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Salamander Energy plc

Operational Update

Salamander Energy plc, the Asia focused independent oil and gas exploration and production company, announces the start of a drilling programme on the Bualuang oil field, offshore Gulf of Thailand.

The rig Emerald Driller arrived on location on 26 March 2009 for a drilling campaign on the Bualuang field comprising an exploration well, two horizontal producers and a water disposal well.

The BA-11P exploration pilot well spudded on 29 March 2009. The well is targeting the T3 and T2 sandstone reservoirs beneath the Bualuang oil field at depths of c. 1,350 metres and 1,550 metres sub-sea respectively, some 250 – 450 metres below the main T4 reservoir. Pre-drill estimates of the T2 and T3 resource potential range between 5 – 10 MMbo. Observed hydrocarbons will be logged and sampled before the well is plugged back and converted into one of two horizontal producers, BA-11H and BA-12H. These two wells will have 250 metre horizontal sections and are expected to be completed and tied-in within a six to eight week period.

James Menzies, Chief Executive of Salamander, commented:

“The Bualuang oil field has continued to exceed our expectations. Better than expected reservoir quality, oil saturation and pressure support has led to an increase in 2P reserves for the field from 15 to over 26 MMbo in the last twelve months.

“Furthermore we see substantial further upside from step out exploration and other undrilled prospects within the license area. We are looking for the BA-11P well to confirm an oil column that could be part of the next source of reserves growth on the field. Once the BA-11H and BA-12H development wells are tied-in we anticipate a step change in the production rates from the field.”

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About Salamander

Salamander is an Asia focussed, independent, FTSE 250, upstream oil and gas exploration and production company. Salamander has a balanced portfolio of production, development and exploration assets with interests located in Indonesia, Thailand, Vietnam, Lao PDR and the Philippines.