



## **COMPANY ANNOUNCEMENT**

**For Immediate Release**

**Thursday, 2 April 2008**

### ***Major 2009 CSG Drill Program Commences***

#### **Highlights**

- **First Well in 2009 CSG Drill Program Commences Operations**
- **Drilling of up to Seven Wells Planned for 2009**
- **Initial Analysis Indicates up to 300PJ Potential Resources**

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#### **2009 CSG Drill Program Commences**

L&M Petroleum Limited is pleased to announce that drilling operations are set to commence in the Company's petroleum exploration permits, PEP 38226 (Waiiau) and PEP 38238 (Blackmount) located in onshore Western Southland Basin on the South Island of New Zealand (see map). The drilling program is designed to confirm the coal seam gas potential in the Company's onshore Western Southland Basin permits, which initial analysis indicates may hold up to 300 PJ of CSG potential resources.

Mobilisation of the Washingtons Exploration D24 drill rig to the site of the first well to be drilled in the 2009 program, Bogle-1, is underway and drilling operations are expected to commence by the end of the week. The Bogle-1 well is programmed to drill to 585m to further evaluate the Beaumont formation coals previously encountered in the Goodwin-1 and Wairaki-1 wells and to test the deeper, more gas rich, Morley coals. The well is expected to take 26 days to reach its total depth. Upon completion of the Bogle-1 well, the rig will be moved to drill the Mt Linton-1 and Belmont-1 wells back-to-back.

The 2009 CSG drill program will see up to a further four wells drilled this year, including the first stratigraphic wells programmed to confirm the extent of the Beaumont coals in each of the Takitimu North and Longwoods coal trends.

ENDS

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**About L&M Petroleum Limited**

L&M Petroleum Limited is a New Zealand based company dual listed on the ASX and NZX stock exchanges. The Company is focused on discovering major oil and gas resources. L&M Petroleum is the only company in New Zealand currently carrying out exploration programmes targeting both conventional oil and gas and coal seam gas opportunities. The Company has equity interests in over 6,300 km<sup>2</sup> of exploration acreage contained within six exploration permits, three permits in the Western Southland Basin and two permits in the onshore Westland Basin on the South Island of New Zealand and one permit in the onshore portion of the commercially proven Taranaki Basin on the North Island of New Zealand and is the Operator of all of its joint ventures. The Company is well funded with over NZ\$ 9 million in cash available to undertake its work programs.

# L&M PETROLEUM CSG EXPLORATION AREAS

