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## **PARADOX BASIN PROJECT UPDATE**

VANCOUVER, BC (March 3, 2008) – Lynden Energy Corp. (TSXV: LVL) provides an update on operations on its Paradox Basin Project, located in southeast Utah.

### **Northern Prospect Area**

In the Northern Prospect Area, the operator has completed approximately 95% of the construction of a 21 mile gas pipeline. After considerable winter weather construction related delays, the pipeline is expected to be completed in mid-March. The pipeline will act as a central trunk line through the Northern Prospect Area and will initially tie in the S.P. Meyer #1 well, a historical well re-entered in late 2006. During initial testing of certain up-hole zones in that well, a stabilized production rate was measured in two tests, one on a 1/2" choke and one on a 3/8" choke; both tests returned a rate greater than 1.5 MMscfd.

As part of the ongoing drill program, the operator has recently completed the drilling of a well, referred to as the Anteater State #1-21X, approximately 2 miles to the northeast of the S.P. Meyer #1 well. This well is currently being logged and cased in advance of completion activities. Drilling is expected to begin shortly on a new well, referred to as the Explorer State #1-16, approximately 6 miles northwest of the S.P. Meyer #1. In addition, a well approximately 0.5 mile southeast of the S.P. Meyer #1 well has been drilled to approximately 1/3 of its anticipated total depth. Drilling will resume on this well after completion of the drilling of the Explorer State #1-16 well.

Lynden has a 55% before payout working interest (41.25% after payout working interest) in an 80% net revenue interest in the Northern Prospect Area.

### **Southern Prospect Area**

As part of the ongoing drill program, one new well in the Southern Prospect Area, the Montezuma #2X, reached target depth in November 2007. The operator is currently carrying out a program of methodical testing and completion of various zones, working from the bottom of the hole upwards. The well has been tied into the existing Southern Prospect Area pipeline; gas produced during this phase of work is being sold and oil is being collected for sale.

The Montezuma #2X is a twin of an historical well, the Montezuma #1, that had been re-entered by the operator in early 2007. After completing multiple zones and encountering significant gas in the well, a mechanical problem prevented production. The operator intends to re-enter the Montezuma #1 to test a potential new zone, up-hole of where the operational issues had been experienced. This zone was identified while logging the Montezuma #2X.

In addition to production from Montezuma #2X, there are three producing re-entry wells in the Southern Prospect Area. The operator has been, and expects to continue, periodically undertaking operations to optimize production from these wells, which operations are expected to include the completion of new zones, and the re-completion of previously tested zones.

Lynden has a 25% before payout working interest (23.75% after payout working interest) in an 85% to 87% net revenue interest in the Southern Prospect Area.

## **About the Paradox Basin Project**

The Paradox Basin Project includes two contiguous oil and gas prospect areas covering in excess of 1,525,000 acres established by Lynden, its working interest partners, and the project operator, a middle tier Texas-based oil and gas company with substantial experience in the area.

The Paradox Basin Project lease holdings cover in excess of 126,000 acres; 110,000 acres in the Northern Prospect Area and 16,000 acres in the Southern Prospect Area. The operator is targeting gas production from shales and other Paradox Basin reservoirs. The operator's exploitation program is based on commingling production from multiple zones, which has been successfully done by other operators in the Paradox Basin.

ON BEHALF OF THE BOARD OF DIRECTORS  
**LYNDEN ENERGY CORP.**

**"Colin Watt"**  
President and CEO

**WARNING:** *This news release contains forward-looking information. The reader is cautioned that assumptions used in the preparation of such information, although considered accurate at the time of preparation, may prove incorrect. The actual results may vary materially from the information provided herein. Consequently, there is no representation by the company that all of the proposed new wells will be drilled, or that that the construction of the Northern Prospect Area gas pipeline will be complete by mid-March.*