

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 30/9/2001.

Name of entity: L&M ENERGY LIMITED
ARBN: 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	JOHN WILLIAM BAY
Date of last notice	10 September 2010

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>	John W Bay (Bay Family Trust)
Date of change	12 November 2010
No. of securities held prior to change	186,364 ordinary shares (indirect) 4,375,000 unlisted \$0.20 share options expiring 31/12/11 (direct) 500,000 unlisted \$0.20 share options expiring 15/4/13 (direct) 500,000 unlisted \$0.10 share options expiring 27/4/14 (indirect) 700,000 unlisted \$0.14 share options expiring 28/4/15 (indirect)

+ See chapter 19 for defined terms.

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Class	Unlisted \$0.14 share options expiring 28/4/15
Number acquired	Nil
Number disposed	700,000
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	Nil
No. of securities held after change	186,364 ordinary shares (indirect) 4,375,000 unlisted \$0.20 share options expiring 31/12/11 (direct) 500,000 unlisted \$0.20 share options expiring 15/4/13 (direct) 500,000 unlisted \$0.10 share options expiring 27/4/14 (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	Cancellation of 700,000 Unlisted \$0.14 share options expiring 28/4/15

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	
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	

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Interest acquired	
Interest disposed	
Value/Consideration <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	
Interest after change	

+ See chapter 19 for defined terms.