

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

Eugene Island Update

Leed Petroleum PLC, the oil and gas exploration and production company focused on the Gulf of Mexico, announces an update on activity at the Eugene Island field.

Since concluding drilling of the Eugene Island A-7 well, the Company has been working on casing and completing the well for production from one of the primary zones. The Company has not been able to produce a consistent flow rate from this zone and extended testing will be required to fully evaluate its potential.

Accordingly, in order to achieve its targeted commercial production from the A-7 well, the Company will move up the wellbore and begin producing from another of the primary zones intersected by the well. If deemed appropriate, the Company will consider returning to the deeper zone in the future. Completion of the shallower reservoir is expected to take approximately six weeks.

In the interim, the Company has performed preliminary work for the Eugene Island A-8 well. The Eugene Island A-8 well will target a superior “take-point” from the exploration target discovered by and currently producing through the A-6 well.

Since commencement of production from the secondary exploration target of the A-6 well, an extended flow test has been conducted, with the results of this test corroborating the Company’s reserve estimates. The A-6 well began to make sand during the test, and while this reservoir continues to produce, the Company has reduced the flow rate to ensure operational safety. The curtailed gross test rate during August to date has averaged 988 BOEPD. Following completion of the A-8 well, the A-6 well will be recompleted as a long term producer from its primary zone, as has always been the Company’s intention. It is anticipated that production rates for the A-6 will then return to previously announced levels.

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 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 remain very confident that the A-7 well will perform to our expectations. It is unfortunate that we have experienced this delay, however, the long term development and acceleration programme for the Eugene Island 183/184 field remains on track. In

addition to reserves scheduled to be produced from the A-7 well, the A-8 will develop existing reserves discovered during the current drilling programme as well as test at least one exploratory target.”

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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 16 years experience within the sector.

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 18 offshore fields and one 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.

Glossary

BOEPD – barrels of oil equivalent produced per day