



Leed Petroleum PLC

("Leed" or the "Company")

Leasehold Update

Successful Participation in MMS Lease Sale – Leed awarded two new leases

Leed Petroleum PLC (AIM: LDP), the oil and gas exploration and production company focused on the Gulf of Mexico, today announces that the Company has been awarded the Eugene Island 133 and Ship Shoal 197 leases in the Central Gulf of Mexico Minerals Management Services ("MMS") Lease Sale 208.

On 6 May 2009, the MMS confirmed acceptance of Leed's bids of US\$350,567 and US\$575,456 for the Eugene Island 133 and Ship Shoal 197 blocks respectively. The Eugene Island block is located approximately 110 miles southwest of New Orleans, Louisiana in 60 feet of water and the Ship Shoal block is located approximately 125 miles southwest of New Orleans, Louisiana in 102 feet of water. As soon as is practicable, Leed intends to add the Eugene Island 133 and Ship Shoal 197 drilling opportunities identified by Leed's technical team to the Company's drilling schedule.

The leases will each be held for an initial five year "primary" term during which the Company will have the right to explore and produce hydrocarbons. Once production is established, normal lease terms will then apply.

The two blocks are adjacent to blocks subject to the Scouting Agreement that exists with Byron Energy Pty. Ltd. ("Byron"), and as such these blocks are now subject to an area of mutual interest agreement between the companies which grants Byron the right to acquire up to 25% of the Company's working interest in both blocks. Byron has elected to acquire a 25% share in each of the blocks, and will pay the final instalment of its pro rata share of the acquisition costs shortly.

ASSETS (All are U.S.)	OPERATOR	INTEREST¹ WI / NRI (%)	STATUS	LEASE EXPIRY DATE	LEASE AREA (km²)	COMMENTS
Eugene Island Block 133	Leed Petroleum LLC	75/ 60.9375	Exploration	To be determined	20.23	New lease acquired in MMS Central Gulf Lease Sale # 208
Ship Shoal Block 197	Leed Petroleum LLC	75 / 59.8125	Exploration	To be determined	20.23	New lease acquired in MMS Central Gulf Lease Sale #208

¹ Interest – Working interests (WI) are shown and are subject to various royalty and, in the case of the Ship Shoal 197 lease, overriding royalty payments. Net revenue interests (NRI) include any and all such payments.

Leasehold Terminations

The Company's leases covering Ship Shoal block 205 and South Marsh Island blocks 5 and 6 will all expire by 30 July 2009. Leed has no plans to undertake any operations to hold the Ship Shoal 205 and the South Marsh Island 5 blocks for which the Company has no attributable reserves. Leed is investigating drilling options that would hold the South Marsh Island 6 lease, which has 674 MBOE of net Probable reserves (less than 3% of Leed's 24.1 MMBOE of 2P reserves) attributable to it, and will make a further announcement if drilling is commenced.

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

"We are delighted to be awarded the Eugene Island 133 and Ship Shoal 197 blocks. The leases are adjacent to Leed's existing lease holdings in the Ship Shoal 201 and South Marsh Island 8 fields and complement the Company's development plans for these fields adding to the depth of our inventory and providing operational synergies."

For further information please contact:

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NOTES TO EDITORS

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 19 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.

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 17 years experience within the sector.

Definitions

MBOE – thousands of barrels of oil equivalent, calculated on the basis of one thousand cubic feet of gas equals one barrel of oil

MMBOE – million barrels of oil equivalent, calculated on the basis of one thousand cubic feet of gas equals one barrel 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.