

CBM—A Low-Cost Source Of Natural Gas

(NAPSA)—Coal bed methane—CBM—is emerging as an abundant-low-cost domestic resource that has significant potential for discovery and development.

That's the opinion of a number of experts in the energy investment field. Some believe that the relatively low cost associated with finding and developing CBM resources is what differentiates it, as a resource, from other, more conventional sources of oil and gas deposits as an investment target.

Many experts contend that natural gas—because of its versatility, ease of production and minimal impact on the environment—should be thought of as the clean-burning fuel of choice in the U.S.

Clearly, the consumer demand for natural gas is significant. At last count, 65 percent of homes in the U.S. heat using natural gas. The U.S. Energy Secretary's oil and gas advisory committee recently forecast that natural gas use could grow by about 30 percent in the next 10 years.

At the same time, developed domestic natural gas resources are, by most accounts, diminishing. That's one reason a number of investment pros believe that companies that have experience developing CBM resources might present interesting investment opportunities.

There are still significant coal deposits in the U.S. Many of these contain untapped CBM deposits that could be developed in less time than it would take to access natural gas deposits in the Arctic—and at less capital outlay.

Plus, CBM wells are shallow and do not require specialized offshore technology to retrieve the gas. In addition, these wells can often tie in directly to an existing pipeline infrastructure.

These are some of the reasons



Companies involved in developing new sources of natural gas may present valuable investment opportunities.

why a number of investment pros have been watching what are described as junior resource companies—companies that still present opportunities for growth—that have experience in developing CBM deposits, the capacity to bring added production online and that are willing to use the profits from successful wells to fuel their own growth.

Lexington Resources, Inc.—which trades in the over-the-counter market under the symbol LXRS—may be one such company.

The company's management has set up a comprehensive drill and development program designed to expand company participation in some of the most productive areas of the country. These development efforts are said to use environmentally suitable methods.

The company plans to seek out known reserves and looks to drill quickly at very low cost.

If successful, this approach may strengthen cash flow and add to an already escalating asset base, which in turn could give the company access to other coal bed methane opportunities.

To learn more, visit the Web site at www.lexingtonresources.com.