

SALAMANDER ENERGY PLC

5th Floor, 21 Palmer Street, London, SW1H 0AD
Telephone: - 020 7960 1580 Fax: - 020 7692 5524



3rd December 2009

Salamander Energy plc

Farm out to Origin Energy

Salamander Energy plc ("Salamander" or "the Company"), the Asia focussed independent oil and gas exploration and production company, is pleased to announce that it has reached agreement with respect to a farm-out arrangement with Origin Energy Ltd ("Origin") covering a portfolio of interests in five blocks of its operated exploration acreage in Northeast Thailand, Lao PDR and Vietnam. Origin is Australia's leading integrated energy company focused on gas and oil exploration and production, power generation and energy retailing.

Transaction Summary

Following the proposed transaction Salamander will retain a material position and operatorship of the blocks, while reducing its financial exposure to the upcoming drilling programme. Meanwhile, it will provide Origin with an exploration portfolio targeting gas supply to the fast growing energy market in Thailand as well as exposure to a high quality oil play offshore Southern Vietnam.

The highlights include:

- Farm out of interests in five licences across the Greater Mekong region
- Origin to fund the next US\$50 million of joint exploration and appraisal expenditure across the five blocks
- Origin to further fund up to an additional US\$40 million of joint appraisal expenditure in the event of exploration success
- Exploration & appraisal drilling to be carried out across four of the five blocks during 2010
- Salamander to have the option to acquire an equity interest in one exploration block currently operated by Origin in Southeast Asia

On completion of the transaction, the equity interests in the five PSC's will be as listed below:

PSC/Concession	Salamander	Origin
Block L26/50 (Thailand)	50% (operator)	40%
Block L15/50 (Thailand)	50% (operator)	40%
Savannakhet PSC (Lao PDR)	30% (operator)	30%
Block 31 PSC (Vietnam)	35% (operator)	25%
DBSCL-01 PSC (Vietnam)	75% (operator)	25%

Completion of the transaction is subject to execution of agreements, partner, host government and regulatory approvals.

Background

Since its inception over four years ago Salamander Energy has expanded from its interest in the producing Sinphuhorm gas field to become the leading exploration acreage holder across the Khorat basin, which contains a number of large, unappraised gas discoveries as well as frontier exploration acreage and has the potential to become significant gas producing province.

The Thai gas market is fast growing to satisfy domestic demand, with Northeast Thailand in particular estimated to require a further 1,500 MW of power capacity for local energy consumption by 2012 rising to 2,000 MW by 2015. Salamander envisages that contingent and prospective resources that can be proved up will contribute towards meeting the escalating power demand of Northeast Thailand and potentially the national Thai market. To date, Salamander has acquired over 700 km of 2D data in the L26/50 block and the Savannakhet PSC, plus over 200 km² of multi-azimuth, high resolution 3D and an additional 112 km of 2D seismic data in the L15/50 block.

In Vietnam, Salamander holds operated acreage across the entirety of the Vinh Chau graben, offshore Southern Vietnam. The Vinh Chau graben is considered to be analogous to the neighbouring prolific Cuu Long Basin. To date, Salamander has carried out an extensive work programme of gravity, magnetic and seismic data acquisition, including 150 km of land and transition zone and over 3,800 km of marine 2D seismic. Salamander has built a prospect inventory across the graben-system identifying numerous oil prospects and leads, each typically with unrisksed prospective oil resources in the 50 – 80 million barrel range.

Forward Programme

An active exploration and appraisal programme is planned for 2010, with drilling in four of the five blocks, targeting gross unrisksed prospective resources in excess of 400 million barrels of oil equivalent. The campaign will begin in January 2010 with the Bang Nouan-1 exploration well in Lao PDR, to be followed in Q2 2010 with two exploration wells in the Vinh Chau graben area, offshore Vietnam. Appraisal drilling is also planned during 2010 on the Dao Ruang gas discovery in block L15/50, Northeast Thailand.

Salamander and Origin will continue to work together to seek and exploit additional upstream opportunities as both companies look to expand their presence across the region.

Commenting on the transaction, James Menzies, CEO of Salamander said:

“Agreeing a farm-in with a high quality partner like Origin highlights the attractiveness of Salamander’s exploration acreage and demonstrates the value that our exploration team has added since Salamander first acquired these licences.

“Origin is a major integrated gas & power company that already has interests in Southeast Asia. It’s expertise in building gas value chains will complement Salamander’s exploration skills as we look to prove up and promptly commercialise the Thai and Lao gas resources in our portfolio. Furthermore, it is already present in Vietnam and, like Salamander, is committed to growing its presence there.

Salamander now looks forward to the 2010 exploration programme having reduced the financial risk in the portfolio whilst retaining investor exposure to a series of material drilling opportunities.”

Salamander will host a conference call for sell side analysts at 9am today.

Enquiries:

Salamander Energy

James Menzies, Chief Executive Officer

020 7960 1580

Pelham PR

Mark Antelme
Evgeniy Chuikov
Henry Lerwill

020 7337 1500

About Origin Energy

Origin Energy is Australasia’s leading integrated energy company focused on gas and oil exploration and production, power generation and energy retailing.

Listed in the ASX top 20 the company has approximately 4,000 employees, is a leading producer of gas in eastern Australia, is the largest owner and developer of gas-fired electricity generation in Australia and is a leading wholesaler and retailer of energy. The company services more than 3.5 million electricity, natural gas and LPG customers across Australia, New Zealand and the Pacific. Origin’s strategic positioning and portfolio of assets provide flexibility, stability and significant opportunities for growth in the ever changing energy industry. Through Australia Pacific LNG, its 50:50 incorporated joint venture with ConocoPhillips, Origin is

developing one of Australia's largest CSG to LNG project based on Australia's largest CSG reserves base.

In New Zealand, Origin is the major shareholder in Contact Energy, the country's leading integrated energy company, operating geothermal, thermal and hydro generation facilities and servicing electricity, gas and LPG customers across both the North and South islands. Origin also operates several oil and gas projects in New Zealand and is one of the largest holders of petroleum exploration acreage in the country.

Origin has a strong focus on ensuring the sustainability of its operations, is the largest green energy retailer in Australia and has significant investments in renewable energy technologies.

For more information go to www.originenergy.com.au