

COMPANY ANNOUNCEMENT

16th January 2013

New Dawn Energy Offer Update

New Dawn Energy Limited (New Dawn Energy) has today advised the independent directors of L&M Energy Limited (NZX/ASX: LME or Company) that as of 15 January 2013 New Dawn Energy had received acceptances for 90.2516% of the ordinary shares of LME.

New Dawn Energy's takeover offer for all of the equity securities of LME was, amongst other matters, conditional on receiving acceptances in respect of ordinary shares that would, once transferred, result in New Dawn Energy holding or controlling 90% or more of the voting rights in LME. As a consequence of the acceptances received by New Dawn Energy up to 15 January 2013, this condition of the takeover offer has been met

Under the New Zealand Takeovers Code, once New Dawn Energy holds or controls 90% or more of the voting rights of LME (including through acceptances of a takeover offer), New Dawn Energy has the right to acquire all the outstanding equity securities in LME in accordance with the compulsory acquisition provisions of the Takeovers Code. New Dawn Energy stated in its offer document dated 21 November 2012 that if it became entitled to invoke the compulsory acquisition provisions of the Takeovers Code, it would move to compulsorily acquire all outstanding equity securities in LME.

The independent directors will continue to keep security holders informed of any material information to the offer that they become aware of.

For further information, please contact the L&M Energy Shareholder Information Line on 0061 1800 303 491 (if calling within New Zealand) or 1800 303 491 (if calling within Australia).

B N McGregor Company Secretary