

SALAMANDER ENERGY PLC

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

Farm-in to G4/50, Gulf of Thailand

Salamander Energy plc announces that its fully owned subsidiary, Salamander Energy (Bualuang) Ltd has agreed to farm-in to Block G4/50 in the Gulf of Thailand, earning equity in the acreage from Mitsui Oil Exploration Co Ltd ("MOECO"). Following the completion of the transaction, Salamander will hold a 100% working interest in and operatorship of the acreage, while MOECO will retain certain commercial options in the case of a future discovery. Block G4/50 is located in the western Gulf of Thailand and surrounds the Company's B8/38 licence that contains the Bualuang oil field and Bualuang East Terrace oil discovery. The farm-in is subject to Thai government and regulatory approval.

Key Points:

- G4/50, at over 11,650 sq km, is one of the largest blocks of prospective acreage offshore Thailand. The block surrounds the Salamander-operated B8/38 licence in the western Gulf of Thailand
- It consolidates Salamander's acreage position in an area where it has extensive operating experience and geological knowledge
- Major programme of 3D seismic in 2H 2011 will be followed by a multiple well exploration programme
- As part of the farm-in agreement MOECO will retain certain commercial options in the case of a future discovery
- Exploration expenditures incurred in G4/50 are deductible against tax payable on production revenue from the Bualuang oil field in B8/38

James Menzies, Chief Executive, Salamander Energy, said:

"We are delighted to secure a very substantial area of prospective acreage surrounding our Bualuang operations. Block G4/50 has been of growing interest to Salamander as our geological and subsurface understanding of the immediate play has developed. The region remains under-explored to date and we are looking forward to implementing our work programme, starting with an extensive 3D seismic campaign of over 2,900 sq. km on G4/50 in the fourth quarter of this year."

There will be an analyst conference call at 8.30am this morning. For details please contact Natalia Erikssen at Brunswick on 020 7404 5959.

Enquiries:**Salamander Energy**

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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 and Vietnam.