

Leed Petroleum PLC
(“Leed” or the “Company”)

Drilling Update and Report on Future Drilling Activity

Leed Petroleum PLC, the oil and gas exploration and production company focused on the Gulf of Mexico, announces the completion of drilling of the Eugene Island A-6 development well.

This well targeted one development and two exploratory objectives. Previously, the Company announced that commercial production was found in the development and first exploratory objectives.

The second exploratory objective has now been logged. The logs indicate six feet of [net] pay for this zone which will add only marginally to reserves. The Company intends to conduct further study over the coming months to determine if drilling another well to this same reservoir in search of thicker pay is warranted.

Overall, the A-6 well is a substantial economic success. The Company estimates that reserves from this well are more than double the pre-drill estimate prepared by the competent person at the time of admission to AIM. At that time, the competent person, an independent reservoir engineering firm, credited the well with total (gross) 2P* reserves of 824 thousand barrels of oil and 4.8 billion cubic feet of gas.

The Company is working on completing the well for production from the first exploratory target, log results from which indicate 51 ft of true vertical thickness pay. The first sale of production from this zone is expected to occur in April 2008.

Upon the establishment of production from the A-6 well, Leed intends to use the drilling rig at Eugene Island to drill the A-7 well. This well will target two primary pay zones in a separate fault block of the Eugene Island field.

The Eugene Island Blocks are located 50 miles offshore, south of Morgan City, Louisiana in the Gulf of Mexico in approximately 80 feet of water. Leed’s management team has built an inventory of development projects and exploration targets across the Eugene Island Block 183/184 field.

Howard Wilson, President and Chief Executive of Leed Petroleum PLC, commented:

“We are very pleased by the results of our first well in the drilling programme. The A-6 well is a significant commercial result, adding substantial new 2P reserves and materially increasing Leed’s daily production rate once brought on stream in April.

Our drilling programme will now move to the even more promising Eugene Island A-7 exploration well, which we are on track to spud in April this year.”

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For further information:

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NOTES TO EDITORS

Review by a qualified person

The information contained in this announcement has been reviewed and approved by Chris Thompson, Manager of Business Development at the Company, BSC GradDip, who is a reservoir engineer (SPE) with over 15 years experience within the sector.

Reserve Estimates

The Company’s reserve estimate stated in the announcement is made in accordance with guidelines published by the Society of Petroleum Engineers and is based on management’s interpretation of the available data. The estimate has not been audited by an independent reserve auditor.

Reserve Definitions*

1P – Proved Reserves

2P – Proved and Probable Reserves

3P – Proved, Probable and Possible Reserves

Proved Reserves are the estimated volumes of crude oil, condensate, natural gas and natural gas liquids which, based upon geologic and engineering data, are reasonably certain to be commercially recovered from known reservoirs under existing economic and political/regulatory conditions and using conventional or existing equipment and operating methods. When probabilistic methods are used, reasonable certainty means there is a 90% probability that the quantities produced will exceed the estimate of proved reserves. Proved reserves are limited to those quantities of hydrocarbons which have been evaluated either by actual production or by analytical tools and methods which demonstrate reasonable certainty of future recovery.

Probable Reserves are those reserves which geologic and engineering data demonstrate with a degree of certainty sufficient to indicate they are more likely to be recovered than not. When probabilistic methods are used, there is at least a 50% probability that the quantities actually produced will exceed the sum of proved and probable reserves.

Possible Reserves are those reserves which geologic and engineering data demonstrate are less certain than probable reserves and can be estimated with a low degree of certainty, insufficient to indicate whether they are more likely to be recovered than not. When probabilistic methods are used, there should be at least a 10% probability that the quantities actually produced will exceed the sum of proved, probable and possible reserves.

Operations

Leed Petroleum PLC is an AIM quoted independent oil and gas exploration and production company. The Company's operations are concentrated in the Gulf of Mexico region where Leed has established a significant portfolio of producing and development assets. The Company has interests in 16 offshore fields and 1 onshore field in the region.

Leed's strategy is to grow the Company's portfolio through organic development of its existing assets and to utilise its regional expertise to identify and purchase value adding assets.