

## **COMPANY ANNOUNCEMENT**



**22<sup>nd</sup> November, 2011**

### **PROGRESS REPORT ON KAITANGATA MULTI-WELL COAL SEAM GAS PROGRAMME**

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- A multi well programme of up to 6 production testing and stratigraphic wells are to be drilled during Q4 2011 and Q1 2012 at the Kaitangata coal field 60 kilometres south of Dunedin
  - Appraisal well, Lockington-2 drilling ahead at 160m towards a target depth of 350m
  - Stratigraphic well Kai-22 has reached a total depth of 166m with 17.60m of coal in two seams.
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L&M Energy is pleased to provide the following update regarding its initial Kaitangata CSG appraisal programme within PEP 38219, located 60km south of Dunedin.

Lockington-2 is at a current depth of 160m and is drilling ahead towards an estimated target depth of 350m. The hole is being drilled open hole until close to the predicted target coal top then will be fully cored and sampled through the target interval.

Lockington-2, located approximately six km to the south of Wangaloa-1, and has a target depth of 350m. This well is located near Lockington-1 which was drilled in 2007. Lockington-1 intersected 8.30m of Kai Main coal, with a measured permeability of in excess of 300mD. A third well, Wangaloa-2 is to be drilled after Lockington-2 and is located in the north east of the coalfield.

Geophysical logging of Kai-21 has confirmed 17.40m of net coal in three seams between 63.40m and 84.65m which are tentatively correlated with the Kai Main and Carson seams. Stratigraphic well Kai-22 has reached a total depth of 166m. Logging has confirmed 17.60m of coal in the lower seams between 136 and 158m. These seams are also correlated with the Kai Main and Carson seams to the south. The stratigraphic wells have been located to the north of the coal field so as to determine the aerial extent of the Kai Main and Carson seams.

**ENDS**

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

Kent Anson  
Managing Director  
L&M Energy  
Tel: +64 4 473 0415

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. The Company is focused on the discovery and development conventional and unconventional oil and gas resources. The Company holds equity interests in over 8,200 km<sup>2</sup> of exploration acreage contained within eight New Zealand exploration permits.