



31 July 2012

JUNE 2012 QUARTERLY REPORT

Leyshon Resources Limited (AIM/ASX: LRL) (the “Company”) announces that subsequent to end of the quarter it has signed a definitive share sale and purchase agreement for the acquisition of Hong Kong company Pacific Asia Petroleum Limited (PAPL) which holds a 100% interest in the Zijinshan Production Sharing Contract located on the eastern fringe of the prolific Ordos Gas Basin in Central China.

Leyshon has acquired PAPL from Houston based CAMAC Energy Inc for a consideration of US\$2.5 million in cash and the issue 10,000,000 fully paid ordinary shares.

The Company is not intending to seek the approval of security holders for the transaction unless ASX requires it under Listing Rule 11.1.2 or 11.2, and is applying to ASX for a determination as to whether security holder approval is required under the Listing Rules.

PAPL’s key asset is a 100% interest in the Zijinshan Production Sharing Contract (“PSC”). The Zijinshan PSC is with PetroChina Coal Bed Methane Company Limited (PCCBM) which is a subsidiary of China National Petroleum Corporation, the country’s largest integrated energy company. PCCBM has retained the right to buy back a 40% interest in the contract at the completion of the exploration phase and to jointly fund the project into production.

China Energy Assets

The Company has previously advised that it has completed a preliminary technical and legal due diligence review on a PRC entity that holds an exploration licence over a thermal coal project in the Western Chinese province of Xinjiang.

Management, together with its advisors, has completed the extensive regulatory and other consents which form the preconditions for the proposed transaction and is now engaged in commercial negotiations which it is aiming to bring to a conclusion in the near future.

The Company remains firmly of the view that in light of the expanding demand for all types of energy within Central China over the next ten years, high quality energy assets located close to infrastructure and within transport distance to this market will become increasingly valuable over time.

Mt Leyshon Gold Project

Drilling of the ball mill scats stockpile has been completed and results are awaited.

Cash Reserves

At quarter end the Company had A\$51.0 million in cash, and is due A\$0.7 million in term deposit interest for a total of A\$51.7 million (GPB 33.7 million). This is equivalent to A\$ 21 cents per share (14 pence per share).

The Company has purchased 2,214,341 shares under the previously announced on-market share buy-back during the quarter.

For further information contact:

Leyshon Resources Limited

Paul Atherley - Managing Director

Tel: +86 137 1800 1914

patherley@leyshonresources.com

Seymour Pierce

Jonathan Wright (Nominated adviser)

Richard Redmayne (Corporate broking)

Tel: +44 (0)207 107 8000

Background

<http://www.leyshonresources.com>

Leyshon was on the ground in 2003 when China opened its mining sector to foreign investment. It has been fully engaged in China since then and has its main operating office located in Beijing.

China's latest Five Year Plan emphasizes the planned urbanisation of a large number of Central China's rural population into second and third tier cities lifting the urbanisation rate to 51.5% of the overall population.

This will result in significant increases in infrastructure spending and energy demand. The Company is planning to invest in high quality energy assets in China to meet this growing demand.

Managing Director Paul Atherley is an Executive Committee member of the China Britain Business Council and serves on the European Union Chamber Energy Working Group.