

SALAMANDER ENERGY PLC

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Salamander Energy plc ("Salamander" or "the Company")

Increased equity interest in Bontang PSC

Salamander Energy plc, the Asia focussed independent oil and gas exploration and production company, announces that it has agreed to acquire all of the shares of Bontang Energy Limited, the holder of a 20% interest in its operated Bontang PSC from PT Eksindo Petroleum Tabuhan ("Eksindo"). On completion Salamander will have a 90% interest in the Bontang PSC, which is located in East Kalimantan, Indonesia. The consideration will be satisfied through the issue of 792,942 new Salamander ordinary shares to Eksindo.

The Bontang PSC lies at the northern end of the prolific Kutei basin and has not seen any exploration drilling in the past 25 years. In 2008 and 2009 Salamander acquired 3D seismic data across the block. This data highlights multiple prospects in both structural and stratigraphic plays with cumulative mean prospective resources in excess of 500 MMboe gross.

The Angklung prospect has been selected as the first exploration drilling target on the block and is expected to spud in Q2 2010. It is forecast to contain mean prospective resources of 125 MMboe.

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About Salamander Energy

Salamander Energy is a full-cycle, independent upstream oil & gas exploration and production company. The Company is Asia focussed and a member of the FTSE 250 index. Salamander has a balanced portfolio of production, development and

exploration assets with interests located in Indonesia, Thailand, Vietnam, Lao PDR and the Philippines.