year of the term of the licence, acquire 50km of seismic at a total estimated cost of \$250 000 (two hundred and fifty thousand dollars).
 - d) in the fourth year of the term of the licence, the drilling of one exploration well at a total estimated cost of \$450 000 (four hundred and fifty thousand dollars).
 - e) in the fifth year of the term of the licence, evaluation of results from second well, geological/geophysical studies at a total estimated cost of \$100 000 (one hundred thousand dollars).
3. Within sixty days after the end of each year (being the period of twelve calendar months ending on the anniversary of the date upon which this licence comes into force), the Licensee shall submit to the Minister a full and complete written statement of expenditure actually made or caused to be made by the Licensee during that year upon approved exploratory operations. This statement of expenditures shall be accompanied by a written opinion on the veracity of the statement from an auditor whose qualifications and independence from the Licensee are acceptable to the Minister.
4. In the event that the Licensee during any year of the term of this licence (a year being the period of twelve calendar months ending on the anniversary of the date upon which the licence comes into force) fails to comply with the exploratory operations requirements of this licence, it is an express term of this licence that the Minister then may at his discretion either cancel this licence or authorise such variation to these requirements as the Minister thinks fit.
5. An application to drill a well within the area comprised in the licence shall include written proposals of the Licensee, in relation to the bringing under control of the well, in the event that effective control of the well is lost, and to the clean-up of oil spills, including financial proposals such as well control insurance, public liability insurance or other means to cover the costs involved in such operations.
6. Not less than thirty days before the commencement of each year (being the period of twelve calendar months ending on the anniversary of the date upon which this licence comes into force), the Licensees must arrange to meet, in person, with the CEO or his representative to review the progress of the programme of exploration for the current licence year, and to present a

proposal for the programme of exploration for the forthcoming year.

- 7. If at any time the work being carried out or intended to be carried out by, or at the cause of, the Licensee is in the opinion of the CEO not in accordance with the sound principles and practices of petroleum exploration, he may give the Licensee written directions as to the work carried out or intended to be carried out, and the Licensee shall comply with those directions.
- 8. In addition to the reports specified in the Petroleum Regulations, 1989, the Licensee shall promptly prepare and submit to the CEO in a form acceptable to him, detailed reports on all exploratory operations done or caused to be done by or on behalf of the Licensee within and in relation to the licence area.

Signed by the Chief Executive Officer,
Department of Mines and Energy at Adelaide

this 3rd day of November 1995



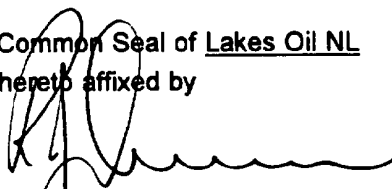
Chief Executive Officer
Department of Mines and Energy
Delegate of the Minister for
Mines and Energy

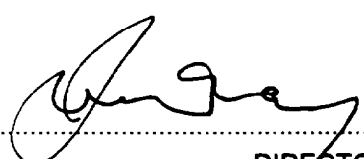
Signed sealed and delivered
by the said LICENSEES at Melbourne

this 5th day of October 1995

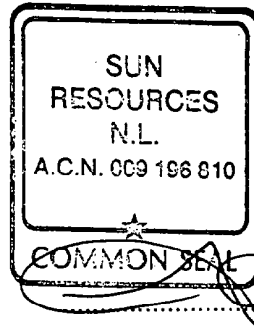


The Common Seal of Lakes Oil NL
was hereto affixed by


.....
SECRETARY Dickson

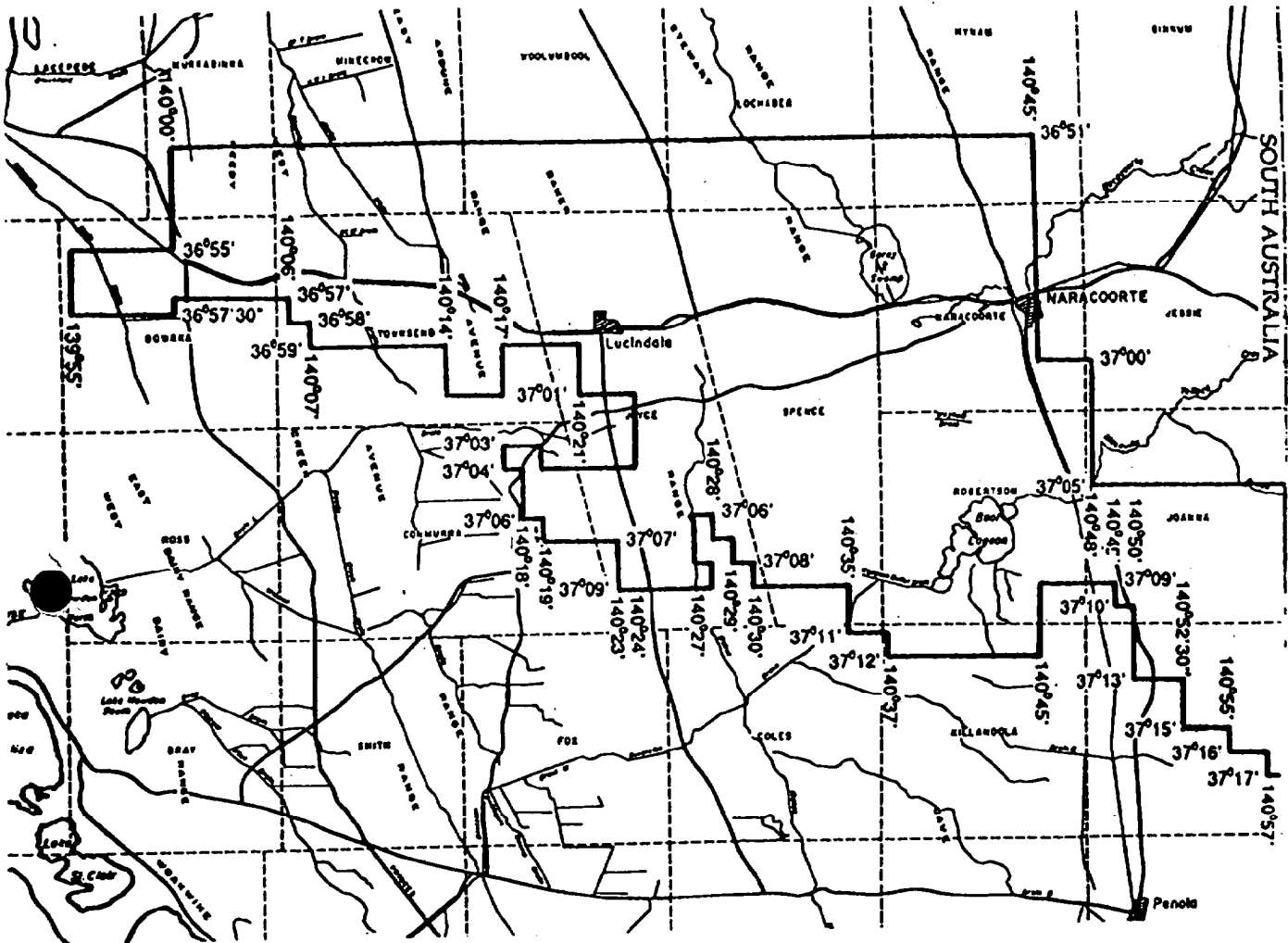

.....
DIRECTOR

The Common Seal of Sun Resources NL
was hereto affixed by

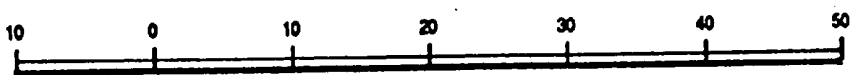


.....
SECRETARY

.....
DIRECTOR



SCALE 1 : 500 000



KILOMETRES

NOTE: There is no warranty that the boundary of this licence is correct in relation to other features on the map. The boundary is to be ascertained by reference to the Australian Geodetic Datum and the schedule.

THE PLAN HEREINBEFORE REFERRED TO

LAKES OIL N.L.

SUN RESOURCES N.L.

PETROLEUM EXPLORATION LICENCE NO. 62

PEL 62 SCHEDULE

All that part of the State of South Australia, bounded as follows:

Commencing at a point being the intersection of latitude 36° 51' S and longitude 140° 00' E, thence east to longitude 140° 45' E, south to latitude 37° 00' S, east to longitude 140° 48' E, south to latitude 37° 05' S, east to the eastern border of the State of South Australia thence southerly along the said border to latitude 37° 17' S,

	west to longitude	140° 57' E
north to latitude	37° 16' S	west to longitude 140° 55' E
north to latitude	37° 15' S	west to longitude 140° 52' 30" E
north to latitude	37° 13' S	west to longitude 140° 50' E
north to latitude	37° 10' S,	west to longitude 140° 49' E
north to latitude	37° 09' S	west to longitude 140° 45' E
south to latitude	37° 12' S	west to longitude 140° 37' E
north to latitude	37° 11' S,	west to longitude 140° 35' E
north to latitude	37° 09' S	west to longitude 140° 30' E
north to latitude	37° 08' S	west to longitude 140° 29' E
north to latitude	37° 07' S,	west to longitude 140° 28' E
north to latitude	37° 06' S	west to longitude 140° 27' E
south to latitude	37° 08' S	east to longitude 140° 28' E
south to latitude	37° 09' S,	west to longitude 140° 23' E
north to latitude	37° 07' S	west to longitude 140° 19' E
north to latitude	37° 06' S	west to longitude 140° 18' E
north to latitude	37° 04' S	west to longitude 140° 17' E
north to latitude	37° 03' S,	east to longitude 140° 19' E
south to latitude	37° 04' S	east to longitude 140° 24' E
north to latitude	37° 01' S	west to longitude 140° 21' E
north to latitude	36° 59' S,	west to longitude 140° 17' E
south to latitude	37° 01' S	west to longitude 140° 14' E
north to latitude	36° 59' S	west to longitude 140° 07' E
north to latitude	36° 58' S,	west to longitude 140° 06' E
north to latitude	36° 57' S	west to longitude 140° 00' E
south to latitude	36° 57' 30" S	west to longitude 139° 55' E
north to latitude	36° 55' S	east to longitude 140° 00' E

and north to the point of commencement, all the within latitudes and longitudes being geodetic and expressed in terms of the Australian Geodetic Datum as defined on p. 4984 of Commonwealth Gazette number 84 dated October 6, 1966.

AREA: 2023 square kilometres approximately.

502 0064 083

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SR 27/2/133

MEMORANDUM

PETROLEUM EXPLORATION LICENCES 57 AND 62

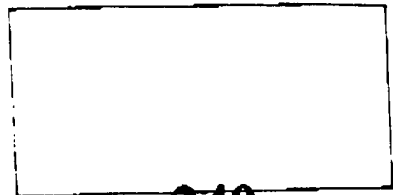
Receipt of a Certificate of Registration on Change of Status dated the 28th September, 1994 has been entered on the Petroleum Register.

Lakes Oil Limited is now known as Lakes Oil NL.



J.S. ZABROWARNY
MANAGER, PETROLEUM ADMINISTRATION

2/7/96



Form **240**

CORRS CHAMBERS WESTGARTH. (LB 19)
BOURKE PLACE 6TH FL
600 BOURKE ST
MELBOURNE
VIC 3000

502 0064 084

remove this top section if desired before framing

Certificate of Registration on Change of Status



AUSTRALIAN
SECURITIES
COMMISSION

Corporations Law Sub-section 167 (2)

This is a certificate issued under Section 167 of the
Corporations Law of Victoria, and certifies that

LAKES OIL LIMITED

Australian Company Number 004 247 214

on the twenty-eighth day of September 1994 converted to
a no liability company

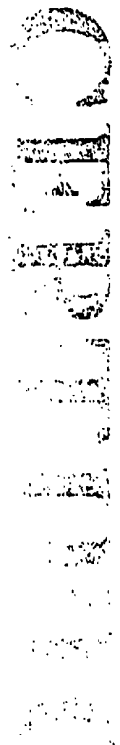
and that the name of the company is now

LAKES OIL N.L.

Australian Company Number 004 247 214

The company is a public company.

The company is taken to be registered as a company
under the Corporations Law of Victoria.



Given under the seal of the
Australian Securities Commission
on this twenty-eighth day of September, 1994.



Alan Cameron
Chairman

