



COMPANY ANNOUNCEMENT

**For Immediate Release
21 February, 2011**

Cancellation of share options:

L&M Energy Limited (ASX/NZX:LME) advises that it has cancelled 1,325,000 unlisted share options effective 18 February 2011. The share options cancelled had terms as follows:

Number	Original expiry date	Exercise price
75,000	5 March, 2012	A\$0.30
25,000	30 October, 2012	A\$0.20
50,000	5 November, 2013	A\$0.125
75,000	12 November, 2014	A\$0.11
100,000	17 March, 2015	A\$0.14
1,000,000	10 November, 2015	A\$0.12

ENDS

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About L&M Energy Limited

L&M Energy Limited is a New Zealand based company dual listed on the Australian and New Zealand stock exchanges. The Company is focused on the exploration and development of conventional oil and gas, coal seam gas and underground coal gasification.