

Update on Strategic Review Process

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Leed Petroleum PLC

("Leed" or the "Company")

Update on Strategic Review Process

The Company announced on 23 December 2010 that it had commenced a strategic review process and had retained Macquarie Tristone (Macquarie Capital (USA) Inc.) as financial advisor to assist with this review. It was further announced that Macquarie Tristone would undertake a review of a broad range of strategic options, including but not limited to divesting some or all of the Company's oil and natural gas assets, securing a new bank credit facility and / or other potential transactions such as a merger with another company. The Company also announced, on 25 November 2010, certain amendments to its credit facility with its bank, UniCredit Bank AG ("UniCredit"), which require the Company to make a principal payment of US\$12 million on or before 31 March 2011.

As part of the strategic review process referred to above, Macquarie Tristone has had discussions with a number of parties who had expressed potential interest in either acquiring some or all of the Group's principal assets or to provide capital to permit continued drilling. None of these discussions has resulted in a proposal that resolves satisfactorily the Company's position as regards its credit facility with UniCredit.

The Company has kept UniCredit fully apprised of developments and has commenced discussions with it, in conjunction with potential investors and asset acquirers, with a view to restructuring its facilities. There can be no certainty whatsoever that these discussions will result in a satisfactory outcome.

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