



LAKES OIL N.L.

(A.C.N. 004 247 214)

Registered Office:
Level 11,
500 Collins Street,
Melbourne, Vic. 3000

P.O. Box 300, Collins St. West,
Melbourne, Vic. 8007
Phone: (03) 9629 1566
Fax: (03) 9629 1624

14 April 2003

Mr. R. King,
Manager Petroleum Regulations,
Minerals & Petroleum Victoria,
Department of Primary Industries
250 Victoria Parade,
EAST MELBOURNE VIC. 3205

Dear Sir,

**RE: REPORT FOR PEP 156 ONSHORE GIPPSLAND BASIN VICTORIA
FOR THE SIX MONTHS ENDED 16 DECEMBER 2002**

Geological/general

The seismic commitment for 2001-02 was delayed pending the results of aeromagnetic and aerogravity surveying in PEP 155 later this year.

It is now proposed that this commitment will be met by the drilling of a well in the East Bairnsdale area, subject to Department of Primary Industries approval.

Expenditure for the half year

Administration	\$10,000
Warehouse rental	\$ 1,500
Permit management	\$ 6,250
Geological/geophysical studies	<u>\$ 2,500</u>

Total this half	<u>\$20,250</u>
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Yours truly,
LAKES OIL N.L.

J.N. MULREADY
Technical Consultant