



**Leed Petroleum plc**

("Leed" or the "Company")

**Eugene Island A-8 Completion and Well Test and Deferment of Drilling**

Leed Petroleum PLC (AIM: LDP), the oil and gas exploration and production company focused on the Gulf of Mexico, today announces the successful well completion and flow testing of the deepest pay zone in the Eugene Island A-8 well. This zone, which as previously announced, has 96 feet of true vertical thickness net pay, was tested over a 91 hour period through a 22/64th" choke at a stable restricted gross rate of 6.5 mmcf/d and 1,469 bopd (2,557 boepd) with 8 bwpd with a flowing tubing pressure of 7494 psia. The well continues to flow, and the Company is selling production.

The Company intends to defer its 2009 capital expenditure programme until drilling rig and service rates are reflective of oil and gas pricing and the economic environment is more favourable to new drilling. Leed has no planned license commitments during the first half of 2009 other than one well on South Marsh Island block 6. Accordingly, the Company has released the Ensco 98 rig and now has no contracted drilling rig or associated cost.

The A-8 well will recover the remaining reserves previously associated with the A-6 well from a superior take point to that of the existing A-6 well completion. Therefore, in accordance with Leed's field development plans, the Company will cease producing from the current zone in the A-6 well and will execute a relatively inexpensive re-completion of the A-6 well as a long term producer from that 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:**

*"I am very pleased that we have finished our first round of drilling at Eugene Island with three successful wells, all of which are now on commercial production. We will use the substantial revenue stream created by these wells to strengthen our balance sheet while we await rig and service rates to normalise and commodity prices and general economic conditions to improve. When timing is appropriate, we will re-commence our drilling programme to exploit our substantial untapped inventory of projects and develop additional fields in order to diversify our production base. In the meantime, we will not be resting on our success at Eugene Island but rather building on it as we continue our search for high quality assets to fold into the portfolio and work up additional projects on our existing properties."*

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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 17 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 per day calculated on the basis of one thousand cubic feet of gas equals one barrel of oil

bopd – barrels of oil per day

bwpd – barrels of water per day

mmcfcd – million cubic feet of gas per day

psia – pounds per square inch absolute