



LAKES OIL N.L.

(A.C.N. 004 247 214)

Registered Office:
Level 11,
500 Collins Street,
Melbourne Vic. 3000

P.O. Box 300, Collins Street West,
Melbourne Vic. 8007
Telephone: (03) 9629 1566
Facsimile: (03) 9629 1624

23 March 2004

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

Dear Sir,

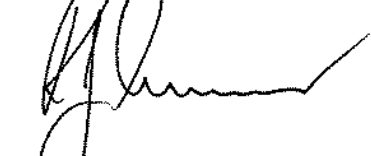
**WOMBAT 1 RE-ENTRY AND TESTING
PEP 157, ONSHORE GIPPSLAND BASIN, VICTORIA**

Lakes Oil ("LKO") advises that the "Stim" mini frac planned for yesterday Monday 22 March 2004 did not eventuate.

Detonation of the explosive charge located down hole has not occurred.

A wire line will now be run down the well to recover the steel bar that was intended to detonate the charge, following which, a second attempt will be made later today.

Yours sincerely
LAKES OIL N.L.



ROBERT J. ANNELLS
Chairman