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Salamander Energy plc

Operational Update

Bang Nouan-1 Suspended Ahead of Testing

Salamander Energy plc, the Asia focused independent oil and gas exploration and production company, provides an operational update on the Bang Nouan-1 exploration well in the Savannakhet PSC, Lao PDR.

The well has been drilled by the MB Century 26 rig to a total depth of 3,400 metres and logging has been completed. Gas shows were observed in the secondary objective, the Triassic-age Kuchinarai sandstones, between 2,020 metres and 2,120 metres. Preliminary analysis of the log data indicates the presence of up to 25 metres of potential net gas pay.

In the primary objective, Pha Nok Khao carbonate formation, zones of permeability were encountered below 3,300 metres but these zones were found to be water bearing.

The Bang Nouan-1 well has now been suspended ahead of a drill stem test of the Kuchinarai clastic section. The testing programme will be carried out using a workover rig that is expected to begin mobilising to site shortly. The MB Century 26 rig has been de-mobilised.

Salamander Energy has a 30% operated interest in the Savannakhet PSC having farmed out 30% to Origin Energy in December 2009.

James Menzies, Chief Executive of Salamander, said:

"The Bang Nouan-1 well is a high risk exploration well, the nearest existing well data in the basin being located over 100 km away. The presence of gas in the Triassic section and permeability in the Permian carbonates offers encouragement in helping to define the play system in this part of the basin, and we are looking forward to testing the Kuchinarai sandstones during the coming weeks."

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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.