

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

Name of entity: L&M ENERGY LIMITED
ABN: 122 323 871

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	DOUGLAS WAYNE ELLENOR
Date of last notice	4 May 2011

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct and indirect interests
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	Jade Oil & Gas Consulting Limited (of which Mr Ellenor is a shareholder and Director)
Date of change	18 May 2011
No. of securities held prior to change	100,000 ordinary shares (direct) 1,000,000 unlisted \$0.30 share options expiring 31/12/11(indirect) 250,000 unlisted \$0.20 share options expiring 15/4/13(indirect) 250,000 unlisted \$0.10 share options expiring 27/4/14 (indirect) 450,000 unlisted \$0.14 share options expiring 28/4/15 (indirect) 1,500,000 unlisted \$0.12 share options expiring 2/5/16 (indirect)

+ See chapter 19 for defined terms.

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Class	Ordinary shares
Number acquired	77,500
Number disposed	Nil
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	A\$ 7,750
No. of securities held after change	100,000 ordinary shares (direct) 77,500 ordinary shares (indirect) 1,000,000 unlisted \$0.30 share options expiring 31/12/11(indirect) 250,000 unlisted \$0.20 share options expiring 15/4/13(indirect) 250,000 unlisted \$0.10 share options expiring 27/4/14 (indirect) 450,000 unlisted \$0.14 share options expiring 28/4/15 (indirect) 1,500,000 unlisted \$0.12 share options expiring 2/5/16 (indirect)
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	On market purchase of ordinary shares by Jade Oil & Gas Consulting Limited.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	

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No. and class of securities to which interest related prior to change <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	
Interest acquired	
Interest disposed	
Value/Consideration <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	
Interest after change	

Part 3 – ⁺Closed period

Were the interests in the securities or contracts detailed above traded during a ⁺closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	
If prior written clearance was provided, on what date was this provided?	

⁺ See chapter 19 for defined terms.