
Salamander Energy plc

**Sale of ONWJ/SES PSC Interests, Indonesia
Farm-in to G4/50, Gulf of Thailand**

9th September 2011



Disclaimer

These materials are strictly confidential, and are being supplied to you solely for your information and for use at this presentation. These materials may not be reproduced in any form, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, by any medium or for any purpose. Failure to comply with this restriction may constitute a violation of applicable securities laws.

The presentation and these materials do not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, or any offer to underwrite or otherwise acquire any securities, nor shall any part of these materials or the fact of their distribution or communication form the basis of, or be relied on in connection with, any contract, commitment or investment decision whatsoever in relation thereto. The information included in the presentation and these materials is subject to updating, completion, revision and amendment, and such information may change materially. No person is under any obligation to update or keep current the information contained in the presentation and these materials, and any opinions expressed in relation thereto are subject to change without notice.

The presentation and materials do not constitute an offer of securities for sale in the United States or in any other jurisdiction. Securities will not be registered under the US Securities Act of 1933 (the "Securities Act"), and may not be offered or sold in the United States absent registration or an exemption from registration. The distribution of these materials in other jurisdictions may also be restricted by law, and persons into whose possession these materials come should inform themselves about, and observe, any such restrictions.

This presentation includes forward-looking statements that reflect the Company's intentions, beliefs or current expectations. Forward-looking statements involve all matters that are not historical fact. The Company has tried to identify those forward-looking statements by using the words "may", "will", "would", "should", "expect", "intend", "estimate", "anticipate", "project", "believe", "seek", "plan", "predict", "continue" and similar expressions or their negatives. Such statements are made on the basis of assumptions and expectations that the Company currently believes are reasonable, but could prove to be wrong. Such forward-looking statements are subject to risks, uncertainties and assumptions and other factors that could cause the Company's actual results of operations, financial condition, liquidity, performance, prospects or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Important factors that could cause those differences include, but are not limited to: changing business or other market conditions, general economic conditions, and the Company's ability to respond to trends in its industry. Additional factors could cause actual results, performance or achievements to differ materially. The Company and each of its directors, officers, employees and advisors expressly disclaim any obligation or undertaking to release any update of or revisions to any forward-looking statements in the presentation or these materials, and any change in the Company's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based, except as required by applicable law or regulation.

By attending the presentation or by accepting any copy of the materials presented, you agree to be bound by the foregoing limitations.

ONWJ/SES Disposal, G4/50 Farm-in Portfolio Repositioning

Re-deployment of capital into areas with:

1. Large equity interests, preferably operatorship, ability to consolidate
2. Reserves / resources with upside
3. Surrounding new acreage opportunities from which to grow further

*Ability to Develop & Maintain Competitive Edge through
Data, Knowledge & Experience*



Focus on Selected Regional Plays

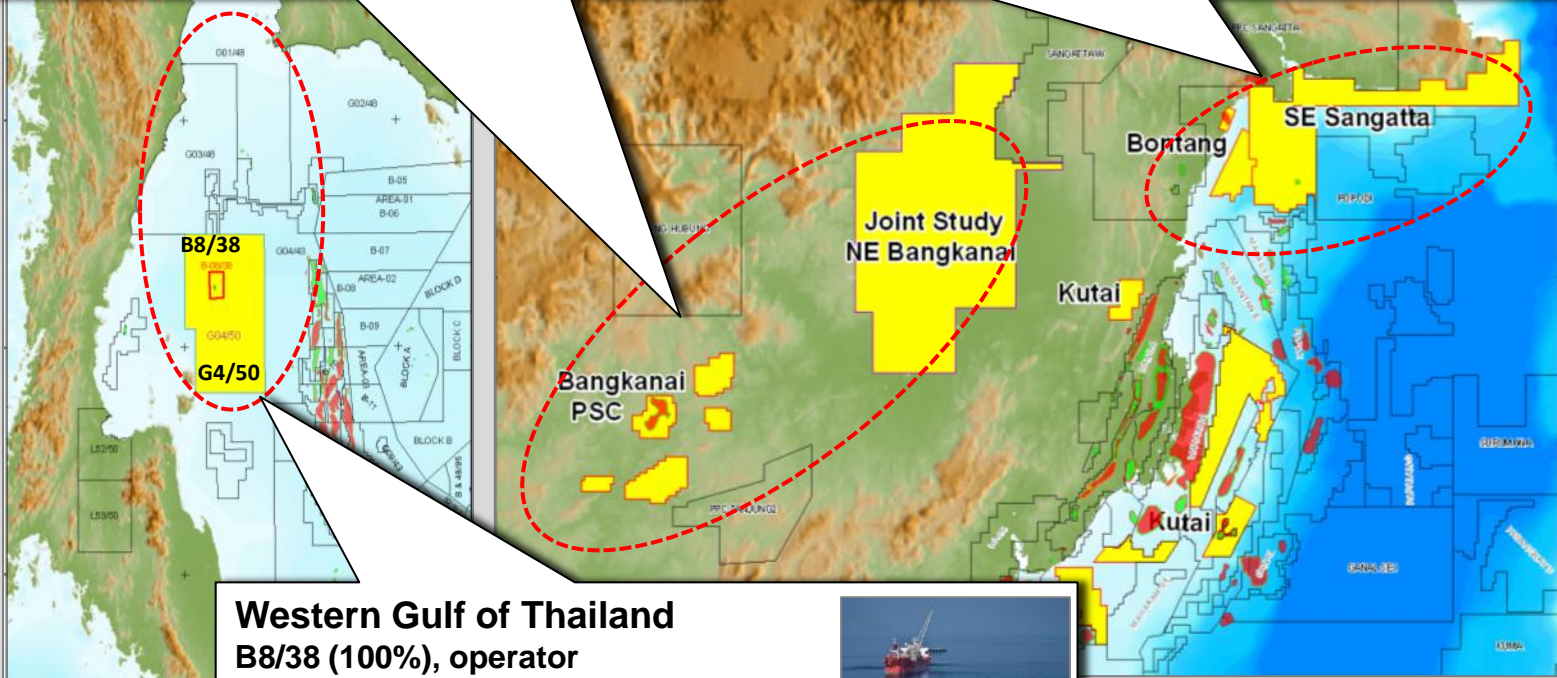
Barito Basin, Kalimantan
 Bangkanai PSC (69%), operator
 NE Bangkanai Joint Study (100%)

- Kerendan gas field development
- Surrounding exploration
- NE Bangkanai new acreage opp.
- Further gas commercialisation opp.



North Kutei Basin, E. Kalimantan
 Bontang PSC (100%), operator
 E Sangatta PSC (75%), operator

- Angklung Discovery
- Tutung appraisal & development
- SE Sangatta & Bontang exploration
- Gas close to Bontang LNG + oil play



Western Gulf of Thailand
 B8/38 (100%), operator
 G4/50 (100%*), operator

- Bualuang field oil production
- Bravo Platform & dev'pment drilling
- E Terrace discovery, step out expln
- G4/50 exploration, new acreage



* MOECO retain a back-in right for up to 50% in G4/50



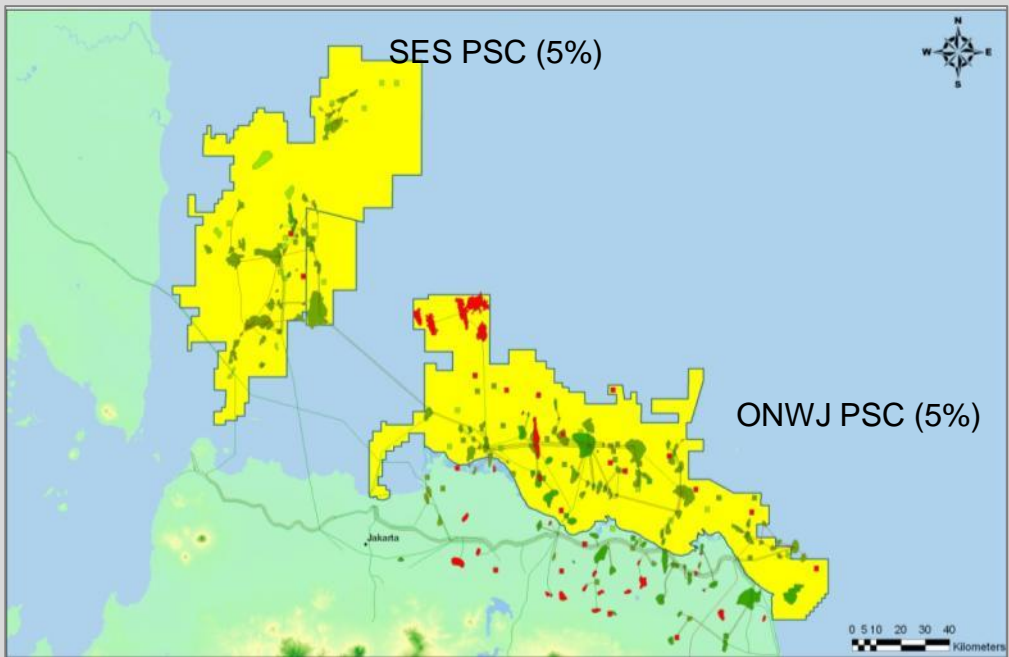
Disposal of ONWJ / SES PSCs, Indonesia

Rationale

- Non-core assets, 5% non-op interests
- Mature assets, long-term declining production, aged infrastructure
- High cost, low margin barrels
- Uncertainty over PSC extension

ONWJ PSC

- Operator PT Pertamina Hulu Energi
- 10,956 sq km, West Java basin
- First discovery 1969, on-stream 1971, current PSC expires January 2017



Production & Reserves Net to Salamander

SES PSC

- Operator CNOOC SES Ltd.
- 8,275 sq km, Asri basin
- First discovery 1968, current PSC expires Sept. 2018

	H1 2011 Production Average			2P Reserves as at 30.06.11		
	Gas (MMscf/d)	Oil (Mbopd)	Total (Mboepd)	Gas (Bcf)	Oil (MMbo)	Total (MMboe)
ONWJ PSC	9,942	1,528	3,185	18.4	3.4	6.4
SES PSC	4,943	1,968	2,792	16.7	3.8	6.6
Total	14,885	3,496	5,977	35.1	7.2	13.0

Transaction Metrics: \$4.33/boe rising to \$5.12/boe of 2P reserves

Consideration

- \$56.3 MM cash payment, effective deal date 1.7.11
- Deferred payment of \$3 MM - \$4 MM dependent on participation in ONWJ PSC extn
- \$6.3 MM of free cash flow generated, post-tax and capex in H1 2011, effective base valuation of \$62.6 MM as at 1.1.11

Low Margin, High Cost Barrels

- Assets generate ~\$13/boe post-tax cash flow, however ~\$7.50/boe capex required
- Extensive capex and opex programmes planned to sustain production into third PSC extn
- No visibility on extn process or participation, Pertamina becoming increasingly aggressive

Excellent Full Cycle Returns

- Acquisition in H1 2006, for combined \$73.7 MM, c. 12.5 MMboe produced net to Group
- Full cycle return of ~30% on investment
- Further improved through leverage and deferred payments

Corporate Impact

- Reduction in net debt to \$208 MM pro-forma for mid-year, gearing falls to 36% (D/D+E)
- Current year average Group production forecast 18,000 – 19,000 boepd
- Profit on disposal of ~\$10 MM

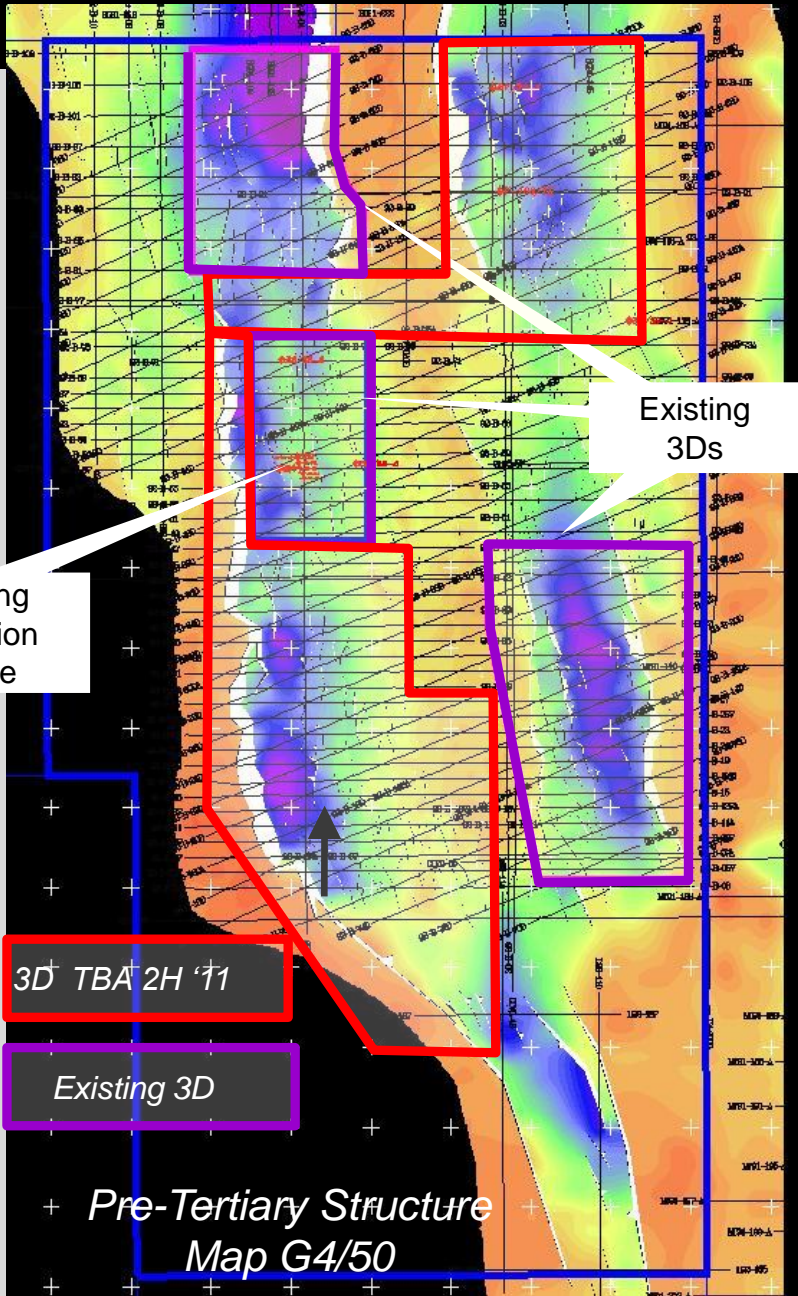
G4/50 Farm-In Terms & Work Programme

Farm-In Terms

- Salamander to assume 100% working interest & operatorship
- MOECO will retain certain commercial options in the case of a future discovery
- Subject to approval from Thai government and Department of Minerals & Fuels

Work Programme

- Over 2,900 km² of 3D seismic to be acquired 2011
- Coverage of all key basins
- Complements existing 480 km² in B/38 and 2,000 km² in G4/50
- Drilling of 6 exploration wells, beginning 2H 2012
- Drilling could be combined with Bualuang development campaign
- Option to enter third exploration period, end 2013



Charge Focus Areas Identified

Prior Drilling On Existing 3D

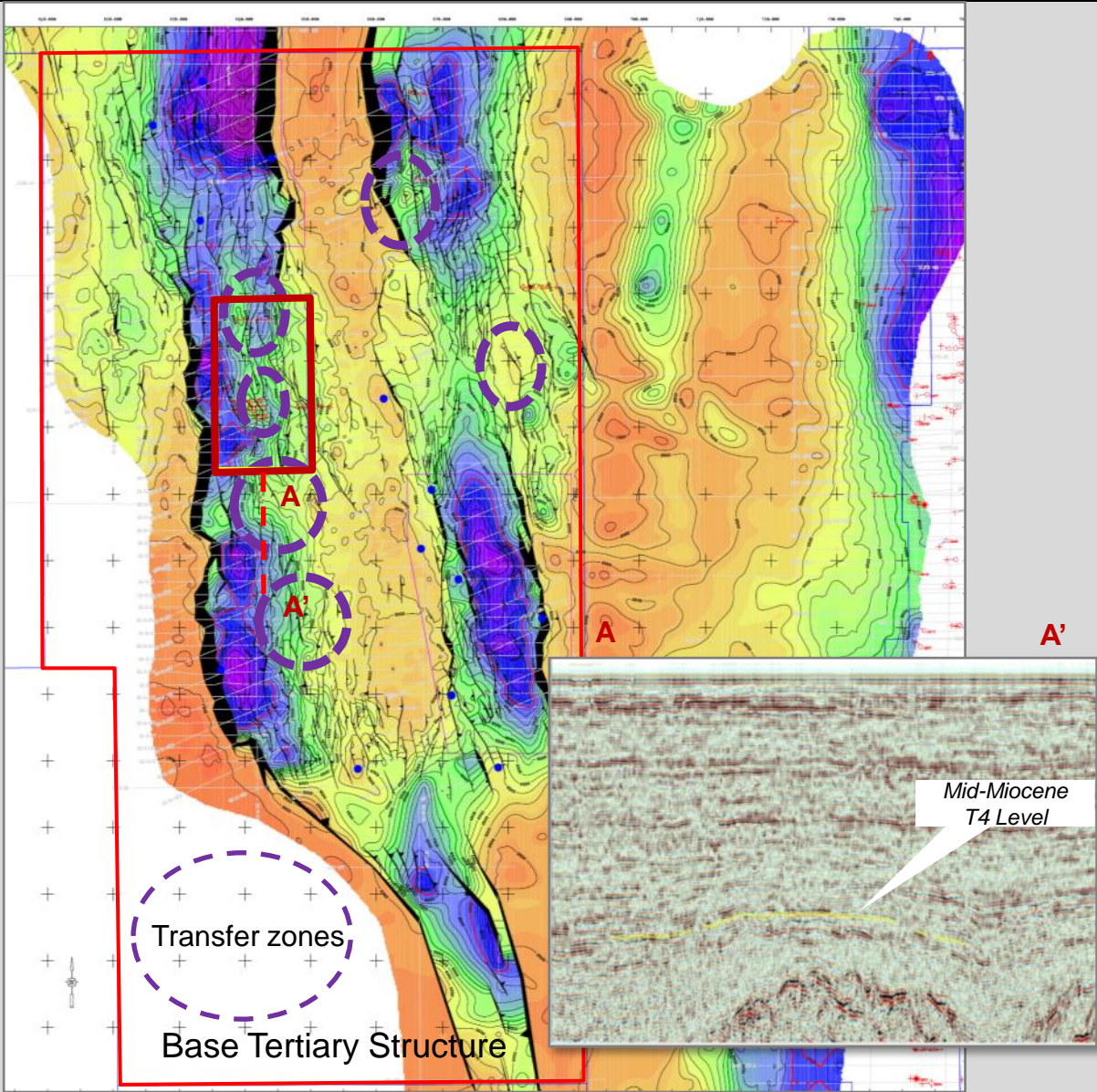
- 3 well programme, focussed on north Western and southern Kra, the deepest basins
- Sought to minimise oil generation risk & found 20' oil column & shows
- However, little structuring, no convincing trap geometries

New 3D Campaign

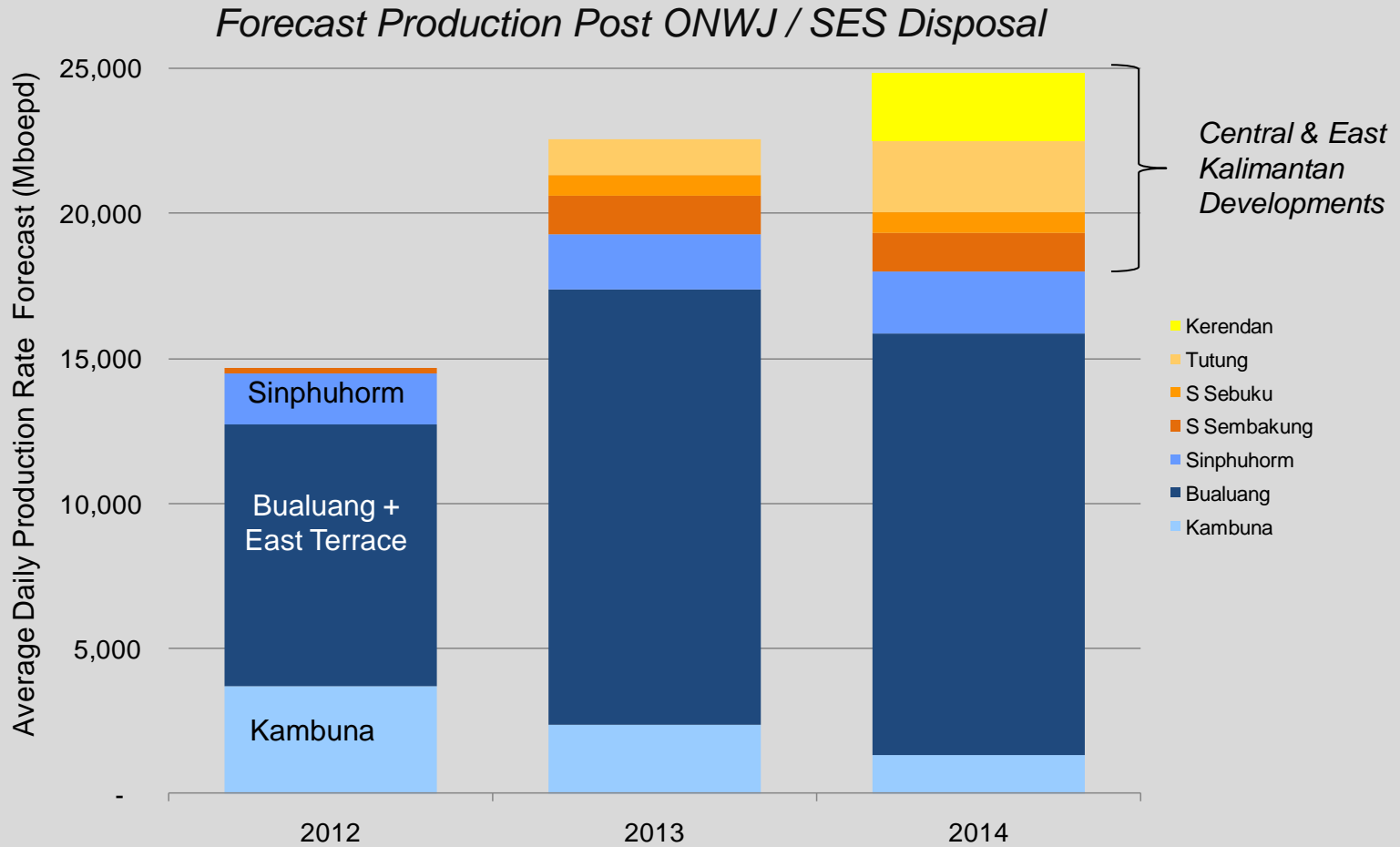
- Transfer zones identified, mature for hydrocarbons
- Migration pathways key: direct charge to overlying prospects

Numerous traps identified at top Mid-Miocene on old 2D seismic

Prospects anticipated in 20 – 30 MMbo range; 33% CoS



Production Update



- Bualuang field to provide ~15,000 boepd by 2013 – Bravo Platform central to plan
 - New developments in East Kalimantan to come on-stream from 2012, South Sembakung initially, South Sebuku to be tied in, Tutung to follow
- Further growth 2014+ from Kerendan field



Exploration & Appraisal Programme Look Ahead

Timing	Prospect	Licence	Country	Equity	Gross Mean Resources				Net Resources		Comment
					Liquids	Gas	Oil Eq.	CoS	Unrisked	Risked	
					(%)	(MMbo)	(Bcf)	(MMboe)	(%)	(MMboe)	
Q3 2011	South Sebuku	Bengara-I PSC	Indonesia	41%		80	13	70%	5	3.8	Testing Mid-Sept
Q4 2011	Sungai Lahei Strat Test	Bangkanai PSC	Indonesia	69%	Stratigraphic test beneath Kerendan Field						Deepening Kerendan Dev well, DrillCo-1
	Tutung-A3	Bontang PSC	Indonesia	100%		60	10	70%	10	7.0	CoS = commercial chance, Century Rig 28
	Bualuang NW Terrace	B8/38	Thailand	100%	15		15	35%	15	5.3	Rig Tender
	Bualuang Far East	B8/38	Thailand	100%	20		20	35%	20	7.0	Rig Tender
Q1 2012	Kambuna North	Glagah Kambuna TAC	Indonesia	50%		30	5	12%	3	0.3	Rig Tender
	West Kerendan	Bangkanai PSC	Indonesia	69%		335	56	45%	39	17.3	Back to back with SL-1, DrillCo-1
	WK-1 / Sungai Lahei	Bangkanai PSC	Indonesia	69%		580	97	18%	67	12.0	Deepening of WK-1, DrillCo-1
TOTAL					35	1,085	216	33%	158	53	

2012 E&A Campaign to be Dominated by Gulf of Thailand & North Kutei

Summary

Focus On Selected Regional Plays

- Oligo-Miocene fluvio-deltaic systems in Gulf of Thailand
- Oligocene carbonate reefal play in Barito basin, Onshore Kalimantan
- Pliocene slope-channel clastics in North Kutei

Looking to Consolidate & Build Around Key Assets

- Develop material, growth positions
- Operatorship, large equity interests
- Dispose / harvest non-core assets

E&A Risk Profile Reducing

- Future E&A capex directed at key hubs
- Exploration risk reduced
- Retain highly material upside exposure