



LAKE OIL N.L.

(A.C.N. 004 247 214)

Registered Office:
Level 11
500 Collins Street
Melbourne Vic. 3000
Telephone: (03) 9629 1566

Postal Address:
P.O. Box 300
Collins Street West
Melbourne Vic. 8007
Facsimile: (03) 9629 1624

17 February 2005

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

Dear Sir,

**PEP 157 – ONSHORE GIPPSLAND BASIN, VICTORIA
ECHIDNA HIGH NO. 1 WELL**

Lakes Oil ("LKO") advises that the "Hunt Rig" has begun arriving onsite today. Rigging up will take several days. We expect to commence drilling the "Echidna High" well late next week.

The well is programmed to be drilled to a depth of 1500 metres. The Echidna structure is a look-a-like to the Wombat structure with the Strzelecki Formation expected at 920 metres being the main target however the Latrobe Formation above this remains a potential secondary target.

The Echidna High well 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 permit holder.

Yours sincerely
LAKE OIL N.L.



ROBERT J. ANNELLS
Chairman