



LAKES OIL N.L.

(A.C.N. 004 247 214)

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20 May 2004

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

Dear Sir,

PLACEMENT OF SHARES

Lakes Oil N.L. ("LKO") wishes to advise that it has today placed a total of 77,500,000 ordinary fully paid shares at 4 cents each to raise a total of \$3,100,000.00.

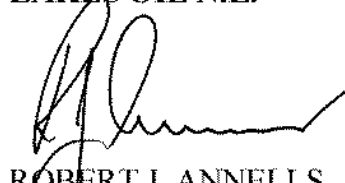
Shares will be issued on receipt of subscription monies and a further announcement will be made at that time.

There is no requirement for shareholder approval to the issue. In accordance with ASIC Class Order 02/1180, all information of the kind that would be required to be disclosed under section 713(5) of the Corporations Act if a prospectus for continuously quoted securities were to be issued in reliance on section 713 has been disclosed to ASX. In other words, there is no information which Lakes Oil N.L. has not disclosed to the market because of the confidentiality carveouts from ASX Listing Rule 3.1 disclosure.

The purpose of the placement is to raise funds for the fracturing of the Wombat 1 and 2 wells and for working capital purposes.

Yours sincerely

LAKES OIL N.L.



ROBERT J. ANNELLS
Chairman