



COMPANY ANNOUNCEMENT

21st March, 2012

COMPANY PRESENTATION

Please find attached a presentation made by Mr K Anson, Managing Director of L&M Energy Limited, at the Excellence in Oil and Gas Conference being held in Sydney, Australia,.

Contact for further information:

Kent Anson
Managing Director
L&M Energy
Tel: +64 4 473 0415

or

Bruce McGregor
Company Secretary
L&M Energy
Tel: +64 4 473 0415

or

Duncan Gordon
Executive Director
Adelaide Equity Partners
Tel: +61 8 8232 8800

About L&M Energy Limited

L&M Energy Limited is a New Zealand based company dual listed on the ASX and NZX stock exchanges. The Company is focused on the discovery and development conventional and unconventional oil and gas resources. The Company holds equity interests in over 8,200 km² of exploration acreage contained within eight New Zealand exploration permits.



**2012 Excellence in
Oil & Gas
20th & 21st March**

**ASX/NZX: LME
www.LMEnergy.co.nz**



Disclaimer

This presentation has been provided for the sole purpose of providing preliminary background financial and other information to enable investors to review the business activities of the Company.

This presentation contains interpretations and forward looking statements that are subject to risk factors associated with the oil and gas industry.

It is believed that the expectations reflected in the presentation are reasonable but may be affected by a variety of variables and changes in underlying assumptions which could cause actual results to differ substantially from the statements made. This includes but is not limited to: production fluctuations, commodity price fluctuations, variations to drilling, well testing and production results, reserve estimates, loss of market, industry competition, environmental risk, physical risks, legislation, loss of mineral lease tenure, fiscal and regulatory developments, economic and financial market conditions, project delay or advancement, approvals and cost estimates.

Investors should undertake their own analysis and obtain independent advice before investing in L&M Energy shares.

All references to dollars (\$) are in Australian dollars unless otherwise stated.

The Company and its Directors, agents, officers or employees do not make any representation or warranty, express or implied, as to endorsement of the accuracy or completeness of any information, statement representations or forecasts contained in this presentation and they do not accept any liability for any statement made in, or omitted from, this presentation.

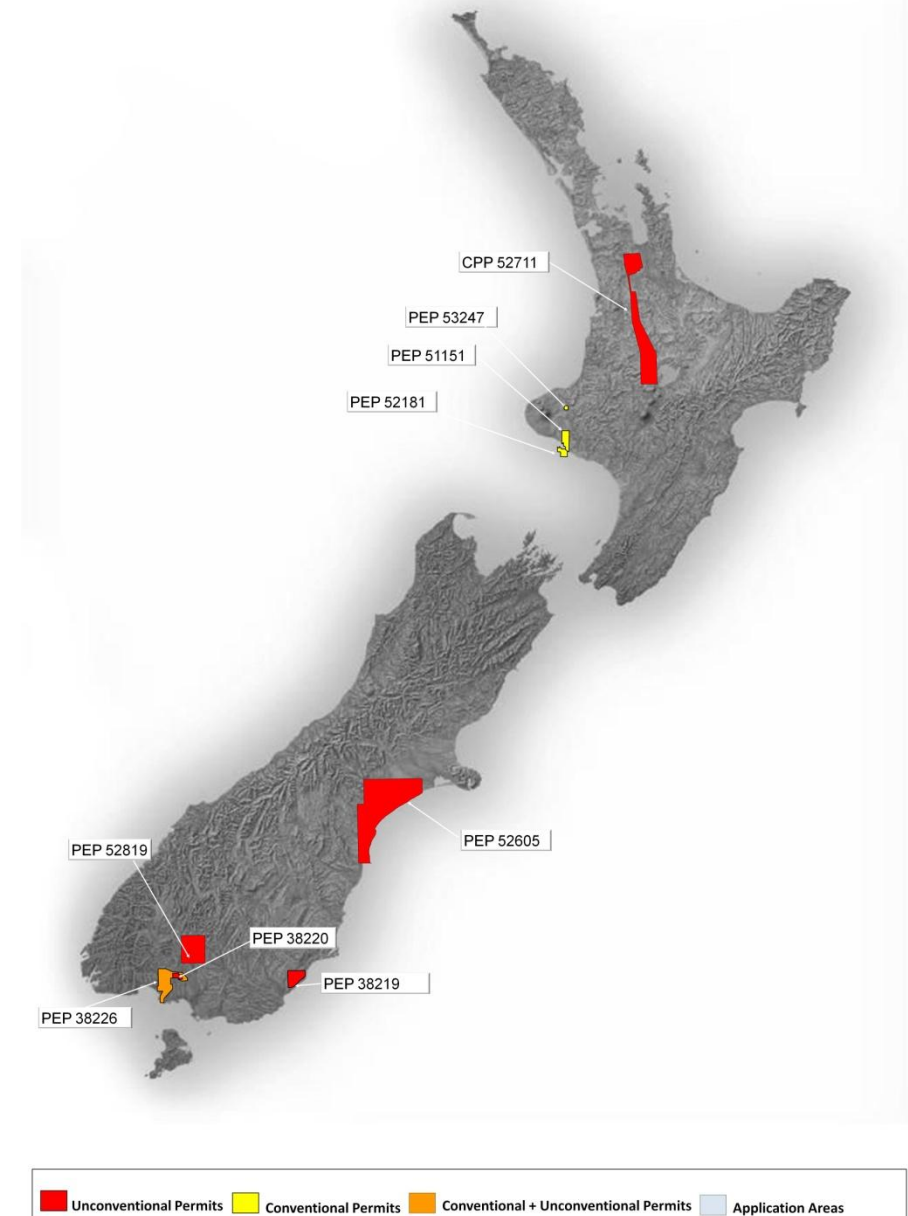
Corporate overview

ASX/NZX Ticker:	LME
Head Office:	Wellington, NZ
Shares on Issue:	754.4m
Options (unlisted):	~63m
Shareholders:	1981
Share Price:	\$0.098
Market Cap:	\$74m
Debt:	Nil



Asset summary

- Dual focused exploration company
- Diverse portfolio of acreage across multiple basins
- Strong presence in the Taranaki
- Excellent near term exploration opportunities
- Large upside potential with unconventional plays



Why explore in New Zealand?

Favourable
Royalty Regime

Supportive
Government

Excellent
Market
Opportunities

Infrastructure

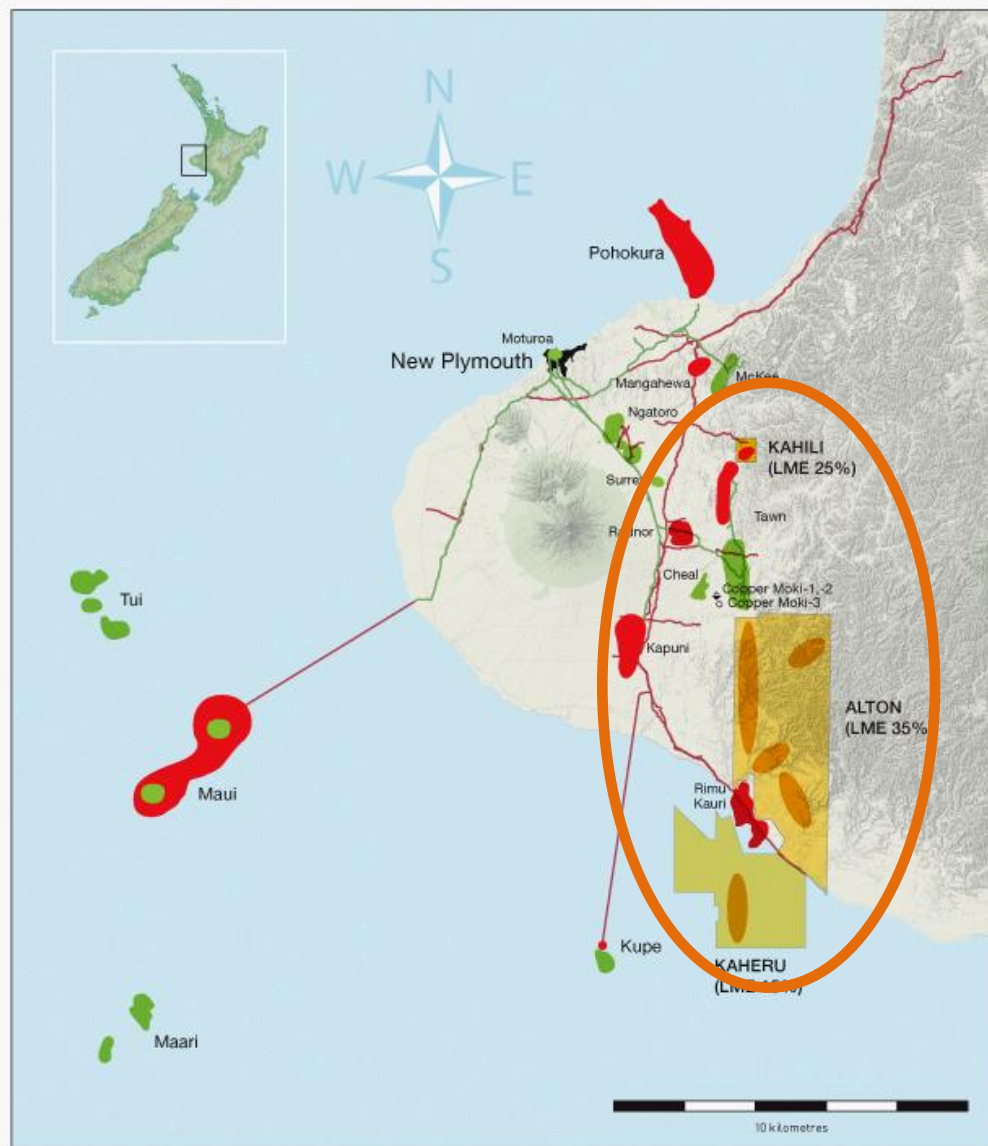
Conventional portfolio



Conventional portfolio - Taranaki

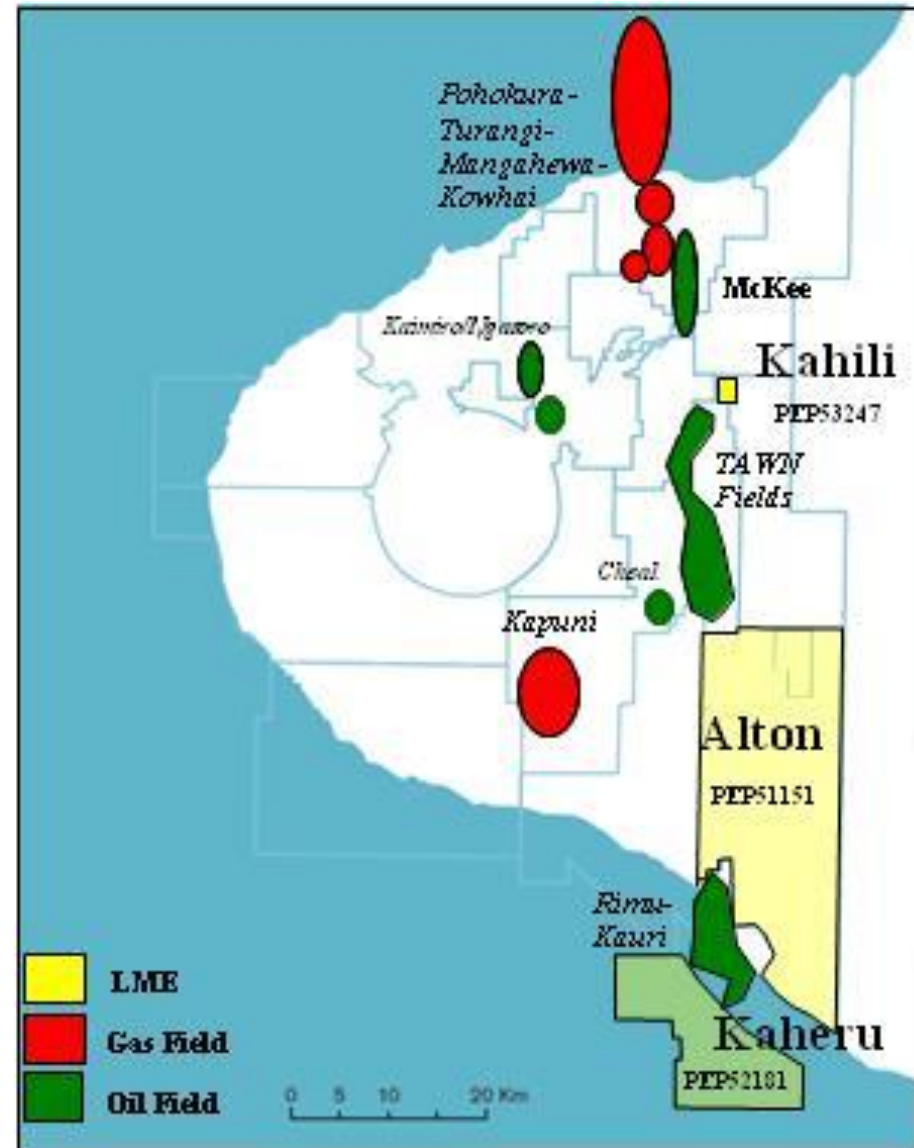
- Three highly prospective permits within the Taranaki Basin – proven hydrocarbon producing basin
- All permits are on trend and adjacent to producing fields
- Strong mix of onshore / offshore opportunities
- Multiple active work programmes at various stages of exploration

Permit	Interest	JV
Kahili (PEP53247)	25%	AGL
Alton (PEP51151)	35%	New Zealand Energy Corp
Kaheru (PEP52181)	15%	ROC, AGL*, TAG



Taranaki – Kahili (PEP53247)

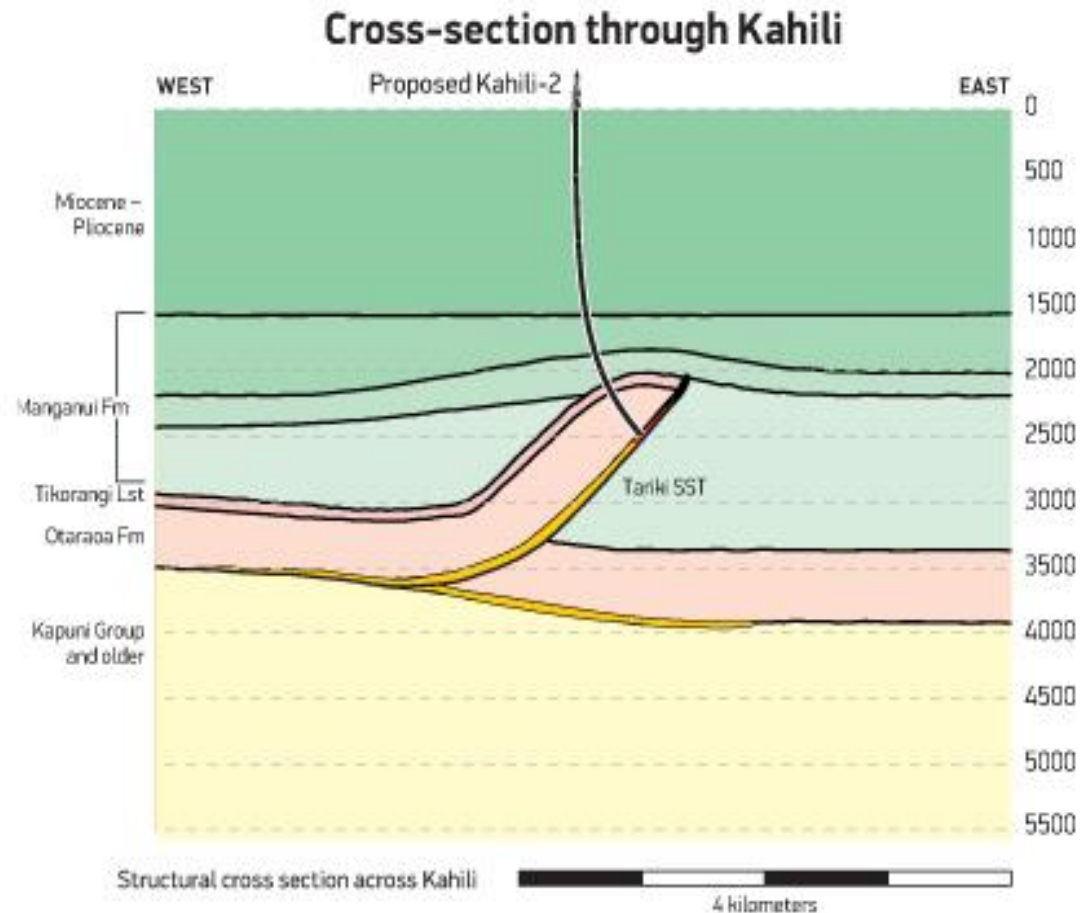
- Shut-in onshore Taranaki gas condensate field
- Considered analogous to the nearby Origin Tariki field
- Awarded to LME JV post competitive blocks offer (Dec 2010)
- Immediately undertook extensive seismic programme:
 - Reprocess and interpret ~160km of 2D seismic
 - Acquire additional ~30 km of 2D seismic



Taranaki – Kahili (PEP53247)

Seismic Programme Results:

- Improved understanding of the Kahili structure
- Explanation for early depletion of previous discovery
- Enhanced assessment of the remaining gas resource in this closure
- Conclusion – Drill again Q3/4 2012



Taranaki - Kahili (PEP53247)

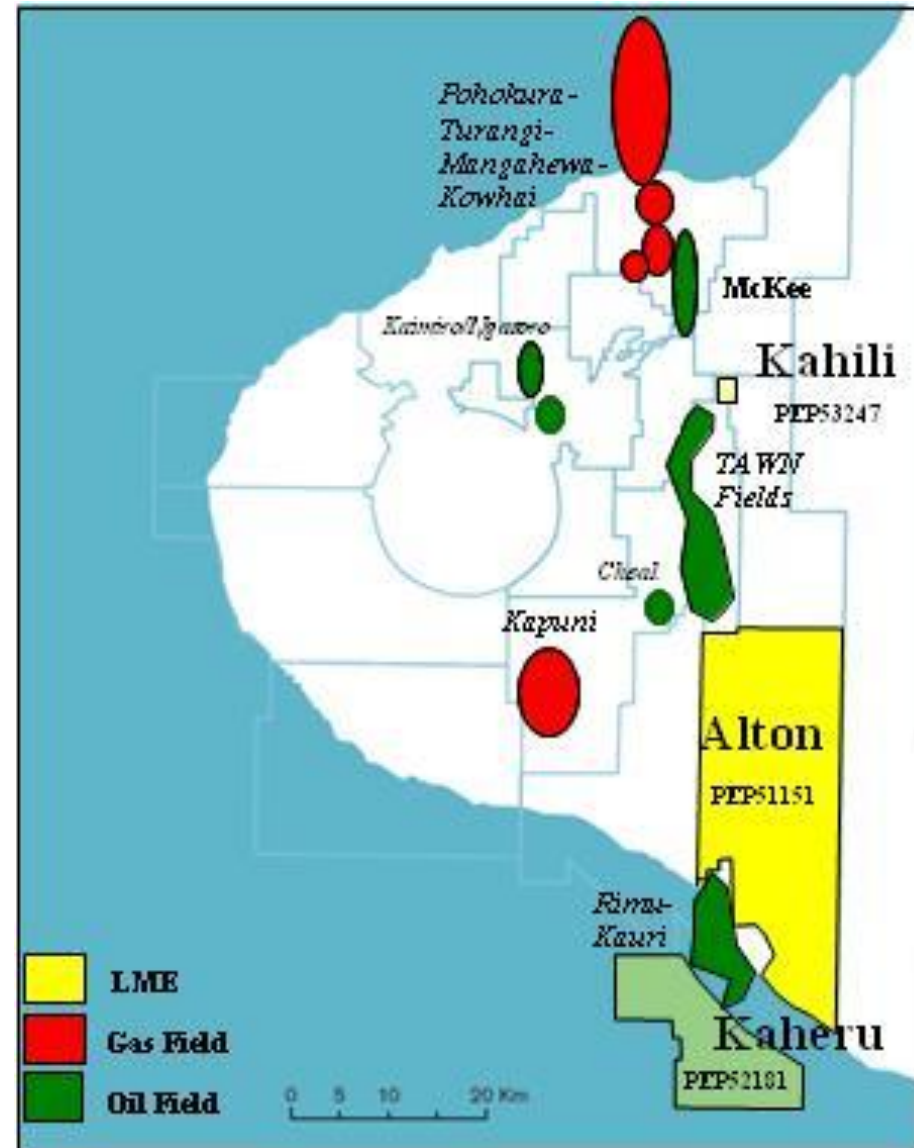
- Existing Production facilities in place (4km from well site) – 10TJ/d gas and 430 bpd throughput capacity
- Pipeline to plant in place
- Plant currently under a care and maintenance programme
- Goal is to quickly restore the field into production
- Excellent near term cash flow opportunity



Kahili represents an opportunity to re-establish production from a proven reservoir, through existing facilities in a short time frame.

Taranaki - Alton (PEP51151)

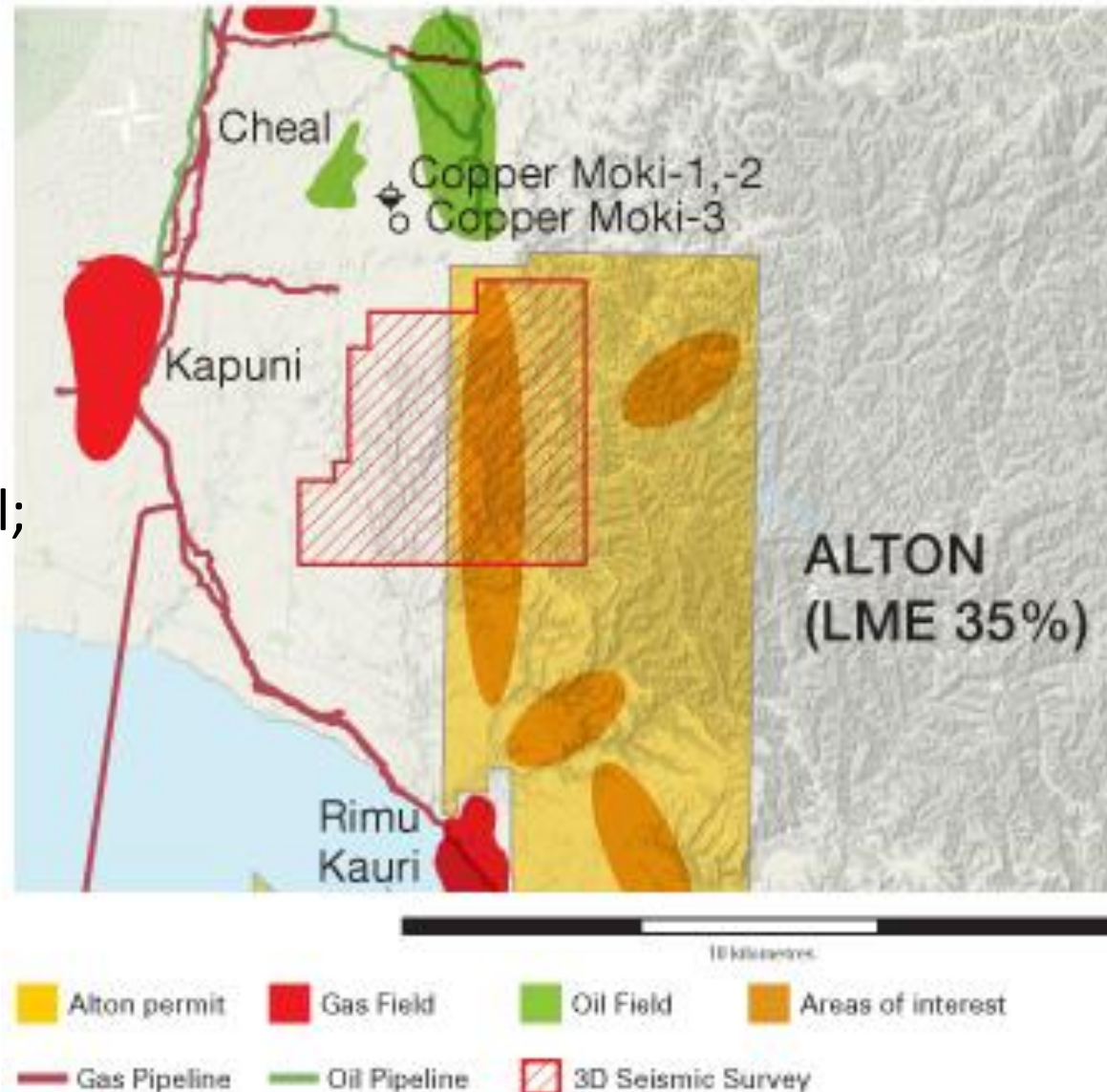
- Large onshore permit – 482km²
- Excellent location within proven hydrocarbon producing basin
- On trend and adjacent to multiple producing fields and new discovery wells
- Multiple targets at multiple depths in proven plays



Taranaki - Alton (PEP51151)

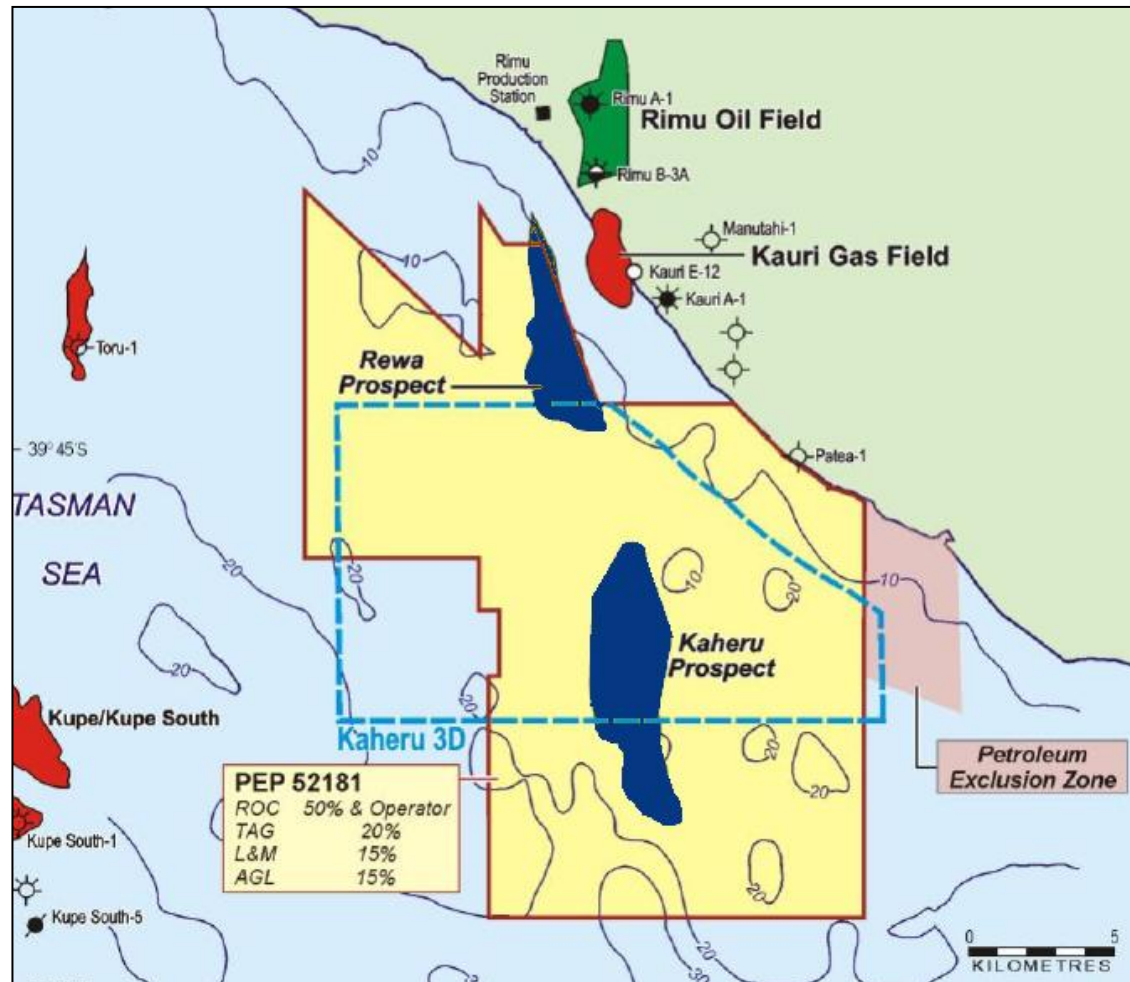
Regional 50km² 3D seismic programme underway -

- Strategy priorities wells identified on 3D seismic that:
 - ✓ Are well defined
 - ✓ Lower risk shallow oil; and
 - ✓ Have deeper exploration targets
- Strategy has proven highly successful in adjacent permits



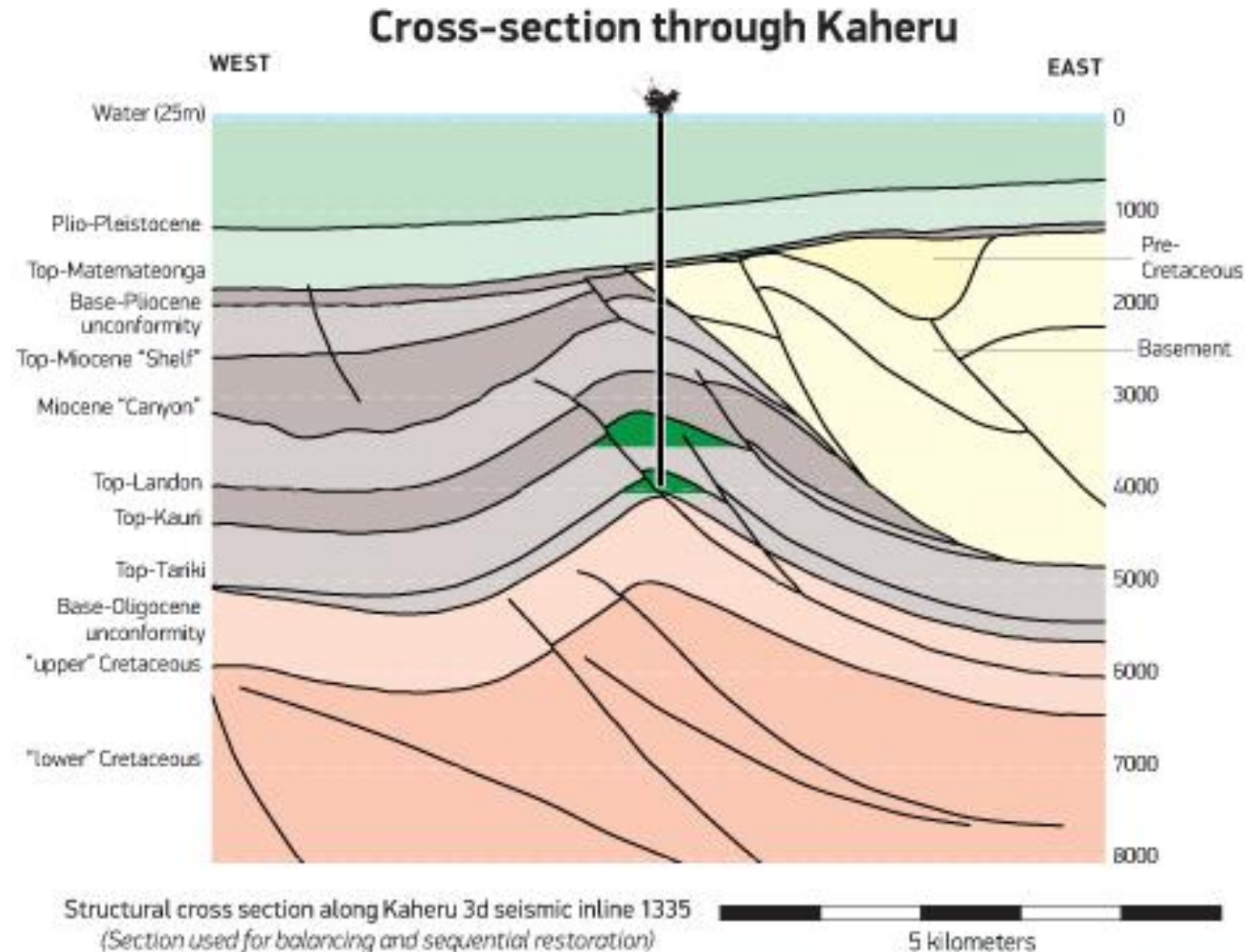
Taranaki - Kaheru (PEP52181)

- Sub-thrust anticline recognised in '90's south of extensive onshore oil bearing trend
- Kaheru Prospect lies immediately south of the proven Tarata Thrust trend and to the east of the Kupe Field (~300 BCF and ~30 MMBO) and is covered by a 3D seismic survey.
- Robust four-way dip closure with multiple target horizons



Taranaki - Kaheru (PEP52181)

- High quality 3D seismic depth migration complete
- Detailed structural modelling work complete
- Regional interpretation and prospect mapping complete
- Potential to contain upto 290mmbbls of oil or 576bcf if gas
- Commit to well ~May 2012



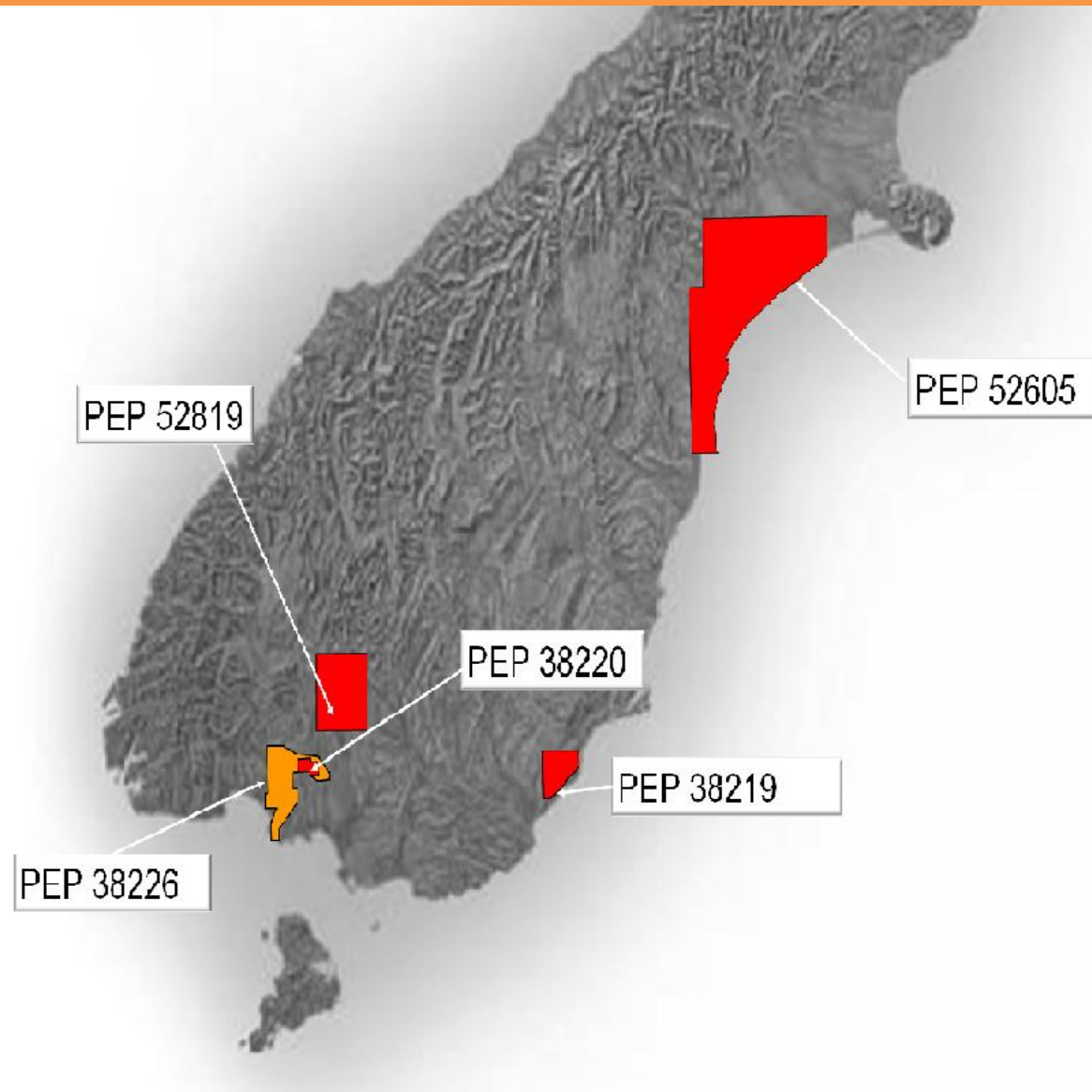
Unconventional portfolio



Unconventional portfolio – Coal Seam Gas

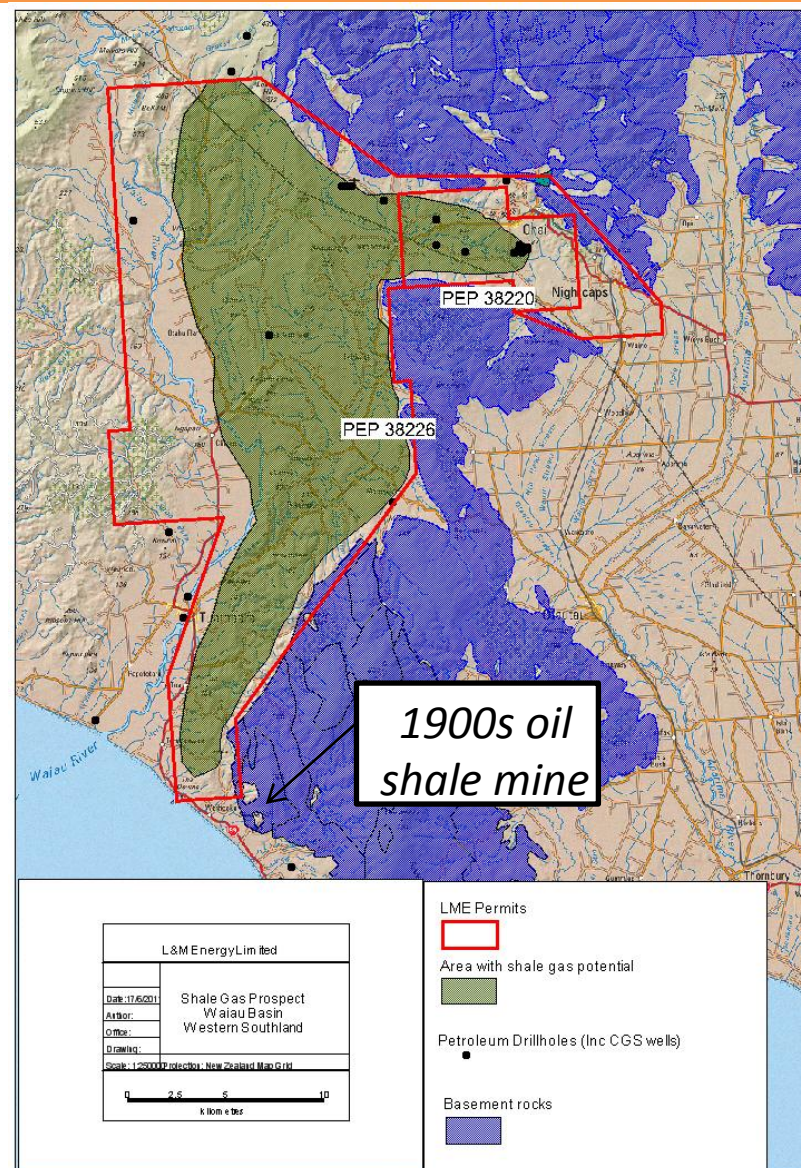
- Five highly prospective areas across multiple basins
- 274 PJ 3P reserves in place with upside potential
- First mover advantage
- Multiple work programmes underway

Permit	Interest
Ohai (PEP38220)	100%
Kaitangata (PEP538219)	100%
Waiau (PEP38226)	100%
South Canterbury (PEP52605)	100%
Aparima River (PEP52819)	100%

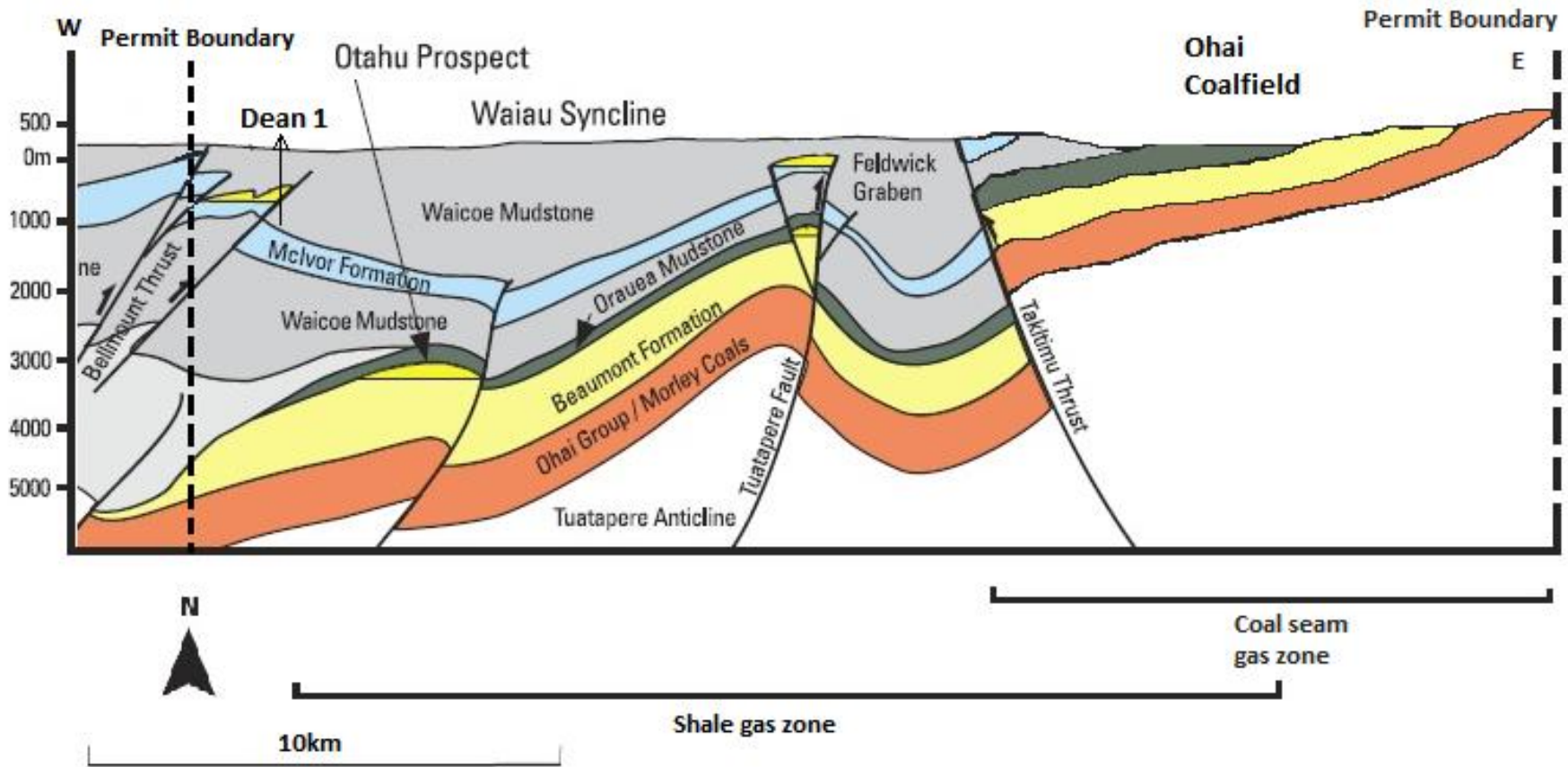


Unconventional portfolio – Shale Gas

- LME holds two permits in Waiau basin in Western Southland, covering 616km²
- Long petroleum exploration history – conventional & CSG
- In excess of 40 wells drilled from 1950's to 2011 with numerous gas and oil shows
- Oil Shale mined and refined at Orepuki between 1899 and 1903



Shale Play – Waiau Basin (Southland)



Shale gas potential in: Cretaceous: Morley, Eocene: Beaumont, Oligocene: Orauea

Shale gas – Waiau basin

Waiau Basin compared to US Shale Plays

Parameter	Barnett (Texas)	Lewis (Wyoming)	Antrim (Michigan)	Marcellus (NE USA)	Haynesville (Louisiana)	Waiau Basin (NZ)
Depth (m)	1,900 -2,600	900 -1,800	180 - 700	1,500 – 2,500	3,000 – 4,000	200 – 4,000
Thickness (m)	15 - 30	60 - 90	20 - 37	23 - 90	60 - 90	10 – 50+
TOC %	4.5	0.45 – 2.5	1 - 20	6	4	1 – 14, & c 40 (Orepuki Oil Shale)
Maturity Ro	1.0-1.3	1.6 - 1.88	0.4 – 0.6	>1	2.2 - 3	0.5 - 1 +
Gas Type	Thermogenic	Thermogenic	Biogenic	Thermogenic	Thermogenic	Mixed
Gas Content (MJ/m3)	6 - 10	0.03 – 1.4	1.25 - 3	1.8 - 3	3 - 9	Prelim. 0.5 - 2.5 Further work underway

New Zealand stands to benefit from shale gas plays, currently only N. Island permits being explored

Summary

Diverse and extensive exploration portfolio

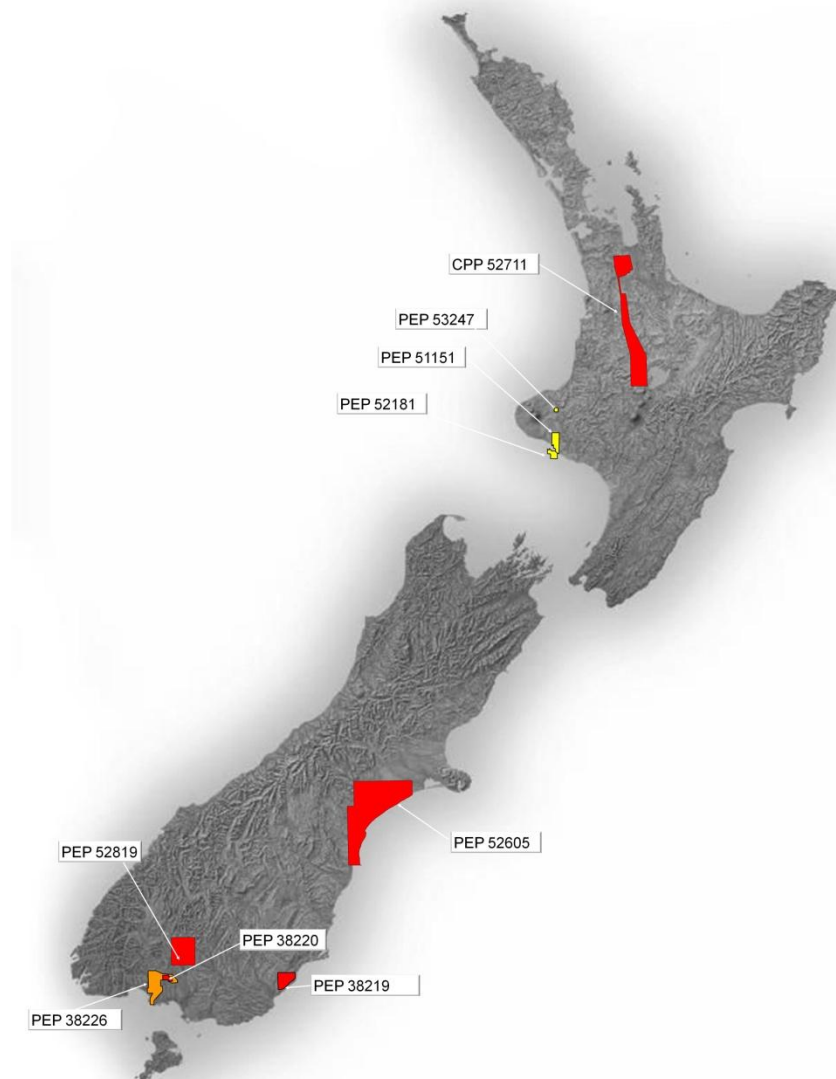
Oil and gas prospects in the right Taranki address, high quality acreage

Onshore / offshore exposure offers range of risk / rewards

Conventional drilling programme offers near term cashflow

Unconventional exploration programme continuing

Unconventional plays hold massive upside potential



■ Unconventional Permits ■ Conventional Permits ■ Conventional + Unconventional Permits ■ Application Areas



Contact Details:

Office

Level 9, St John House

114 The Terrace

PO Box 10-895

Wellington

NEW ZEALAND

Telephone: +64 4 473 0415

Facsimile: +64 4 473 0416

Email: info@LMEnergy.co.nz

Website: www.LMEnergy.co.nz

ASX/NZX Code: LME