

## **COMPANY ANNOUNCEMENT**



**17 June, 2011**

### **L&M ENERGY TO SPUD FREE CARRIED TARANAKI WELL**

#### **Project Highlights**

- Talon-1 (PEP51151: LME 50%), to be spudded on 1<sup>st</sup> July as the first of a multi-year, multi-well Taranaki Basin drilling initiative
- LME to be 100% free carried for full well cost
- Targeting 2mmbbl oil (recoverable) in structure adjacent to producing oil field
- Multiple further targets on 482.4km<sup>2</sup> permit

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L&M Energy Limited (ASX: LME) is pleased to advise that its Taranaki (New Zealand) drilling programme will begin with the commencement of Talon-1 drilling operations on 1<sup>st</sup> July.

The 1450m Talon-1 well is targeting mean reserves of 2mmbbl oil (recoverable) in shallow Manutahi sands in a structure geologically identical to the adjacent Manutahi Oil field operated by Origin Energy (estimated recoverable reserves of 4mmbbl).

Talon-1 is the first well to be drilled on the 482.4km<sup>2</sup> permit, which also contains multiple further drilling targets.

As announced on 1<sup>st</sup> June, L&M will be free carried through the drilling of the well (subject to final documentation and regulatory consents).

LME Chairman, Mr Geoff Loudon, said, "We are extremely pleased to have negotiated a free carried drilling opportunity in such close proximity to a producing oil field – not only can we look forward to quick results from the drilling, it also has the potential to add huge value to the rest of this very large permit position within which we have already defined a number of follow up targets".

#### **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 a number of exploration permits.

