



LAKES OIL N.L.

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

Dear Sir,

**WOMBAT 3 DRILLING UPDATE
PEP 157, ONSHORE GIPPSLAND BASIN, VICTORIA**

Lakes Oil ("LKO") advises that at 6:00 AM this morning the well was at 1012 metres and drilling ahead having progressed 209 metres in the past 24 hours.

This well has been designed to test the gas sands occurring within the Strzelecki formation, which occurred in Wombat 1 and 2.

Wombat 3 is located mid way between Wombat 1 and 2, approximately 1 kilometre from each well.

The Wombat Block is located in PEP 157. An overriding royalty of 5% of the wellhead value of any hydrocarbon production is payable to Roma Petroleum N.L. a former holder of the permit.

Yours sincerely
LAKES OIL N.L.

ROBERT J. ANNELLS
Chairman