



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

Contact for further information:

Bruce McGregor
CFO/Company Secretary
L&M Energy Ltd
+64 4 473 0415

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.