



**Leed Petroleum plc**

("Leed" or the "Company")

**Drilling update**

*Leed reports 3<sup>rd</sup> back to back drilling success in Gulf of Mexico*

Leed Petroleum PLC (AIM: LDP), the oil and gas exploration and production company focused on the Gulf of Mexico, announces that the Eugene Island A-8 well has reached its total depth and has encountered commercial hydrocarbons in the two primary well targets.

The Eugene Island A-8 well was spudded on 6 October 2008 and reached a total measured depth of 15,470 ft on 25 November 2008. The primary objectives of the A-8 well were a superior "take-point" from the exploration target discovered by and currently producing via the A-6 well, as well as to test one exploratory zone. Electric line logs have confirmed that the Company encountered three pay sands, containing a total of 155 feet of true vertical thickness pay.

The Company is currently casing and completing the Eugene Island A-8 well for production from the deeper objective, which has 96 feet of true vertical thickness pay. First production from this zone is expected to occur by the first quarter of 2009.

Following the completion of the A-8 well, Leed plans to release the Ensco 98 drilling rig. The Company is reviewing the Gulf of Mexico rig market and making plans to drill currently undeveloped properties in the Company's portfolio during 2009.

In addition, once production from the A-8 well has been completed and the drilling rig is off location, the Company intends to implement its plan to re-complete the A-6 well from the existing platform as a long term producer from the well's primary zone.

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, commented:**

*"The drilling programme at Eugene Island has been a great success for Leed. It has proven transformational in terms of the Company's developed reserves, production and revenue base and delivered the Company into a profit during the three months ended 30 June 2008.*

*We plan to return to drilling at Eugene Island at a later date as there are numerous exploration and development projects still to be drilled in this prolific, low risk area. But it is now time for the Company to move on and develop additional fields in the portfolio and diversify the production base.*

*The success at Eugene Island clearly demonstrates the excellent risk-reward profile for our shareholders, with the ability to add material value at relatively low risk and cost. This strategy will be replicated throughout our other properties, which will enable significant value to be generated in the short to medium term."*

For further information:

**Leed Petroleum PLC**

Howard Wilson, President and Chief Executive  
James Slatten, Chief Operating Officer

+1 337 314 0700  
+1 337 314 0700

**Matrix Corporate Capital LLP**

Alastair Stratton  
Tim Graham

+44 20 3206 7204  
+44 20 3206 7206

**Buchanan Communications Ltd**

Ben Willey  
Bobby Morse  
Chris McMahon

+44 20 7466 5118  
+44 20 7466 5151  
+44 20 7466 5156

**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