



LAKE 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
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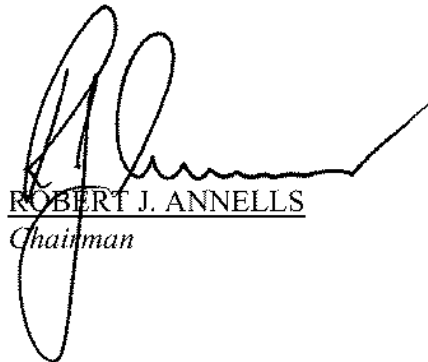
Dear Sir,

**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 1,537 metres having progressed 119 metres over the weekend. A delay was encountered due to a "slip pin" falling into the well. Most of the pin has now been recovered to surface and it has been decided to drill ahead. Currently the drilling contractor is rigging up ready to re-commence drilling.

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
LAKE OIL N.L.



ROBERT J. ANNELLS
Chairman