Neon Energy Limited
Annual General Meeting

24 May 2013
“In 2012 Neon Energy made significant operational progress with its US and Southeast Asian exploration & appraisal programmes.”
Progress

VIETNAM
Block 105
- 3D seismic programme – identified additional amplitude anomalies
- Rig contract signed
- Preparing to drill Cua Lo prospect in late June 2013

VIETNAM
Block 120
- 3D seismic programme – identified additional prospect and increased technical clarity
- Rig contract signed
- Preparing to drill one of three candidates in late August 2013

INDONESIA
Tanjung Aru
- Reprocessed 3D seismic data: supports previously identified prospectivity
- Preparing to shoot new 3D in Q4 13 (will complete committed work program)

CALIFORNIA
Salinas and San Joaquin Basins
- Unconventional discovery at Paloma Deep
- Initiatives trialled to increase production at North San Ardo – early results encouraging
- Acquired Glau nearfield exploration permit & commenced seismic campaign
# Financial Highlights

<table>
<thead>
<tr>
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<th>6 Months to 31/12/12</th>
<th>12 Months to 30/6/12</th>
<th>12 Months to 30/6/11</th>
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<tbody>
<tr>
<td>Production (Bbls)</td>
<td>42,373</td>
<td>158,075</td>
<td>156,920</td>
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<td>Average sales price (USD / Bbl)</td>
<td>$96.00</td>
<td>$102.23</td>
<td>$87.34</td>
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<td>Revenue (AUD million)</td>
<td>3.9</td>
<td>15.6</td>
<td>13.9</td>
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<tr>
<td>Field operating expenses (AUD million)</td>
<td>1.6</td>
<td>2.9</td>
<td>2.7</td>
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<td>Gross operating profit (AUD million)</td>
<td>0.7</td>
<td>7.4</td>
<td>6.4</td>
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<tr>
<td>EBITDAX (AUD million)</td>
<td>(2.2)</td>
<td>2.1</td>
<td>0.8</td>
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Strategy

Create long term shareholder value by building a pipeline of quality transformational opportunities

- Southeast Asia portfolio growth
  - favouring “grass roots” asset entry and high initial participating interests
- California - low risk production and appraisal with near term low to moderate risk exploration upside
- Use of technology to mitigate risk and add value
- Disciplined approach to portfolio management and capital allocation
- Act as Operator where possible
- Farmout where appropriate
  - minimise capital exposure and dilution
- Maintain material equity position in projects

Images:
- Enco 107 Jackup Rig, contracted to drill in Block 105
- Songa Mercur semi-submersible rig contracted to drill in Block 120
Vietnam: successfully executing our strategy

- **2009**
  - Signed Block 120 PSC (Neon 90%)

- **2010**
  - Signed Block 105 PSC (Neon 100%)

- **2011**
  - Farmout 120 & 105 to KrisEnergy:
    - (Neon 50%/KrisEnergy 50%)
    - Funds full 2D seismic commitment

- **2012**
  - Farmout to ENI:
    - (ENI 50%/NEN25%/KEL25%)
    - Funds two 3D seismic surveys
    - Funds* drilling of 2 wells (to agreed cost caps)

- **2013**
  - Drill two transformational wells: Minimal Neon capital exposure while retaining significant 25% Working Interest
Vietnam Drilling Imminent

Drilling of two high impact exploration prospects in 2013

- Neon substantially carried by ENI*
- Neon interest 25%
- Large, underexplored blocks located within proven petroleum systems
- 3D seismic surveys completed and processed – data being interpreted to select optimal drilling locations
- 3D seismic has identified additional prospective zones
- Drilling rigs contracted
- Block 105 well to spud late June 2013
- Block 120 well to spud August 2013

* To agreed cost caps
Vietnam 105: Combination of Scale and Quality

Size: World Class Potential, NSAI Certified
Science: Amplitudes, AVO
Nearby Analogues: Dongfang
Corroboration: Eni

Dongfang Gas Field:
Year 1 Production*: 85 Billion Ft³ Gas

Amplitude Vs. Offset

Multiple Reservoir Levels show increase in amplitudes with offset which sometime can be indicative of the presence of hydrocarbons.
Vietnam Block 120: 3D Perspective View

3D Perspective Surface of Top Miocene Reef with Composite Seismic Line A-A'

- Rua Bien
- Lead 1 Upper Objective
- 120-CS-1X Wellbore
- Incised channel
- Ca Lang

10km
Vietnam Block 120: 2D vs. 3D

BHP #1 (6m oil)
New 3D seismic shows clear channel cut near well that may have breached the trap
Vietnam Block 120: 2D vs. 3D

2D Data

3D Data

Interpreted top basement, based on 2D

Interpreted top basement, based on 3D

Probable breach point (channel)

Substantially thicker prospective Oligocene section than previously thought
Neon’s Vietnamese prospects are amongst the largest in Asia-Pacific

1. Gorgon area (Chevron/Shell/E…)
2. Leviathan (Woodside)
3. Browse LNG
4. Vietnam Block 120 (Neon)
5. Valhalla (Buru)
6. Vietnam Block 105 (Neon)
7. Ichthys (INPEX)
8. Wheatstone (Chevron)
9. Browse Basin (Karoon)
10. Poseidon
11. Pluto and Xena (Woodside)
12. Argus (Woodside)

Million Barrels of Oil Equivalent

Source: publically available information

Neon 2013 Prospect
Best (Mid) to high case range
California: diverse range of activity

**Continued oil production at North San Ardo**
- Heavy oil sold at premium to WTI
- Ongoing initiatives to increase production:
  - Replacement injection well has been drilled
  - Cyclic steam trials have delivered promising early results

**Glau nearfield exploration opportunity**
- Proven petroleum system
- 2D seismic programme nearing completion
- Potential for drilling H2 2013 (shallow test wells ~$0.5MM)

**Paloma Discovery**
- Three well programme proved substantial resource
- Unconventional development required
- Seeking partner with necessary expertise & funding
In conclusion…

- 2012 saw Neon advance oil and gas projects across multiple fronts
- Two substantially carried prospects in Vietnam, each with world class potential, to be drilled in 2013 by Eni, a “supermajor” farminee
- Strategy remains focused on building a pipeline of quality transformational opportunities
- Strong balance sheet – no debt and c. $24m cash
- Current work programme fully funded
- Track record of delivering against strategy
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