



LAKES OIL N.L.

(A.C.N. 004 247 214)

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29 July 2005

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

Dear Sir,

**BELLARINE 1 WELL
PEP 163, ONSHORE OTWAY BASIN, VICTORIA**

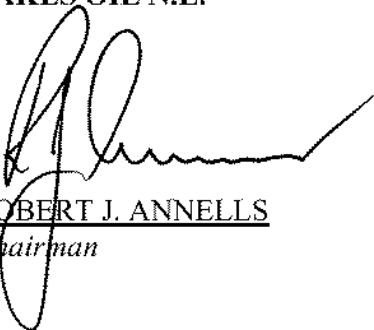
Lakes Oil N.L. ("LKO") advises that at 6:00 AM this morning the Bellarine - 1 well was at a depth of 515 metres having progressed 164 metres in the past twenty-four hours.

During the next twenty-four hours a wiper trip to condition the hole will be run prior to drilling ahead to the next casing depth at approximately 1,000 metres.

Bellarine - 1 is located 1.5 kilometres up-dip from the Hindhaugh Creek-1 well, drilled in 1969 by Pursuit Oil NL.

Jupiter Energy Victoria Pty Ltd is earning a 50% interest in permit PEP 163 by funding the first \$1.2 million of the cost of drilling the Bellarine 1 well.

Yours sincerely
LAKES OIL N.L.



ROBERT J. ANNELLS
Chairman