



8th December 2009

Operational Update

Salamander Energy plc ("Salamander" or "the Company"), the Asia focussed independent oil and gas exploration and production company, provides an operational update on the APICO-operated Si That-3 appraisal well in block L13/48 and the Phu Kheng-1 exploration well in block L27/43.

Si That-3 (Salamander 16.3%)

Si-That-3 well was drilled to TD at 2775.6 m true vertical depth subsea (mTVDSS) having encountered the top of the primary target Pha Nok Khao formation at 2,030 mTVDSS. Gas shows were seen in the reservoir interval and an influx of gas was seen starting at a depth of 2,305 mTVDSS. Subsequent log analyses indicated a fractured carbonate section. This was washed with acid to clean away drilling fluids and open up the pore spaces near the wellbore before the well was tested.

On testing, the well produced a combination of gas and formation water at varying rates. Operations are currently focused on locating the entry point of the water. Once this has been identified the forward plan will be determined which may involve isolating the water source and attempting to flow test the well above the water zone.

The MB Century 26 drilling rig has been de-mobilised and is currently off location whilst operations continue using slickline and coiled tubing units.

Phu Kheng-1 (Salamander 27.2%)

Further to the update dated 7th September, the EMAS EE-2 hydraulic workover unit has arrived on location and is rigged up. The hydraulic frac test of the Lower Nam Phong formation is planned over the coming days.

Enquiries:

Salamander Energy
James Menzies, Chief Executive Officer
Geoff Callow, Head of Corporate Affairs

020 7960 1580

Pelham PR
Mark Antelme
Evgeniy Chuikov
Henry Lerwill

020 7337 1500