

L&M to drill seven more CSG wells in western Southland this year

11 March 2009 - Wellington-based explorer L&M Petroleum plans to drill at least seven coal seam wells in its Western Southland permits in 2009.

L&M said it would also continue with efforts to drill two conventional petroleum prospects in its PEP 38226 (Waiau) permit by securing a farmout.

The first of these coal seam gas wells, Bogle-1, will be drilled immediately following the company's second CSG well to be drilled in L&M's adjacent PEP 38238 (Blackmount) permit, scheduled for May 2009 - depending on rig availability.

As required for the second five year term work programme obligations for PEP 38226 (Waiau), the company has surrendered 50% of the original acreage and submitted a new work programme for the second term.

L&M Petroleum says it has retained what it considers the best conventional acreage, containing the Otahu prospect, and the entire CSG trend in the eastern part of the original permit area.

Managing Director and CEO, John Bay, says the company's primary focus this year will continue to be on confirming the potential 300 PJ of CSG resources which the company believes is contained within its two onshore Southland permits.

Sources: L&M Petroleum and Lindsay Clark