

L&M CSG books 173 PJ of coal seam gas at Ohai

Privately held energy company, L&M Coal Seam Gas Ltd has booked an initial resource of 173 petajoules (PJ) at its Ohai permit in western Southland - the country's first independently verified coal seam gas resource.

The 3P (proven, probable and possible) resource estimate was conducted by Colorado-based MHA Petroleum Consultants LLC at L&M Coal Seam Gas's PEP 38220.

The permit covers 57 km² to the south and west of Ohai.

London-based Geoff Loudon, chairman of L&M Coal Seam Gas and an experienced international explorer who is a founding director of both Lihir Gold and Nautilus Minerals, said this resource confirmation paves the way for further significant resource extensions in the future as the company planned an aggressive exploration and appraisal programme across New Zealand.

"What is unfolding before us is not dissimilar to the pioneering days of Australia's coal seam gas sector."

"Not only have we certified the country's first CSG resource, we also have independent opinions advising of the strong commercial viability of the assets."

Christchurch-based L&M Coal Seam Gas is the largest individual CSG permit holder in New Zealand and is targeting 1,500 PJ of coal seam gas in both the North and South Islands.

The stock exchange-listed and Wellington-based associate company L&M Petroleum Ltd, is currently looking at acquiring all or part of L&M Coal Seam Gas.

Sources: L&M Coal Seam Gas and Lindsay Clark

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