



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 12 August 2014

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### **Settlement of Vietnam Dispute**

Neon Energy Limited (ASX: NEN) advises that the Company has reached an agreement with its joint venture partners, Eni Vietnam B.V. ("Eni Vietnam") and KrisEnergy, regarding settlement of the financial liabilities of its wholly owned subsidiary Neon Energy (Song Hong) Pty Ltd, subsequent to the Vietnamese drilling program conducted in late 2013 in Block 105-110/04 and Block 120.

In consideration for a full release from all liabilities Neon has agreed to pay US\$5.75 million to Eni Vietnam and KrisEnergy, assign its working interest in the blocks, and remit the net proceeds from the Cua Lo-1 insurance claim (if and when that claim is settled).

Upon completing the transaction Neon Energy's cash balance will stand at approximately US\$20.5 million.

The Company has completed an extensive restructuring of corporate overheads, including salary reductions for management and redundancies for a number of staff positions. Following the closure of the Bakersfield office, expected to be finalised during Q3 2014, corporate overheads are expected to be circa US\$2.5 million per annum, representing a 65% reduction.

Neon Energy Managing Director, Ken Charsinsky, commented *"We are pleased to have reached a settlement with Eni Vietnam and KrisEnergy, which allows the Company to now focus on a new growth strategy without constraint."*

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#### **Enquiries:**

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