



Leed Petroleum PLC

("Leed" or the "Company")

Reserve Update

Reserves at 1 July 2009 in line with management expectations

Leed Petroleum PLC (AIM: LDP), the oil and gas exploration and production company focused on the Gulf of Mexico, today announces the results of its year end reserve audit.

Reserves Estimate

Collarini Associates, an independent reserve auditor, ("Collarini") has audited Leed's reserves, effective as of 1 July 2009. The Company's net attributable reserves are in line with management's previously released estimates, as set out immediately below:

Reserve* Category	Oil & Liquids (mmbbls)	Gas (bcf)	Total Oil & Gas (mmboe)
1P	3.8	45.2	11.3
2P	6.5	90.2	21.6
3P	14.8	295.3	64.1
3P+ Prospective Resources	16.1	335.4	72.0

During the 2009 financial year, Leed completed the first phase of its drilling programme at Eugene Island, which resulted in the Company reporting a 147% increase in proved developed reserves since listing on AIM in 2007, whilst adding to and de-risking other categories of reserves and resources.

Since the last reserve report in January 2009, the Company has produced 0.5 mmboe, relinquished certain undrilled leases and experienced varied production performance at the Company's Eugene Island and Main Pass fields, which has resulted in a revision of total 2P reserves to 21.6 mmboe. The Company's proved reserves have remained robust, with the more valuable proved developed reserves remaining essentially flat at 4.4 mmboe as a result of a successful logging and testing programme at the Sorrento Dome field.

The comparative net attributable reserve positions are set out in the following table:

Total Oil & Gas (mmboe)	1 June 2007	1 April 2008	1 Jan 2009	1 July 2009
1P	6.1	8.8	11.7	11.3
2P	15.8	20.6	24.1	21.6
3P	53.4	62.8	70.0	64.1
3P+ Prospective Resources	N/A	65.4	75.7	72.0

Source: Collarini

Outlook

Activity is planned to recommence prior to the calendar year end at the onshore Sorrento Dome field. The commencement of this new programme will signal the next phase of growth for the Company, with drilling and development costs projected to be significantly lower than last year.

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

“Leed’s reserves have remained robust, despite the challenges of much reduced oil and gas pricing, which resulted in reduced activity. The conversion of proved, probable and possible reserves to proved developed reserves is critical to growth of the Company’s cash flow and its ability to attain high growth rates, and I am pleased that we have been able to essentially replace our proved developed reserves in this period.

We look forward to recommencing our operational programme in the current lower cost environment. Leed has a breadth of low cost, high quality projects and continues to identify additional opportunities within the existing portfolio. Our goal is unchanged, we will continue to add new production and reserves to bring growth and deliver material value to shareholders. The Board and Management believe that our focused Gulf of Mexico strategy has created a business which can deliver on these goals.”

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 17 years experience within the sector.

Reserve Estimates

Collarini Associates’ reserve estimates stated in the announcement are made in accordance with guidelines published by the Society of Petroleum Engineers and are based on its interpretation of the available data.

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 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

bcf – billion standard cubic feet of gas

bcfe – billion cubic feet of natural gas equivalent, where crude oil, condensate and natural gas liquids are converted to a gas equivalent using a ratio of six thousand cubic feet of natural gas to 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

mmbbls – million barrels of oil

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

Reserve Definitions*

1P – Proved Reserves

2P – Proved and Probable Reserves

3P – Proved, Probable and Possible Reserves

3P+ Prospective Resources – Proved, Probable and Possible Reserves plus Prospective Resources

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.

Prospective Resources are those volumes of crude oil, condensate, natural gas and natural gas liquids which are estimated to be potentially recoverable from as yet undiscovered accumulations via future development projects.

Proved Developed Reserves include Producing, Nonproducing, Shut-in and Behind Pipe Reserves, but not Undeveloped Reserves.

Producing Reserves are those reserves which are expected to be recovered from existing completion intervals open and producing at the time of the estimate.

Shut-in Reserves are those reserves which are expected to be recovered from existing completion intervals open at the time of the estimate, but which had not started producing, or were shut-in for market conditions, pipeline connection, or were not capable of production for mechanical reasons.

Behind Pipe Reserves are those reserves which are expected to be recovered from zones behind casing in existing wells, which require additional completion work or a future recompletion prior to commencement of production.

Undeveloped Reserves are those reserves which are expected to be recovered from new wells, from deepening existing wells, or where a relatively large expenditure is required to recomplete an existing well or to install production or transportation facilities or improved recovery projects. Proved Undeveloped Reserves are restricted to established reservoirs where existing wells have defined reservoir limits and content with reasonable certainty