



## COMPANY ANNOUNCEMENT

1<sup>st</sup> February, 2011

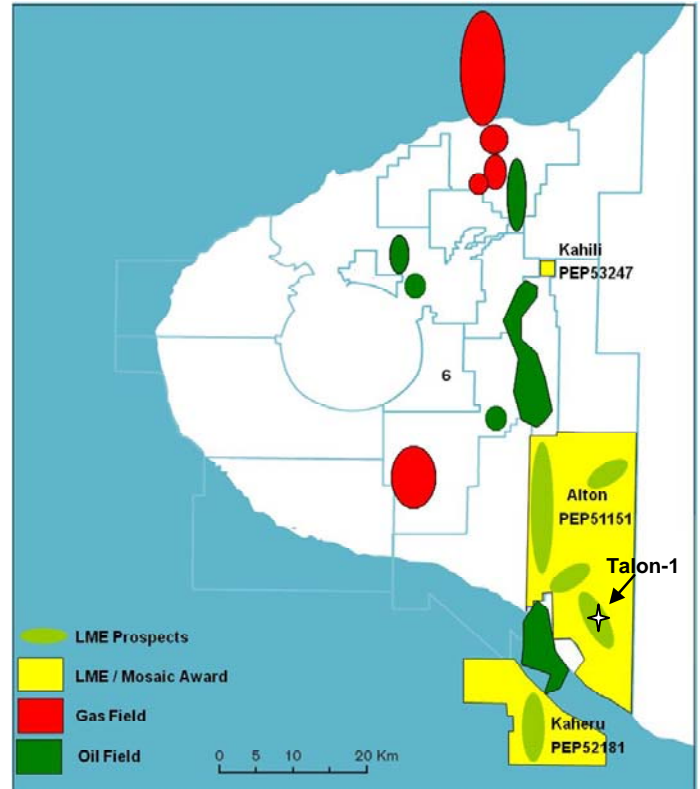
### **L&M COMMENCES SITE PREPARATION FOR TARANAKI DRILLING**

L&M Energy (LME), as Operator of onshore Taranaki Petroleum Exploration Permit (PEP) 51151, is pleased to announce that site preparation has commenced at the Talon-1 well location.

Due to rig contract discussions and scheduling considerations it is not possible to give a start date for the drilling operations at this time; however the JV has a commitment to drill the well in late May 2011.

The 482.4km<sup>2</sup> permit contains a number of previously identified oil and gas leads and is contiguous to Origin Energy-operated Mining Permits that contain the Rimu/Kauri and Manutahi fields.

These fields have produced over 1.2 million barrels of oil and 15 billion cubic feet of gas since 1999, with gas from the fields piped into the national high-pressure transmission reticulation system.



The participants in the permit are LME (Operator) (50%) and Mosaic Oil NL (50%), a wholly owned subsidiary of AGL Energy Limited (AGL).

### **ENDS**

#### **Contact for further information:**

Kent Anson  
Managing Director  
L&M Energy  
Tel: +64 3 377 0045

or Bruce McGregor  
Company Secretary  
L&M Energy  
Tel: +64 4 473 0415

or Duncan Gordon  
Executive Director  
Adelaide Equity Partners  
Tel: +61 8 8232 8800

#### **About L&M Energy Limited**

L&M Energy Limited is a New Zealand based company dual listed on the ASX and NZX stock exchanges focused on the development of commercial coal seam gas resources and discovering major conventional oil and gas resources. The Company holds equity interests in over 10,000 km<sup>2</sup> of exploration acreage contained within nine New Zealand exploration permits and is well funded for its current work programmes.

