

Regulatory Story

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Company	Westmount Energy Limited
TIDM	WTE
Headline	AGM Statement & Investment Update
Released	15:15 28-Oct-2009
Number	5309B15

RNS Number : 5309B
Westmount Energy Limited
28 October 2009

Westmount Energy Limited
("Westmount" or the "Company")
Result of Annual General Meeting and Investment Update

The Company announces that at its Annual General Meeting held today, all resolutions were duly passed.

The Board of Westmount is also pleased to announce the following update regarding the Company's two investments, Sterling Energy Plc ("Sterling") and Desire Petroleum Plc ("Desire").

1) Sterling

On 20 October 2009 the board of Sterling announced that they had signed an agreement to sell the US business for US\$90m and that this sale would enable Sterling to repay bank borrowings of approximately US\$73m and leave the company with an un-gearred balance sheet. This news combined with the appointment of the new management has been well accepted by the market and is reflected in an increase in the share price.

2) Desire

On 21 October 2009 Desire announced that it had raised £42m by way of a conditional placing of new shares with institutional shareholders at a price of 70p per share and further stated its intentions to invite qualifying shareholders to participate in an open offer which will raise up to a

further £20m. The issue of new shares pursuant to the placing and the open offer is subject to Desire obtaining shareholder approval. The fund raising was well received by investors and will provide finance for Desire to drill up to six wells in the North Falkland Basin.

In order to fund the Sterling open offer of approximately 16m shares at 1.3p, the Desire placing application and to consider the potential open offer your board has disposed of approximately 15 million shares in Sterling at an average price of 4.7 pence per share. The Board believes that the Company is now well capitalized to fund the additional holdings.

Following the Sterling open offer and the Desire placing it is anticipated that the Company will hold approximately 65 million shares in Sterling and approximately 5.1 million shares in Desire.

The Boards believes that the next six months should be an exciting time for Sterling and Desire with drilling expected to commence in Kurdistan on Sterling's acreage and the long awaited rig will in November commence its voyage to the Falkland islands with drilling planned by Desire for early 2010.

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