Salamander Energy

AGM Presentation

30 June 2008
Salamander Energy plc
Pure Asian E&P

Scale
- Market capitalisation of c. US$800 MM
- 2P reserves of 56.6 mmboe (March 2008)
- Forecast 2008 production rate of 9 Mboepd
- Analyst forecast 2008 EBITDAX* $74MM - $103MM

*Range taken from forecasts of Goldman Sachs, Oriel Securities and ABN Amro

Overview
- Entered FTSE 250 in June 2008
- Completed acquisition of GFI Oil and Gas Inc.
- Expanded asset base from 5 to 18 licences in less than 2 years
- Growing production base: 40% CAGR 2007-2009
- Ongoing appraisal programme
- High impact 2008/9 exploration program
Growing Production
Five producing assets, further diversification through green-field additions

Production Profile 2006 – 2011

- New Developments
- Thailand Liquids
- Thailand Gas
- Indonesia Liquids
- Indonesia Gas

East Bualuang
South Sembakung Tutung

Daily Production Rate (boepd)

<table>
<thead>
<tr>
<th>Year</th>
<th>Gas Split</th>
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<tbody>
<tr>
<td>2006 Average</td>
<td>35%</td>
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<tr>
<td>2007 Average</td>
<td>53%</td>
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<tr>
<td>2008 F</td>
<td>47%</td>
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<tr>
<td>2009 F</td>
<td>43%</td>
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<tr>
<td>2010 F</td>
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<td>2011 F</td>
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2007 Financial Highlights

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<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008F</th>
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<tbody>
<tr>
<td><strong>Realised Prices</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil</td>
<td>$61.33/bbl</td>
<td>$71.75/bbl</td>
<td></td>
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<tr>
<td>Gas (Blended)</td>
<td>$3.05/Mcf</td>
<td>$4.34/Mcf</td>
<td></td>
</tr>
<tr>
<td><strong>Production</strong></td>
<td>4,400 boepd</td>
<td>7,820 boepd</td>
<td>9,000 boepd</td>
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<tr>
<td><strong>Revenue</strong></td>
<td>$31.6 MM</td>
<td>$69.6 MM</td>
<td>$141 MM - $157 MM*</td>
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<tr>
<td><strong>EBITDAX</strong></td>
<td>$2.9 MM</td>
<td>$41.5 MM</td>
<td>$74 MM - $103 MM*</td>
</tr>
<tr>
<td><strong>Debt-Adj Cash Flow</strong></td>
<td>$9.2 MM</td>
<td>$27.3 MM</td>
<td>$49 MM - $68 MM*</td>
</tr>
<tr>
<td><strong>Post Tax Profit</strong></td>
<td>$(19.6) MM</td>
<td>$4.6 MM</td>
<td></td>
</tr>
<tr>
<td><strong>Net Cash</strong></td>
<td>$127.3 MM</td>
<td>$91.6 MM</td>
<td>$(90) MM - $(147) MM*</td>
</tr>
<tr>
<td><strong>Capex</strong></td>
<td>$28.9 MM</td>
<td>$61.2 MM</td>
<td>$220 MM</td>
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<tr>
<td>E&amp;A</td>
<td>$8.7 MM</td>
<td>$45.4 MM</td>
<td>$108 MM</td>
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<tr>
<td>P&amp;D</td>
<td>$20.2 MM</td>
<td>$11.9 MM</td>
<td>$112 MM</td>
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* Range taken from financial forecasts of Goldman Sachs, Oriel Securities, ABN Amro
H1 2008 Highlights
Drilling activity, M&A and organic business build continued

- Success with the drill-bit
  - Tutung gas-condensate discovery successfully appraised, Bontang PSC, Indonesia
  - Phu Kheng gas discovery, North East Thailand

- Expanded acreage position
  - Farm-in to Bengara I PSC, Tarakan Basin, East Kalimantan, Indonesia. South Sebuku exploration well spudding Q4 2008
  - Acreage swap into Champasak & Saravan PSC in Lao PDR, partnering PetroVietnam. Further Vietnamese opportunities sought.

- Completed major corporate acquisition
  - GFI deal closed in March 2008, $218 million cash & stock-based acquisition
  - Reserve upgrade post-closing on two key assets
  - Acquisition unit price dropped from c. $11.65 to $9.84 per barrel of 2P reserves

- Reserves-Based Lending Facility put in place
  - $200 million, 7 year facility
  - BNP Paribas & IFC in the syndicate
  - Replaces $125 million bridge facility put in place at time of GFI deal
## Extensive E&A Drilling Programme

### Ongoing Developments

<table>
<thead>
<tr>
<th>Exploration Drilling</th>
<th>2008</th>
<th>2009</th>
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<tbody>
<tr>
<td>Lao PDR</td>
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<tr>
<td>Philippines</td>
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<td>Thailand</td>
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<tr>
<td>Indonesia</td>
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<thead>
<tr>
<th>Appraisal Drilling</th>
<th>2008</th>
<th>2009</th>
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<tr>
<td>Thailand</td>
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<td>South-PH</td>
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<td>Tutung</td>
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<td>Indonesia</td>
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<td>Gurame</td>
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<tr>
<th>Field Development</th>
<th>2008</th>
<th>2009</th>
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<tr>
<td>Thailand</td>
<td>Bualuang Field Development</td>
<td>PH-6 workover</td>
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<td></td>
<td>Kambuna Field Development</td>
<td>PH-8</td>
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<tr>
<td>Indonesia</td>
<td>ONWJ &amp; SES Infill &amp; Development Drilling</td>
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### Key Catalysts:

- Net resource exposure > 10 MMboe
- First Gas
- First Oil

- 2 field developments adding to production from H2 2008
- 2008 E&A capex $108 MM, P&D capex $112 MM
Bualuang Field Development (60% Operator)
Production expected to commence in coming weeks

Development Update
- First phase of development ‐ six wells completed
- Downhole ESPs plus water injection
- FPSO undergoing final pre-completion in Rayong
- Production expected to commence late July/early August
- Rig to return at year end

Reserves & Resources
- Initial development of 20 MMbo
- Prospective resource potential of 6 MMbo in East Bualuang fault terrace
- Further prospectivity in the deeper Permian Ratburi carbonates
- Analogous structures identified elsewhere in the production license

Un-drilled East Terrace

Bualuang Production Platform: Construction & Sail Away
Kambuna Field Development (35%)
Flow tests exceeded expectations

Development Plan
○ Development drilling completed
○ Tested in excess of 100 MMscfd of gas and 8,000 bbls condensate
○ Development assumes multi phase pipeline 57km to shore-based processing facilities
○ 28 MMscfd contracted to PLN at $5.40/Mcf
○ 12 MMscfd contracted to Pertigas at $7.0/Mcf
○ 10 MMscfd still to be marketed

Reserves & Resources
○ 2P reserves recently upgraded to 29 MMboe, stratigraphic element provides upside
○ Contingent resources in Glagah oil discovery (5 MMbo, 2,120 bopd flow rate)
○ Further prospective resources in North & North West Kambuna, West Glagah prospects

Kambuna field, offshore North Sumatra
Depth Structure Map
Bontang PSC (70%, Operator)
Exploration & Appraisal in the Kutai Basin, a prolific East Kalimantan Deltaic setting

Tutung Appraisal
- TA-2 currently drilling, TA-1 found good sand development and multiple hydrocarbon bearing zones
- Stratigraphic and structural closure
- Potential Hub-development, tie-in of further discoveries

Offshore Exploration
- Lightly explored block on north flank of the prolific Kutei Basin
- 300 sq km offshore 3D seismic in acquired 2H 07
- 9+ leads identified from 3D, 20-40 MMboe sized features
- Two wildcat spudding 4Q 2008
Sandakan Basin
Tertiary deepwater play on the Borneo margin

- Prolific success: Kikeh, Gumusut, Kebebangan, Kumunsu amongst others
- Single deepwater well – Wildebeest-1 MDT recovered oil
- Play proven – Aster oil and gas discovery, Tulip discovery in deepwater
- Well established basin, 6 – 16 Tcf discovered

Deepwater Basins around North & East Borneo

North Borneo Basin
Sandakan Basin
Tarakan Basin
Kutei Basin

Borneo (Kalimantan)

Indonesia
Malaysia
H2 Exploration Drilling
SC41, Sandakan Basin

- Under-explored basin offshore Borneo, favourable economic terms
- Multiple prospects mapped along foldbelt 100-200 Mmboe per feature
- Wildebeest-1 recovered 38.2 degree API oil from two zones
- Lumba Lumba prospect, spudding August 2008
  - C. 200 MMbo of potential reserves
- Major structural closure, gas clouds & DHIs
Khorat Basin overview
Salamander position and recent licensing activity
H2 Exploration Drilling
Phu Kheng Prospect, Block L27/43

- Strong gas shows in Phu Kradung formation during drilling of DM-3 well
- Large closure of approx. 125,000 acres
- Multi-Tcf gas in place potential
- Shallow formation, approx. 1,700m
- Recovery factor uncertain
- Significant follow up opportunities elsewhere in basin
H2 Appraisal Drilling
Si That-3 well, Khorat Plateau, Northeast Thailand

- Si That-1 drilled by Esso 1983
  - tested water at high rates
  - PNK reservoir outside closed structure

- Si That-2 drilled by Cairn 1997
  - tested gas at 1.5 Mscf/d
  - basal PNK/Si That Fm (poor reservoir)

- Si That-3 spud Q4 2008
  - Targeting PNK formation within the closed structure

- Estimated to be 1.2 Tcf of potential resources
Summary

- Healthy financials
  - Maiden Profit of $4.6 MM (2006: $19.6 MM loss)
  - Revenue of $69.6 MM (2006: $32 MM)
  - EBITDAX of $41.4 MM (2006: $2.9 MM)

- Production growth
  - 9,000 boepd in 2008 and 15,000 boepd in 2009
  - Increased exposure to oil price

- Adding value through the drill bit
  - Initial drilling success on South Sembakung, Dong Mun and Tutung

- Highly active 2008/9 drilling program
  - High impact wells in Philippines, Indonesia, Thailand, Lao PDR & Vietnam
  - Exploration programme in H2 2008 targeting over 150 MMboe

- Proven M&A track record
  - GFI transaction at a discount to comparable transaction in Southeast Asia