



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

26 October 2005

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

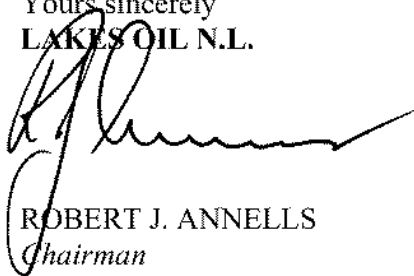
Dear Sir,

**BOUNDARY CREEK-2
PEP 157 ONSHORE GIPPSLAND BASIN VICTORIA**

At 6:00 AM today the Boundary Creek-2 well was at a depth of 1,178 metres having progressed 78 metres in the past twenty-four hours with background gas still being recorded as drilling progresses.

During the next twenty-four hours it is planned to continue drilling ahead towards anticipated total depth of 2,500 metres.

Yours sincerely
LAKE OIL N.L.



ROBERT J. ANNELLS
Chairman