



COMPANY ANNOUNCEMENT

For Immediate Release

12 November, 2010

Issue of ESOP Options

The company wishes to announce that it has approved an issue of 11.25 million share options to the Directors pursuant to the Company's Employee Share Option Plan ("ESOP") and subject to shareholder approval at the 2011 Annual Shareholder Meeting.

The options are priced at A\$0.12, a premium of 30% to yesterday's closing price. All other terms are as per the existing ESOP.

Full details will be provided to shareholders in the Notice of Meeting preceding the 2011 Annual Shareholder Meeting.

ENDS

Contact for further information:

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About L&M Energy Limited

Established in the 1930's, New Zealand based L&M Energy is now dual listed on the ASX and NZX stock exchanges. LME is focused on discovering major oil, gas and coal seam gas resources in New Zealand.
<http://www.lmenergy.co.nz/>