

Final Results - Preliminary statement

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Leed Petroleum PLC

("Leed" or the "Company")

Preliminary statement

for the year ended 30 June 2011

Leed Petroleum PLC (AIM:LDP), the natural resources focused investing company, is pleased to announce its Final Results for the year ended 30 June 2011.

Highlights

- Disposal of US operating activities in May 2011.
- Refinancing to raise raising some £2.435 million following a capital reconstruction.
- Reclassification as an investing company under the AIM Rules.
- Acquisition of a 17.5% interest in Manas Coal Limited Liability Company.

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Chairman's statement

Since the last results announcement, the affairs of Leed Petroleum have altered dramatically. As described at the interim stage, the oil and gas operations in Louisiana have been sold and US operating activities discontinued. Owing to the worsened position of these activities and the terms on which they could be disposed of, the Company was left in an insolvent position and, following their disposal, the then Directors were planning liquidation of the Company or the appointment of a receiver. Since then, as approved at a General Meeting on 22 June 2011, the Company has undergone a rescue refinancing raising some £2.435 million following a capital reconstruction and has become an investing company under the AIM Rules.

Since the announcement of the interim results, the entire board, with the exception of Ian Gibbs, has resigned, while giving their support to the reconstruction and refinancing, and I have become Chairman. The focus of the Company is now investment in resource projects, with a view in due course to the reversal of a sizeable resource project or business into the Company. We have made one such investment since the end of the financial year in a coking coal project in the Kyrgyz Republic, further details of which will be given below, and we are currently reviewing a number of other opportunities.

The reasons for the adverse production performance in the Company's oil operations and the failure to meet a principal payment of \$12.0 million against its credit facility with UniCredit Bank AG were explained in the Company's last Interim Statement for the six months to 31 December 2010; I do not propose to repeat these reasons here. As the Company was unable to make a principal payment by the due date of 31 March 2011, UniCredit Bank AG decided to pursue a near term sale of the Company's oil and gas assets with the proceeds being applied against the Company's outstanding borrowings. This was reflected in the interim financial statements to 31 December 2010 which were prepared on a non going concern basis. On 18 April 2011 a trustee was appointed to dispose of the assets of Leed Petroleum LLC on behalf of the creditors, principally UniCredit Bank AG. On 23 May 2011, the Company announced that Leed Petroleum LLC had sold all its oil and gas assets to a private company for \$16.0 million, constituting a sale of substantially all of the assets of the Company with all of the proceeds of the sale being used to satisfy debt owed to UniCredit Bank AG.

The restructuring and refinancing subsequently announced and approved involved the issue of £2,435,000 of zero coupon convertible loan notes, all of which were converted into new 0.1p shares following the approval of the proposals at a General Meeting on 22 June 2011, following which I joined the Board as Chairman.

The Company was then reclassified as an investing company under the AIM Rules with a focus on investment in companies operating in the natural resources sector, with an initial but not exclusive focus on oil and gas projects located in Africa. Since this date the new Board has since reviewed a number of such projects but, for a variety of reasons, has found them unsuitable.

Your new Board has therefore concluded that this focus was too narrow and that projects of the size and type that had been presented, being mainly at the exploration stage, represented a higher degree of risk and required a larger eventual capital outlay than in present market conditions the Board considered it prudent to commit to. It has therefore decided to extend its attention to mineral projects more generally where it was felt that the risks and potential capital cost were more in line with the Company's resources. Since this date the new Board has reviewed a number of such projects and has in fact made a first investment - in a coal development project in the Kyrgyz Republic.

In September 2011, the Company acquired a 17.5% interest in Manas Coal Limited Liability Company, incorporated in the Kyrgyz Republic, for a consideration of £750,000 plus a deferred consideration, subject to the satisfaction of certain conditions, of 166,666,667 new ordinary shares in Leed plus the same number of warrants at 0.15p; these conditions were recently satisfied and the additional consideration has consequently now been issued. Leed has the right to participate in future funding rounds and, in the event of an offer to purchase Manas, Leed has the right of first refusal itself to acquire the balance of Manas at a price not less than the highest price otherwise offered.

Manas is engaged in the exploration and development of coking coal resources in the Kyrgyz Republic and has a licence for geological exploration in the Eastern Kokkia area of the Kyrgyz Republic in a licence area where earlier Kyrgyz Government records show an estimated reserve of 114 million tons of high grade coking coal

The proceeds were for the purpose of procuring the transfer of the licence to Manas and commissioning a scoping report on the resource. This report is expected to be completed in the New Year and initial indications from some preliminary drilling work suggest encouraging results in terms of coal quality. This is a potentially high value coal project with great potential though much remains to be done in terms of proving the full extent of the resource and working through the logistics for its exploitation.

The new Board continues to review a range of projects in the energy sector and elsewhere in resources and is hopeful of investing in a further project in the near term with the expectation that such an investment may constitute or subsequently lead to a reverse takeover under the AIM Rules.

Overall, it has been a challenging year for the Company but the Board is confident that the change of direction will lead to enhanced value for shareholders.

It only remains for me to thank my fellow director and our team of advisers for their support and assistance and to express the hope the recovery in the Company's fortunes, albeit at an early stage as yet, will continue in the months and years to come.

Peter Redmond
Chairman

23 December 2011