



LAKES OIL N.L.

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INCREASED POTENTIAL FOR WOMBAT FIELD AS A RESULT OF 3D SEISMIC SURVEY

Lakes Oil will begin an immediate strategy to exploit its Wombat field in PRL 2, in the onshore Gippsland Basin, following today's interpretation of 3D seismic data by its senior geophysical / geological staff.

The new 3D seismic survey was carried out in January 2007 in PRL 2 over the Wombat Field and data was processed during the last three months.

Preliminary information, released today, has reinforced the productivity of the Wombat field upgrading new areas and increasing the viability of Lakes Oil's potential as a gas and oil producer.

The new information indicates that the locations of our successful Wombat wells (gas flows and oil shows already documented) appear to be significantly down-dip of an interpreted Strzelecki high. This may have substantially improved target and structural potential, resulting in high prospectivity up-dip and to the west of previous wells. It would appear that the most westerly well, Wombat-2, may have been drilled approximately 1.5 km from the top of the Strzelecki high, other prospects are also being mapped.

Lakes technical staff have outlined several new drilling targets and have advised directors of Lakes Oil that, given the high demand for gas and oil a drilling strategy be implemented as soon as possible.

Potential dates for rig availability are currently being investigated, subject to the results of the current share purchase plan.

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ROBERT J. ANNELLS
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