



## **COMPANY ANNOUNCEMENT**

**8<sup>th</sup> March, 2011**

### **OHAI PILOT UPDATE**

L&M Energy Limited (LME) is pleased to provide the following update on drilling progress at the Ohai pilot project.

After reaching a depth of 244m, production casing has now been installed within lateral well OM#7. Directional drilling has begun on the radius build section of the well and is currently at a depth of 310m, which is within the Beaumont coal measures.

The two horizontal lateral wells will then be drilled to intersect OM#5 using proven directional drilling methods. Each of the lateral wells will pass through approximately 700m of coal with the gas they produce to be extracted from OM#5.

The pilot project follows on from the company's 3P reserves upgrade to 274 PJ and forms a key part of the Company's 2P gas reserves campaign which is aimed at independently certifying New Zealand's first tranche of 2P CSG reserves.

**ENDS**

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#### **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.