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ZJS5 Well: At Total Depth With Multiple Potential Gas Pay Zones Encountered

Leyshon Resources Limited (AIM/ASX:LRL) (“Leyshon” or the “Company”) is pleased to announce that its wholly owned subsidiary Pacific Asia Petroleum Limited (PAPL) has completed the drilling and wire line logging of ZJS5 well.

The well was drilled without safety incident by Great Wall drilling Company to total a depth of 2,155 meters, then wire line logged and side wall core samples taken by contractor China Oilfield Services Limited.

The analysis of the logs and samples is ongoing however initial results have indicated that about 56.4 metres pay intervals have been encountered. In particular, around 30.8 metres of the 56.4 metres have exhibited relative high porosity measurements which indicate that these zones could have the potential to flow gas at commercial rates.

Following the open hole logging program, a production casing string has been installed which will allow multiple opportunities to conduct flow tests on the potential pay zones. Management expects to conclude testing the first of the potential pay zones by the end of the year.

The second well in the program, ZJS6, is expected to spud shortly with well completion scheduled towards the end of the year.

Both wells are located within approximately 10 kilometres of a tie-in point on the recently commissioned Lin-Lin pipeline which supplies the growing demand in Shanxi Province where well head contracts have recently been struck in the US\$ 6 - 7.5 per mscf range.

PAPL has a 100% interest in the exploration phase of the Production Sharing Contract (PSC) with PetroChina, which has the right to buy back a 40% interest at the development stage.

The Company has A\$ 47 million in cash and 249 million ordinary shares on issue (approximately A\$ 19 cents per share and 12 pence per share). It has recently purchased 1.9 million shares at an average price of A\$17 cents per share and has a further 17 million shares available to be

purchased in the current on-market share buy-back up to September 2013. The cash position does not take into account interest due or liabilities for the first well.

Managing Director Paul Atherley Commented:

“Frank Fu and his team have celebrated joining Leyshon by continuing their remarkable recent drilling success in the region with extremely encouraging logging results from the first well.

We are very much looking forward to the flow test results on the multiple prospective pay zones over the next few weeks.

The Ordos Basin is the beating heart of Central China, the world’s fastest growing major economy and is quite simply one of the best places in the world to be discovering gas right now.

Any commercial gas discovery at Zijinshan will be hooked into one of the nearby pipelines and sold into one of the world’s fastest growing markets for gas.”

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Background

<http://www.leyshonresources.com>

Leyshon was on the ground in 2003 when China opened its mining sector to foreign investment. It has been fully engaged in China since then and has its main operating office located in Beijing.

China's latest Five Year Plan emphasizes the planned urbanisation of a large number of Central China's rural population into second and third tier cities lifting the urbanisation rate to 51.5% of the overall population.

This will result in significant increases in infrastructure spending and energy demand. The Company is planning to invest in high quality energy assets in China to meet this growing demand.

Managing Director Paul Atherley is an Executive Committee member of the China Britain Business Council and serves on the European Union Chamber Energy Working Group.

Great Wall Drilling Company

The Great Wall Drilling Company, which has been contracted by PAPL to undertake the drilling programme, is a subsidiary of PetroChina and employs over 30,000 people in 28 countries, providing services to more than 100 companies all over the world including many international companies. It owns a fleet of more than 430 drilling rigs with a rated drilling capacity up to 9,000 metres and provides integrated solutions from well design to completion in various surface and subsurface conditions.

China Oilfield Services Limited

China Oilfield Services Limited, which has been engaged to provide technical services to the programme, is the leading integrated oilfield services provider in the China market. Its services cover each phase of oil and gas exploration, development and production. Its four core business segments are geophysical services, drilling services, well services, marine support and transportation services.

The technical content of this announcement has been reviewed and approved by oil and gas consultants RISC Operations Pty Ltd.