

COMPANY ANNOUNCEMENT

For Immediate Release

Monday, 22 June 2009

Update on CSG Drill Program Operations

Highlights

- **Belmont-1 well at 405m, fishing for stuck core barrel**
- **Mt Linton-1 well preparing to run 4" casing to 300m.**

2009 CSG Drill Program Operations Update

At report time, the Belmont-1 well is at 405m and trying to recover a stuck core barrel. Once recovered, coring operations will resume to the well's programmed total depth of 500m.

The Washington's Schramm rig is rigging up the equipment to run 4" protective casing to 300m in the Mt Linton-1 well, ahead of the commencement of coring operations, which will be undertaken to the well's programmed total depth of 550m. The Washington's core rig #4 will be moved to the Mt Linton-1 well upon completion of the Belmont-1 well coring. Coring operations on Mt Linton-1 are expected to take about seven days to complete from commencement.

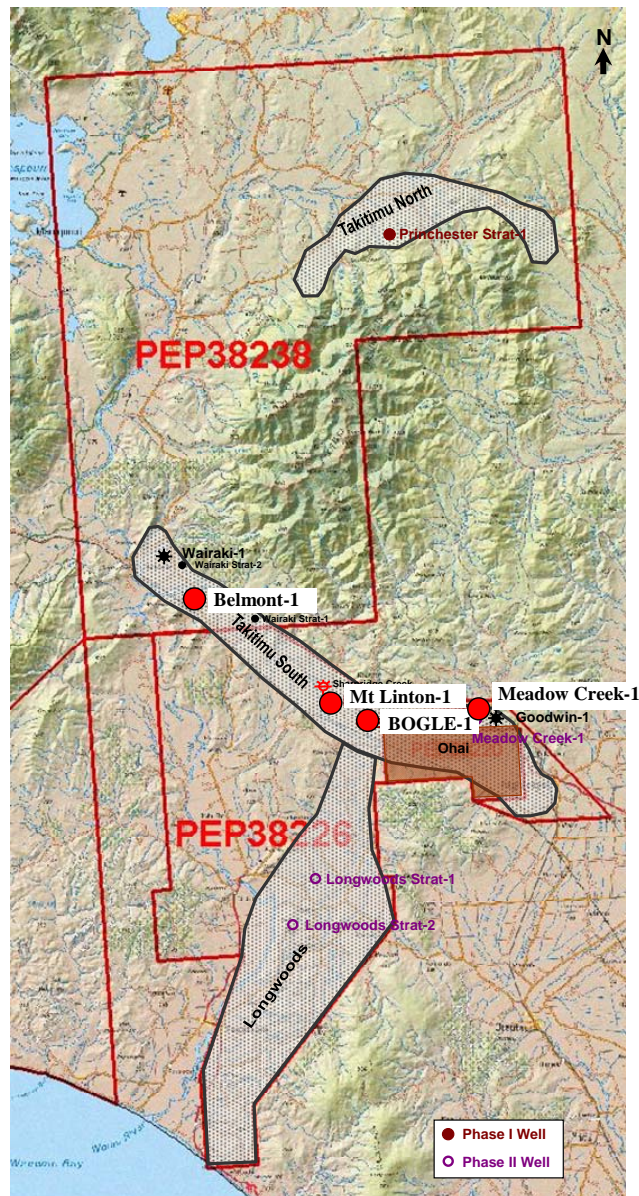
Upon completion of the Mt Linton-1, the Washingtons rig will be moved to drill the Meadow Creek-1 well to further appraise the coal seam gas potential in the area of last year's Goodwin-1 discovery well.

The 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.

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.

ENDS

L&M PETROLEUM CSG EXPLORATION AREAS



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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 6,100 km² 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\$8 million in cash available to undertake its work programs.