

SALAMANDER ENERGY PLC

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



11 May 2010

Salamander Energy plc

Operational Update

Latest Phase of Bualuang Development Drilling Completed

Salamander Energy plc, the Asia-focussed independent oil and gas exploration and production company, announces the successful completion of Phase IV of development drilling on the Bualuang oil field, Block B8/38, offshore Gulf of Thailand.

The Vantage Emerald Driller jack-up rig arrived on location on 26th March 2010 for a drilling programme that comprised the side-track of three existing slant production wells and their conversion to horizontal production wells. Following the completion of operations, the rig departed from site on 10th May 2010.

All three sidetracked horizontal wells, BA02 ST2, BA03 ST2 and BA04 ST2 have been completed in the main producing area of the field with downhole electric submersible pumps and expandable sand screens. The wells each consist of 600 to 800 metre horizontal sections, and were successfully landed in the target zone between 3 - 5 metres below the top reservoir. All three wells have now been brought on stream, having cleaned up and tested at stepped-up rates to determine well productivities. In each case these are at upper end of pre-drill estimates. The wells will be choked back to produce at rates for optimal field management and reserves recovery.

Enquiries:

Salamander Energy

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

020 7960 1580

Brunswick Group

Patrick Handley
Fiona Mulcahy

020 7404 5959