



Salinas
Energy Limited

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 27 NOVEMBER 2009

SALINAS 2009 ANNUAL GENERAL MEETING PRESENTATION

Attached is the presentation to be made at the Salinas Energy Limited Annual General Meeting to be held today at 10.00am at the Theatre, QV1 Building, 250 St George's Terrace, Perth, Western Australia.

The attached document will also be available on the Company's website at www.salinasenergy.com

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Salinas Energy Limited

(to be renamed Neon Energy Limited)

Annual General Meeting

Friday 27th November 2009

Ken Charsinsky
Managing Director

Disclaimer

This presentation has been provided for the sole purpose of providing preliminary background financial and other information to enable investors to review the business activities of the Company.

This presentation contains interpretations and forward looking statements that are subject to risk factors associated with the oil and gas industry.

It is believed that the expectations reflected in the presentation are reasonable but may be affected by a variety of variables and changes in underlying assumptions which could cause actual results to differ substantially from the statements made. Including but not limited to: production fluctuations, commodity price fluctuations, variations to drilling, well testing and production results, reserves estimates, loss of market, industry competition, environmental risk, physical risks, legislative, loss of asset tenure, fiscal and regulatory developments, economic and financial market conditions, project delay or advancement, approvals and cost estimates.

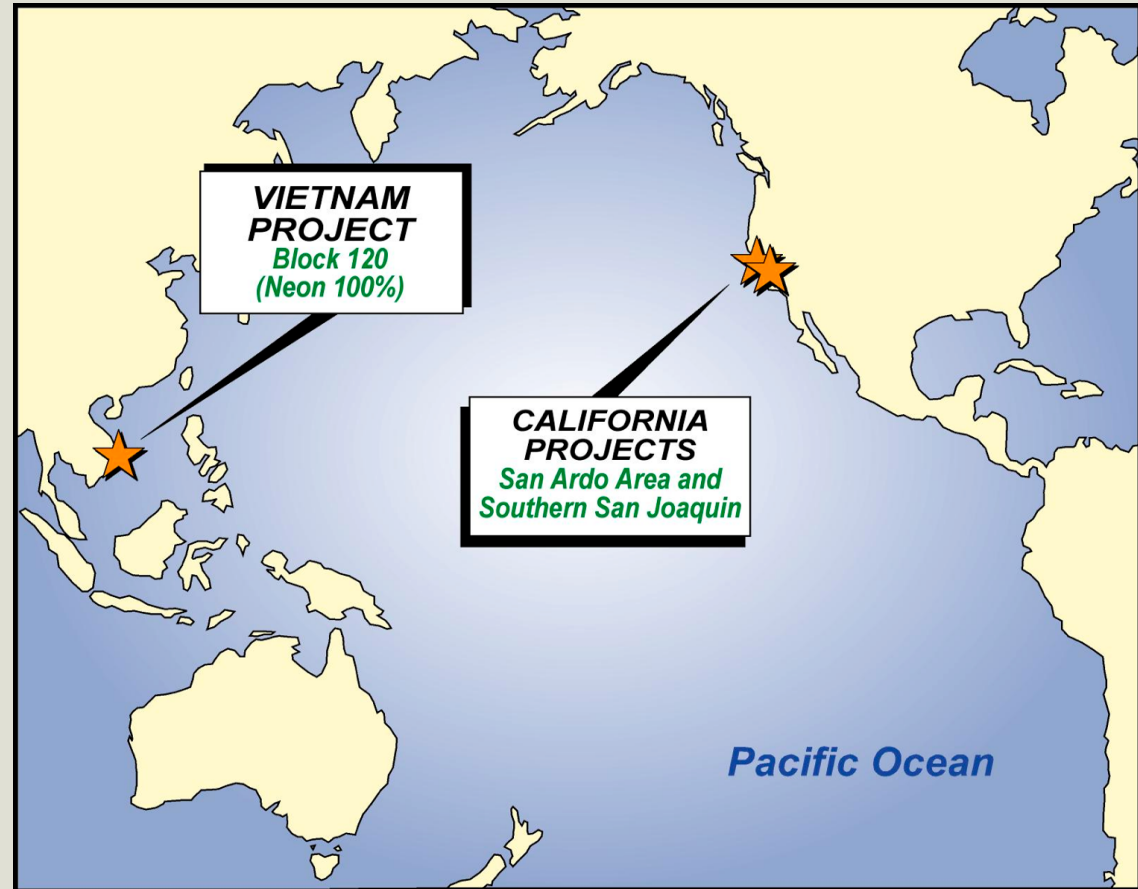
Investors should undertake their own analysis and obtain independent advice before investing in Salinas Energy (Neon Energy) shares.

All references to dollars (\$) in this presentation are to US\$ unless otherwise stated.

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Creating a Diversified E&P Business

- Recent acquisition
- Balancing portfolio
 - Risk vs Materiality
 - Activity “pipeline”
- Fresh look at existing Californian assets
 - Increase production
 - Maximise return on prior investment in exploration/appraisal assets



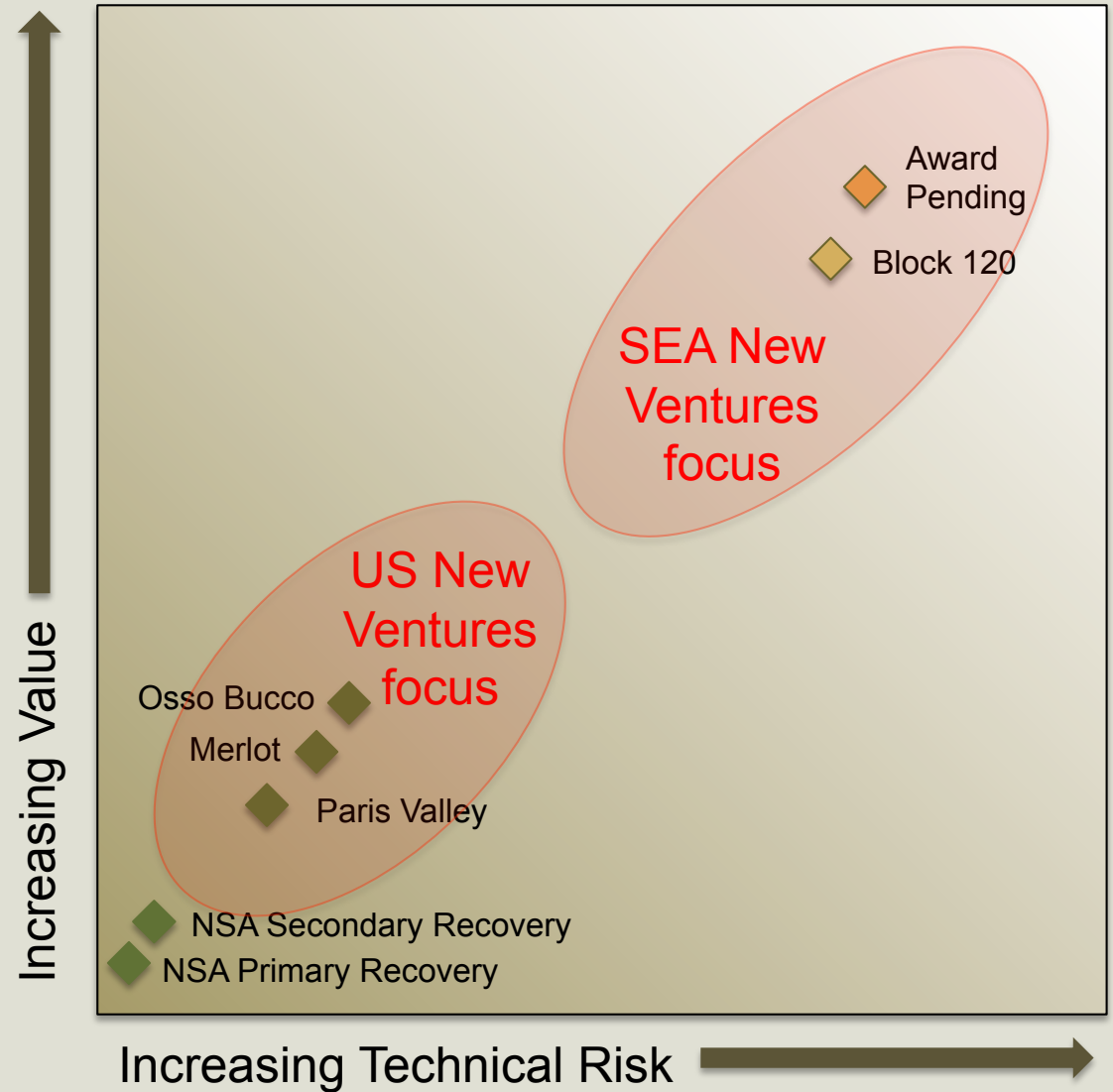
Way Forward

- Focus on Growth
- Renewed activity in California
 - Stabilised production at North San Ardo
 - Steam-cycle trials ongoing
 - Secured Paris Valley 100%
 - Fund growth from net cash flow and farming down
- Growth in Southeast Asia
 - Working Vietnam Block 120 for efficient value add
 - Award of second exploration block pending
 - Renewed new ventures effort focused on:
 - Low cost “Grass Roots” entry
 - High equity
 - Early and cost-effective value-add
 - Focus countries include Vietnam, Thailand & Australia



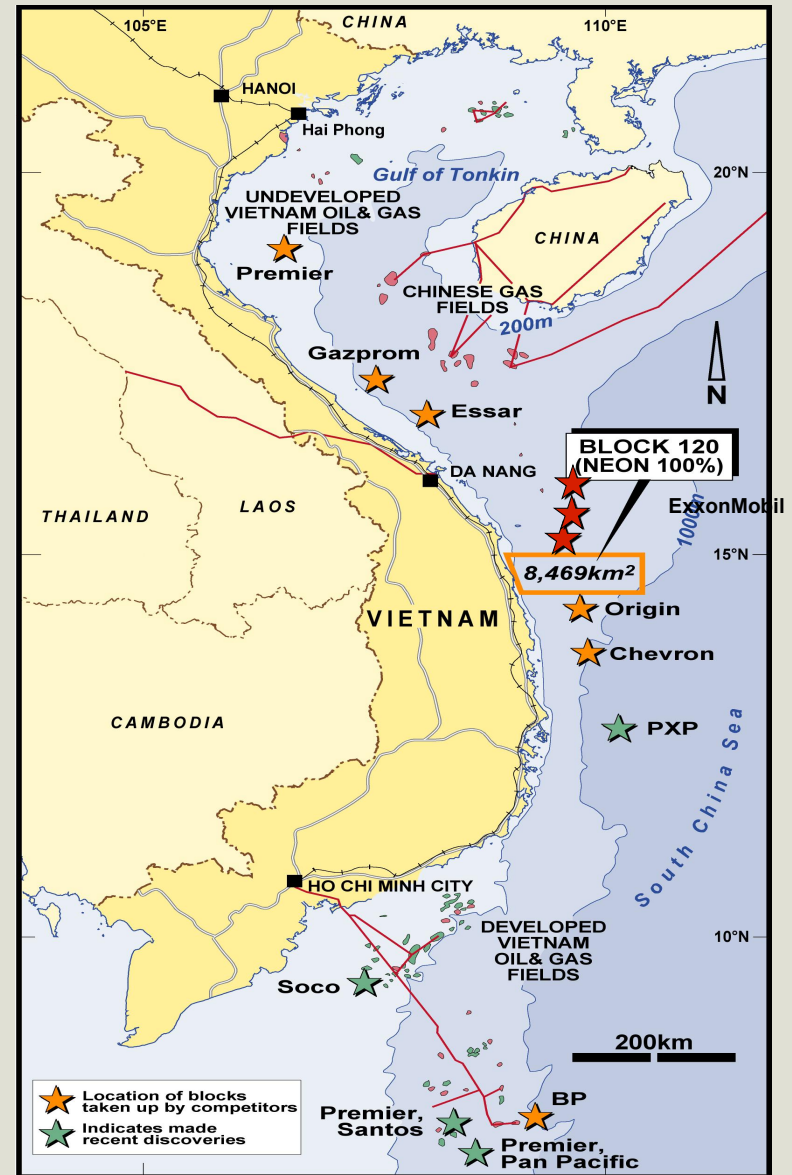
Asset Portfolio

- California Assets ◆
 - Low to medium risk
 - Exploration and appraisal
 - NPVs US\$10MM to \$100MM
- Vietnam ◆
 - Frontier exploration:
 - Higher risk for far higher reward
 - NPVs \$100MM to >\$1Bn
- New Ventures ◆
 - Focus on medium risk exploration and appraisal assets
 - Targeting greater than 25 MMBOE net incremental reserves



Vietnam Overview

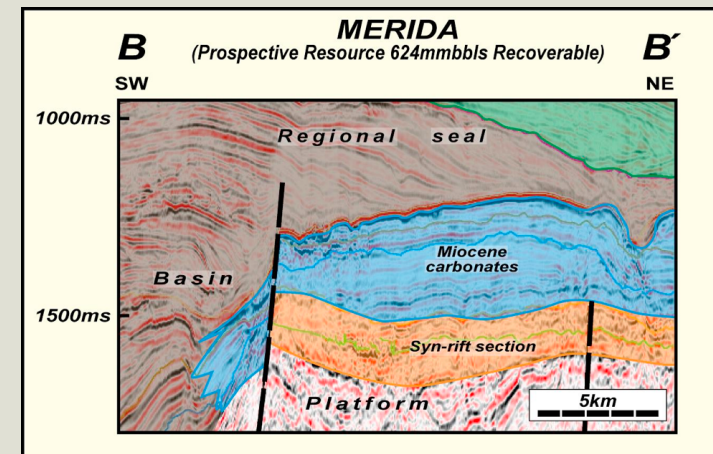
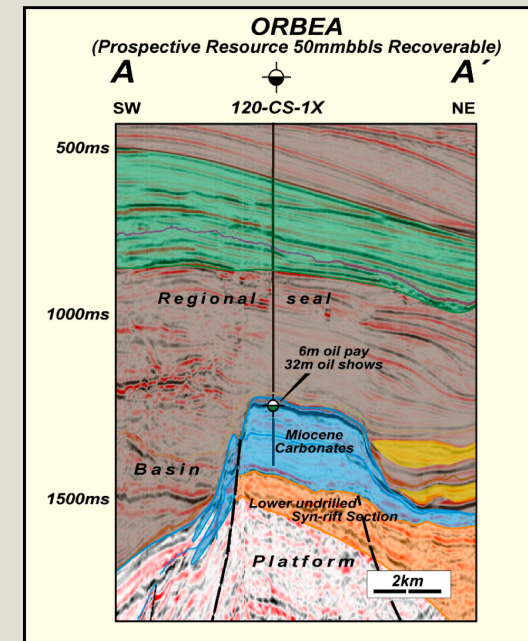
- Proven but underexplored
- Large blocks
- Highly prospective geology
- Favourable fiscal terms
- Four year initial exploration phase possible
- Significant industry interest
 - Recent entry by ExxonMobil (contiguous northern neighbour to Neon acreage)
 - Recent re-entry by BHP Billiton
- Recent discoveries
- High ratings for transparency and contract sanctity



Block 120: High Impact Exploration

- Proven petroleum system
- Underexplored
- Multiple play types
- Water depths 50-500m
- Commitment 2D seismic plus one well (by early 2013)
- Neighbours: ExxonMobil & Origin Energy
- Huge Resource Potential

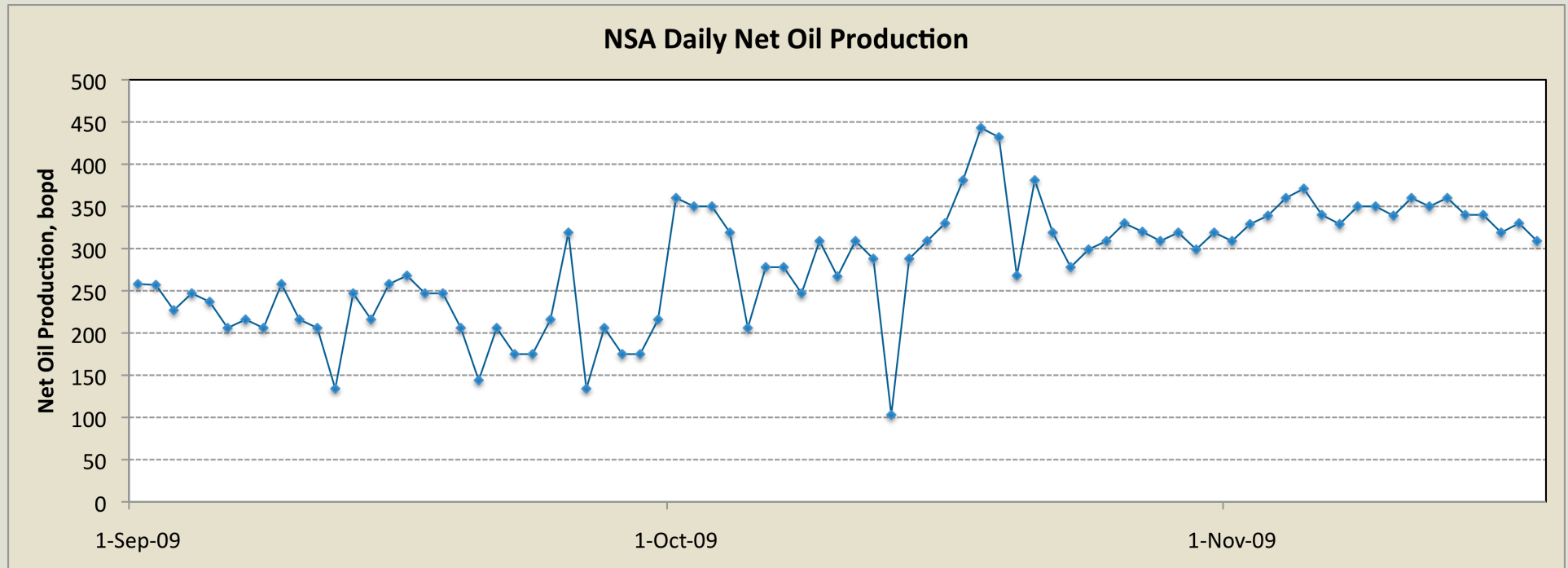
Prospect Name	Water Depth (m)	Target depth (m)	Closure (km ²)	Unrisked Prospective Resource (million bbls recoverable)
Orbea	260	1140	33	50
Merida	400	1150	108	624
Masi	250	650	250	685



Southeast Asia Business Development

- Award of a second large exploration Production Sharing Contract (PSC) expected shortly
 - Potential for both oil and gas
 - Large structures evident on seismic data, with apparent Direct Hydrocarbon Indicators
- Farm out both PSCs after early value-add
- New ventures effort to focus primarily on organic growth
 - Large initial Working Interest
 - Limit promoted farm ins to only exceptional opportunities
- Leverage our extensive proprietary geoscience database
 - Data mining
 - Partnering tool

Production Overview – North San Ardo



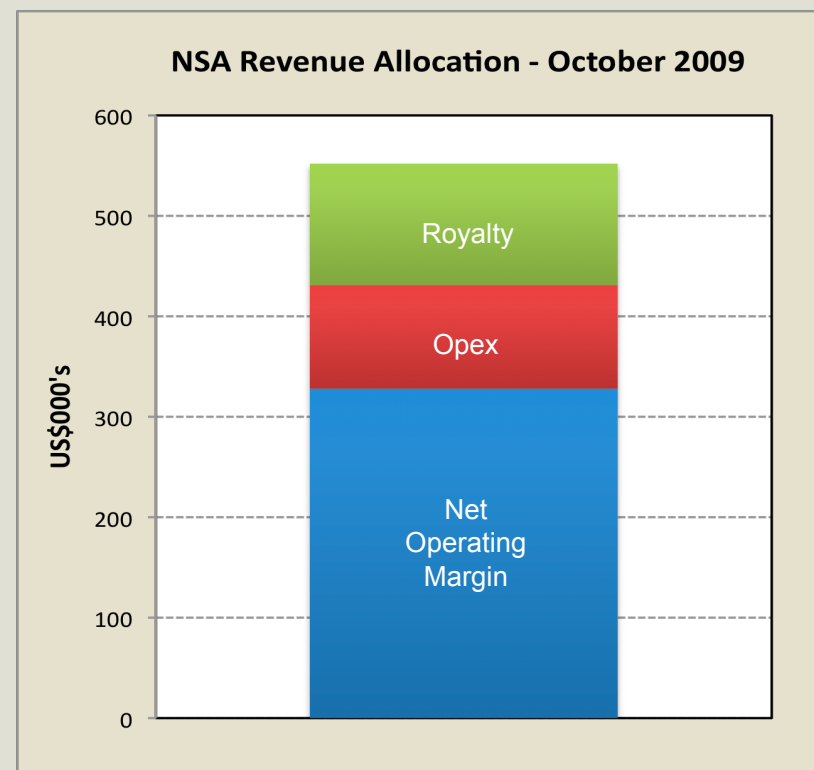
- Recent investment to improve water injection capability
- Early steam cycling trials
- Increased and stabilised production
- Current production ~325 bopd

North San Ardo (cont.)

- NSA yielding positive net operating cash flow at current production and oil price
- Cash flow sufficient to fund Paris Valley appraisal well and additional NSA development drilling

Forward Plan

- Two new horizontal development wells planned H1 2010
- Aim to at least double current production rate
- Continue evaluation of cyclic steaming
 - New data to assist evaluation of full field steam flood project



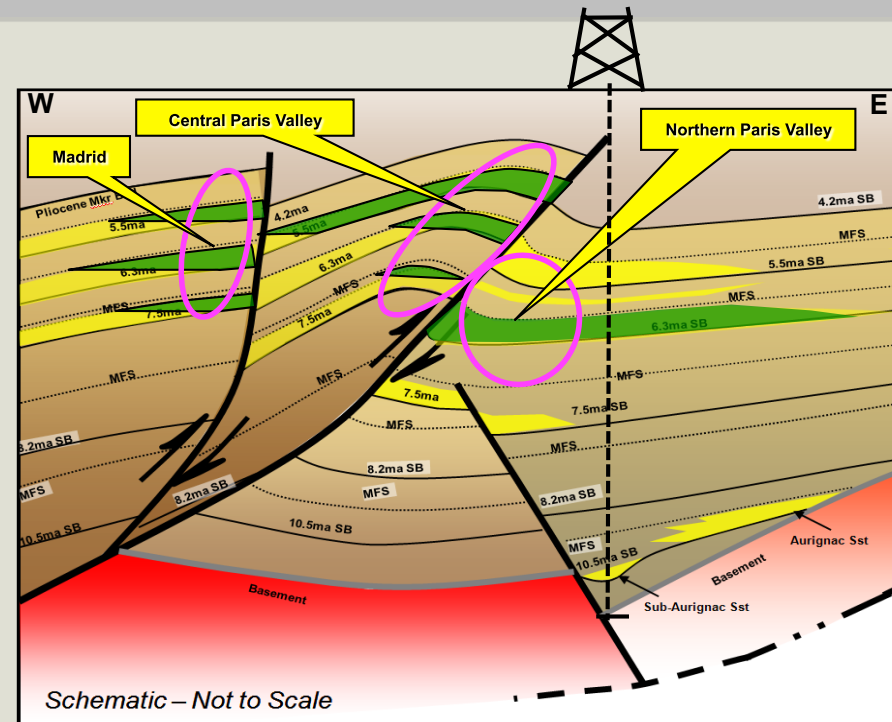
Exploration/Appraisal Overview: California

- Salinas Basin: Paris Valley appraisal

- Salinas holds 100%
- Appraisal well drilling early December
- Potential 34 MMBbls recoverable resource
- Development will require enhanced oil recovery techniques from inception

- San Joaquin Basin: Exploration

- Monetise significant prior investment in data and regional study
- Light oil and associated gas/condensate
- Multiple, moderate risk prospects
- Significant upside
- Reviewing prospect inventory with a view to aggressively market a package of opportunities



Capital Structure and Financing

- No debt
- Approximately \$7 million in cash post placement
- Placement successfully completed
 - Raised \$5.67 million (before costs)
 - Issued 42 million shares at \$0.135 per share
 - Heavily oversubscribed
- Capital Structure post placement

Issued Capital	323,994,678
Unlisted Options	8,750,000
Employee Options	16,070,000
Achievement Rights	743,750

Use of proceeds

- Near term expansion of South East Asia asset portfolio
- Financial flexibility to add additional value to Southeast Asia assets prior to farm out
- Funding for Southeast Asia business development
- Ongoing investment in geoscience database
- Additional working capital to mature the California portfolio of opportunities
 - Cash flow from operations funding California activity

Summary

- Improved revenue outlook due to stabilised production and higher oil prices
- Increased production in 2010
- Renewed appraisal & exploration activity in California
- Maintaining nil debt position
- Balanced opportunity portfolio
- Establishing a pipeline of activity – California & Southeast Asia

