

Leed Petroleum PLC

(“Leed” or the “Company”)

Reserve Update

Leed Petroleum PLC, the oil and gas exploration and production company focused on the Gulf of Mexico, today announces the results of its recently completed reserve audit.

Reserve estimates

Collarini Associates, an independent reserve auditor, (“Collarini”) has audited Leed’s reserves, effective as of 1 April 2008. When compared, on a gas equivalent basis, against the audited reserve report prepared by Collarini at the time of admission to AIM and effective as of 1 June 2007, the Company has achieved the following reserve growth:

- 1P* reserves: 43.1%;
- 2P* reserves: 30.3%; and
- 3P* reserves: 17.6%.

The Company’s reserve positions as of 1 June 2007 and 1 April 2008 are set out in the following table:

Reserve Category	1 June 2007			1 April 2008		
	Oil & Liquids (mmbbls)	Gas (bcf)	bcfe	Oil & Liquids (mmbbls)	Gas (bcf)	bcfe
1P* Reserves	1.1	30.0	36.7	2.1	39.6	52.5
2P* Reserves	4.0	70.8	94.7	5.8	89.4	123.5
3P* Reserves	10.5	257.2	320.1	12.5	301.4	376.5

Source: Collarini

The growth in Leed’s reserves is attributable primarily to:

- the successful drilling activity conducted at Eugene Island;
- reserve additions arising from technical analysis with respect to objectives that will be tested in the Eugene Island A-7 well, the next well that Leed will drill;

- reserves attributable to Ship Shoal block 201, which the Company acquired at the last Minerals Management Service lease sale held in October 2007; and
- reserves in the Main Pass 64 field that the Company acquired from Challenger Minerals Inc. on 11 March 2008.

Furthermore, the Company believes that substantial exploration potential not accounted for in the reserve numbers reported in this announcement exists on its properties.

Reserve growth implications for the Company's credit facility

Due to the substantial increase in 1P* reserves, the Company expects that the borrowing base on the US\$80 million credit facility it has in place with Bayerische Hypo-Und Vereinsbank AG ("HVB") will increase significantly from the present borrowing base cap of US\$53.4 million. The Company expects that HVB will analyse the results of the 1 April 2008 reserve report over the coming days, and a further announcement will be made in due course. The Company currently has approximately US\$31 million drawn on the HVB facility.

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

"We are very pleased with the substantial growth in reserves that Leed has achieved over the last ten months. This demonstrates that we can deliver on the expectations that we have set for ourselves. We have more drilling to do at Eugene Island, and our next well, the Eugene Island A-7 well, has even more promise than the very successful A-6 well that we have just drilled. The Company's future is bright."

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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

Collarini Associates' reserve estimates stated in the announcement are made in accordance with guidelines published by the Society of Petroleum Engineers and are based on its interpretation of the available data.

Glossary

bcf – billion standard cubic feet of gas

bcfe – billion cubic feet of natural gas equivalent, where crude oil, condensate and natural gas liquids are converted to a gas equivalent using a ratio of six thousand cubic feet of natural gas to one barrel of oil

mmbbls – million barrels of oil

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 15 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.