

Acquisition

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Leed Petroleum PLC
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LEED PETROLEUM PLC

Investment in Manas Coal Limited Liability Company

Leed Petroleum plc (AIM: LDP) (the "Company" or "Leed") announces its acquisition of a 17.5% interest in Manas Coal Limited Liability Company ("Manas").

Manas is a company incorporated in the Kyrgyz Republic, the main activity of which is the exploration and development of coking coal resources and deposits within the Kyrgyz Republic.

Leed, the investing company with a focus on making investments in companies operating in the natural resources sector, today announces the signing of a Loan Agreement and an Implementation Agreement pursuant to which the Company has advanced a sum of £750,000 to Manas by means of a loan. Leed will also issue 166,666,667 ordinary shares to existing shareholders in Manas at a price of 0.15 pence per share, with an aggregate value of £250,000, together with 166,666,667 warrants to subscribe for new ordinary shares in Leed at a subscription price of 0.15 pence per share, in consideration for a 17.5% share in Manas, which is being acquired from certain existing shareholders in Manas.

The Company will have the right to participate in further fundraising rounds undertaken by Manas up to an agreed threshold amount and shall have the right to appoint a director to the board of Manas pursuant to the Implementation Agreement. The Implementation Agreement also contains certain provisions to protect the value of the Company's shareholding in future rounds of funding.

In the event that Manas receives an offer to purchase its legal and beneficial interests, whether by way of a stock exchange listing, a trade sale or otherwise, Leed shall have a right of first refusal to acquire Manas, its business or assets at a price not less than the highest price offered by any third party purchaser.

The proceeds of the loan from the Company are to be applied by Manas for the purposes of the transfer to Manas of a licence for geological exploration of coal at Eastern Kokkia area of Toguz-Toro district, Jalal-Abad region, Kyrgyz Republic and for the purposes of commissioning a scoping report on thereon.

Based on previous geological studies and exploration expeditions, the official Kyrgyz Government's resource register records an estimated reserve of approximately 114 million tons of high grade coking coal in the area covered by the Manas licence. The other shareholders in Manas

include Dr. Reza Tabrizi, who has many years experience in advising major corporates and governments in the region, including the Kyrgyz government, on energy matters, Mr. Kubanychbek Jumaliev, formerly Prime Minister of the Kyrgyz Republic and Mr. Dushenbek Kamchybekov, formerly Minister of Natural Resources in the Kyrgyz Republic.

Located in Central Asia, and bordering the People's Republic of China, the Kyrgyz Republic is one of the world's six independent Turkic states. Among its significant mineral reserves are substantial deposits of coal, gold, uranium and other valuable earth metals. The Kyrgyz Government is committed to development of a market economy and is actively encouraging foreign investment in extracting and processing these resources.

Peter Redmond, Chairman of Leed, commented:

"The investment in Manas represents an opportunity to buy into a prospectively high value coal project at an attractive valuation. Manas expects in the coming months to complete a full evaluation and development plan and Leed looks forward to a developing relationship with the right to participate in the future development of the project. While this investment falls outside of Leed's historic focus on oil, it represents a stake in an energy project with strong upside potential."

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