



LAKE OIL N.L.

(A.C.N. 004 247 214)

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2 March 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**

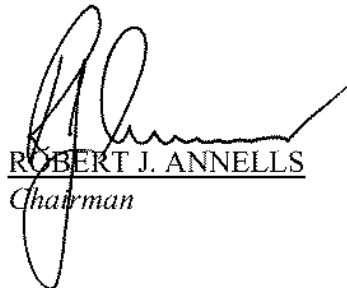
Lakes Oil ("LKO") advises that at 6:00 AM this morning the Echidna High well was drilling ahead at a depth of 590 metres within the Latrobe Formation. The well will now drill ahead to the next casing point anticipated at approximately 1000 metres.

WOMBAT NO. 2 WELL

It has been decided to re-open the Wombat 2 well while we have personnel in the area. This will enable an extended flow test to be conducted over the next week.

The Echidna High 1 well and the Wombat 2 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