



Leed Petroleum PLC

("Leed" or the "Company")

Quarter End Trading Update

Leed reports progress in the year since commencing production in GoM

Drilling of Sorrento Dome project to commence in second half of the calendar year

Leed Petroleum PLC (AIM: LDP), the oil and gas exploration and production company focused on the Gulf of Mexico, today announces an operational and trading update prior to releasing its results for the year ending 30 June 2009.

Highlights

- Net attributable production for the three months to 30 June 2009 averaged 2,570 boepd (approximately 4,252 boepd gross)
- Net attributable production from Eugene Island for the three months to 30 June 2009 of 2,528 boepd (approximately 4,044 boepd gross)
- Staged project development programme to widen the Company's asset base

Production

The Company estimates that net attributable production for the fourth quarter ended 30 June 2009 averaged 2,570 boepd, a decrease of 14 per cent. from the previous quarter. The lower average daily production for the period was attributable to the unanticipated disruption of pipeline availability, associated downtime and subsequent well performance at Eugene Island as well as poor performance of the Company's non-operated properties. Net attributable production for June 2009 averaged approximately 2,338 boepd (approximately 3,932 boepd gross).

Preliminary net attributable production from the Eugene Island field during the three months ended 30 June 2009 is estimated to be 2,528 boepd (58% gas / 42% oil and natural gas liquids) compared to 2,926 boepd (50% gas / 50% oil and natural gas liquids) for the three months ended 30 March 2009. Production volumes from the field were affected by various well performance issues, including the shut-in of low pressure oil wells due to gas compressor constraints and the onset of water production from the A-8 well. The Company plans to continue to produce the A-8 well from the current reservoir and augment compression facilities by Q2 2010 to re-establish production from the low pressure oil wells. In addition, it should be noted that the A-8 well contains significant behind pipe reserves which will, at a later date, add production from alternate horizons and contribute to an increase in output from the A-8 well.

As announced on 11 May 2009, the non-operated East Cameron 317 field is shut-in pending repairs to a non-company owned pipeline following hurricane damage in 2008. Repairs to the non-company owned pipeline are currently underway and repairs to the Company owned portion are expected to commence this quarter.

Production remained low at the non-operated Main Pass 64 field due to the lack of field gas to lift oil from the wellbores. The operator plans to construct a new pipeline to obtain supply gas from a third-party located nearby which will facilitate the resumption of full production capacity from the field. Negotiations

for the gas supply agreement are ongoing and the project is subject to approval of the regulatory applications which have been filed.

Reserves

As at 30 June 2009, the Company estimates that its net 1P and 2P reserves are 11.3 mmbob and 21.5 mmbob respectively. The revision in reserves is a function of production run-off, performance from Eugene Island and Main Pass fields during the period, the relinquishment of certain leases which contained undeveloped reserves and the current low gas and oil price environment.

The next independent reserve audit is scheduled to commence this quarter and a further update will be made on completion of the reserve audit.

Financial Performance

The completion of the Eugene Island drilling campaign and the associated increase in production volumes have coincided with a low price environment for oil and particularly natural gas. It is expected that accounts for the financial year ending 30 June 2009 will show revenue for the year ended 30 June 2009 of approximately US\$33 million. It is too early to provide a firm estimate of profitability but in light of lower than expected commodity prices during much of the period, it is expected that the Company will report a loss for the year as a whole.

As at 30 June 2009, the Company had a cash balance of US\$4.4 million. Borrowings consisted of US\$41 million under the Company's bank facility and US\$3.3 million in other borrowings associated with the Company's insurance programme.

Outlook

Since the Company announced deferral of drilling on 6 January 2009, significant decreases in the costs for drilling and associated services have been noted. During this time, Leed has been planning several lower cost projects which should not only add production and reserves but also diversify the Company's operations across different fields within the Gulf of Mexico region. Leed intends to follow a staged approach to these projects and plans to capitalize on the lower operating cost opportunities by commencing preliminary preparatory work at the Sorrento Dome field shortly, with a well expected to spud in the second half of this calendar year.

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

"Leed has achieved a number of key milestones in the last 12 month period, most notably the conversion of Probable and Possible reserves to production, yielding increased sales from the Eugene Island field. Whilst the exit production for the year has been impacted by several factors, we are pleased to be generating good cash flows from these assets, which management plans to re-invest in the portfolio.

We now look forward to recommencing our drilling programme at the Sorrento Dome field, where further production and reserves are likely to be added in the short term. The breadth of Leed's portfolio presents several other low cost, high quality opportunities, which will add new production and reserves, and diversify our production base as the drilling programme progresses.

Our focused Gulf of Mexico strategy has created a valuable growth platform, which the Board and Management believes can be replicated throughout our portfolio, thus creating a business which can deliver material shareholder value creation."

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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 17 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 16 offshore blocks 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.

Glossary

bbls – barrels

boe – barrels of oil equivalent per day, calculated on the basis of six thousand cubic feet of gas equals one barrel of oil

boepd – barrels of oil equivalent per day, calculated on the basis of six thousand cubic feet of gas equals one barrel of oil

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