



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.”

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



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

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

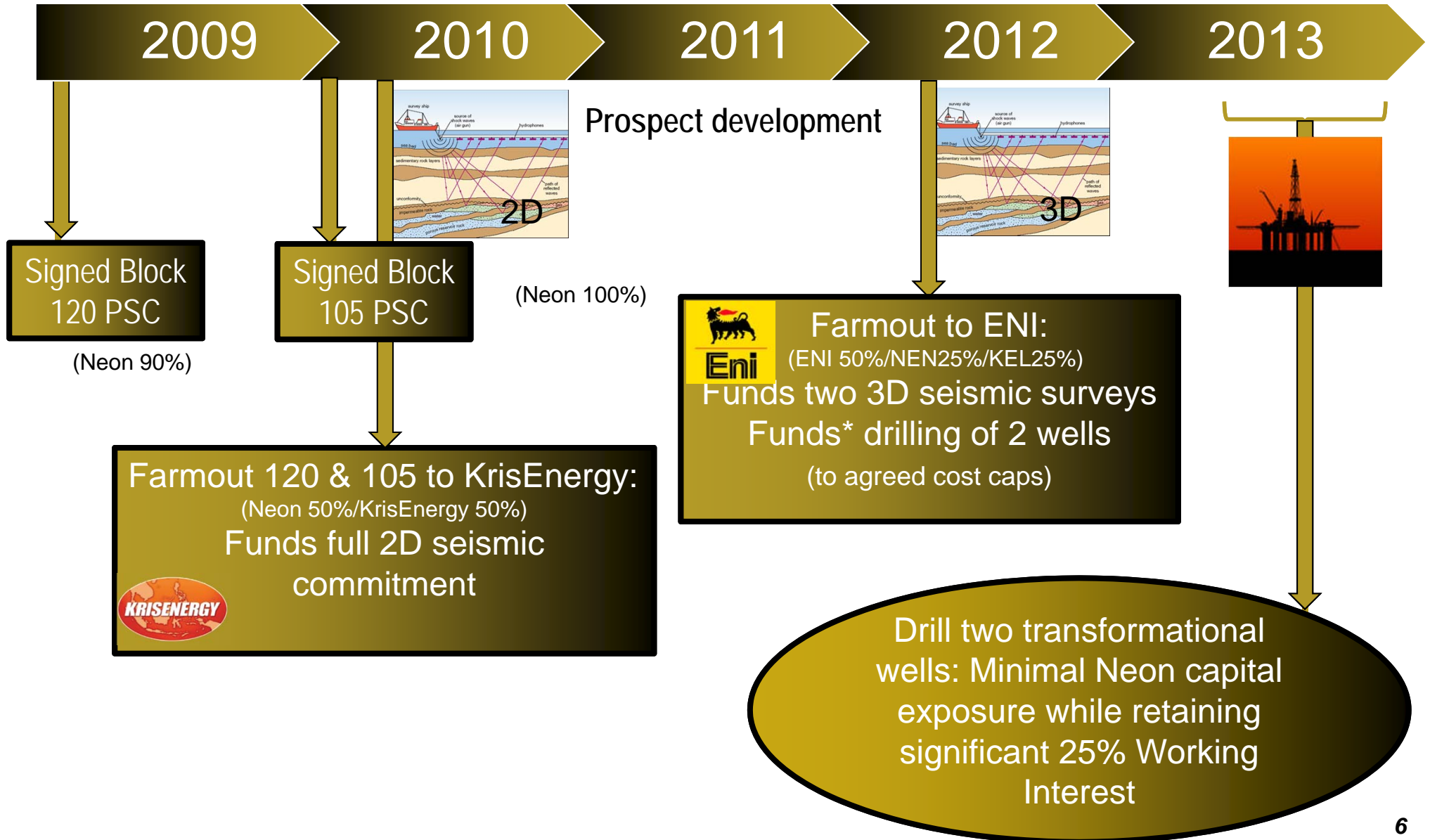


Image: Ensco 107 Jackup Rig, contracted to drill in Block 105



Image: Songa Mercur semi-submersible rig contracted to drill in Block 120

Vietnam: successfully executing our strategy

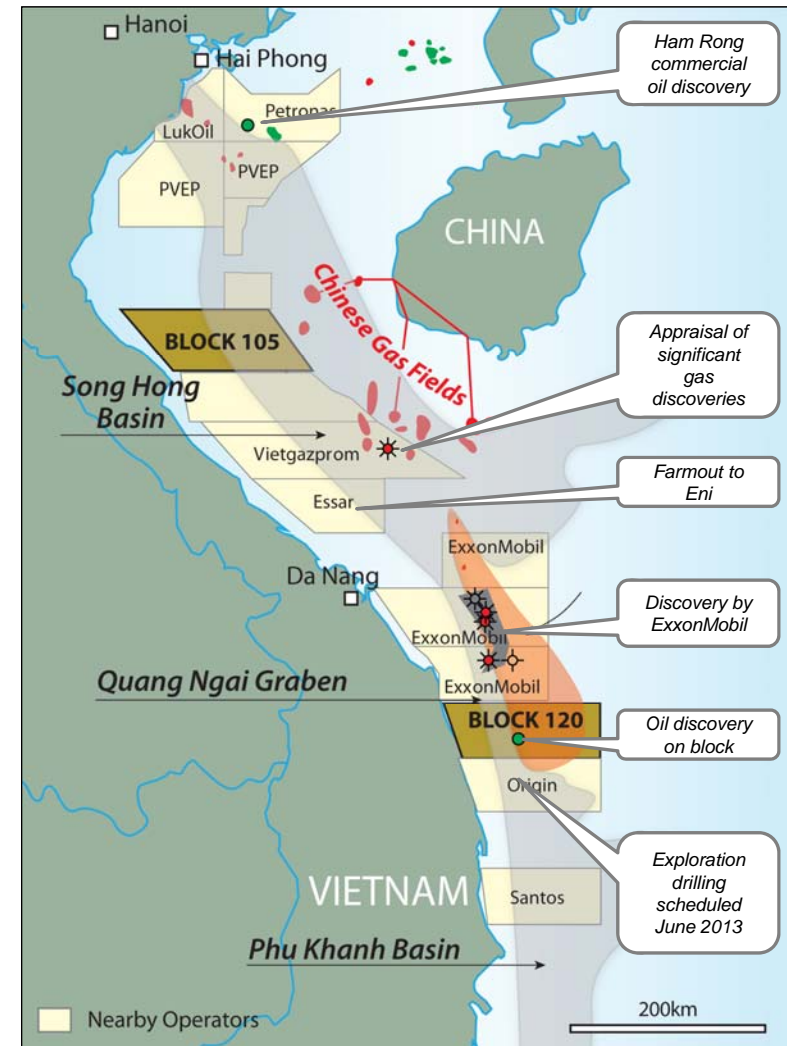


Vietnam Drilling Imminent

Drilling of two high impact exploration prospects in 2013

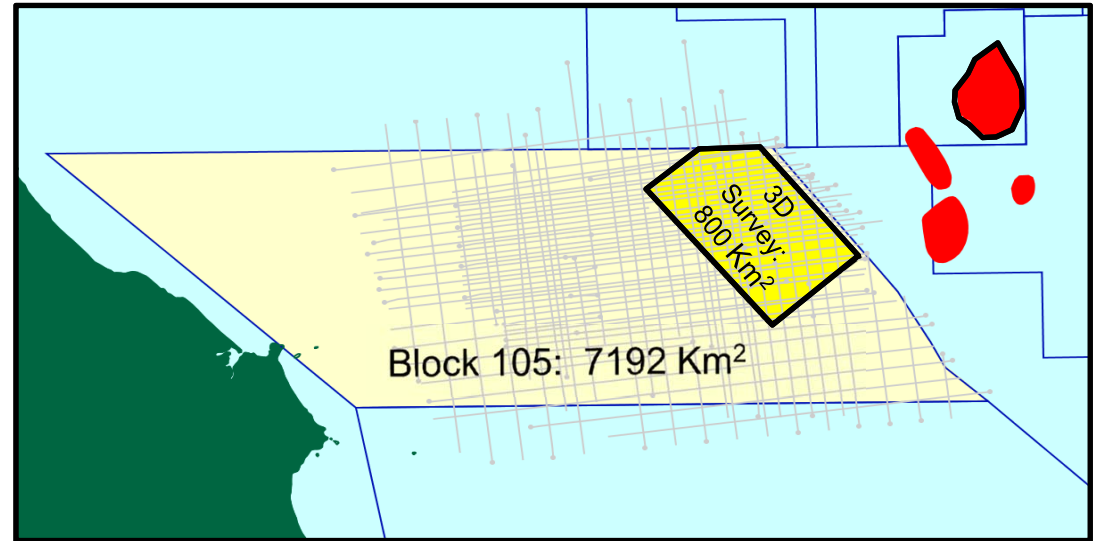
- Neon substantially carried by ENI*
- Neon interest 25%
- Large, underexplored blocks located within proven petroleum systems
- 3D seismic surveys completed and processed – data being interpreted to select optimal drilling locations
- 3D seismic has identified additional prospective zones
- Drilling 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



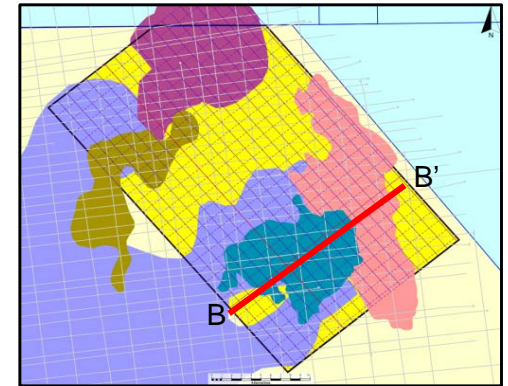
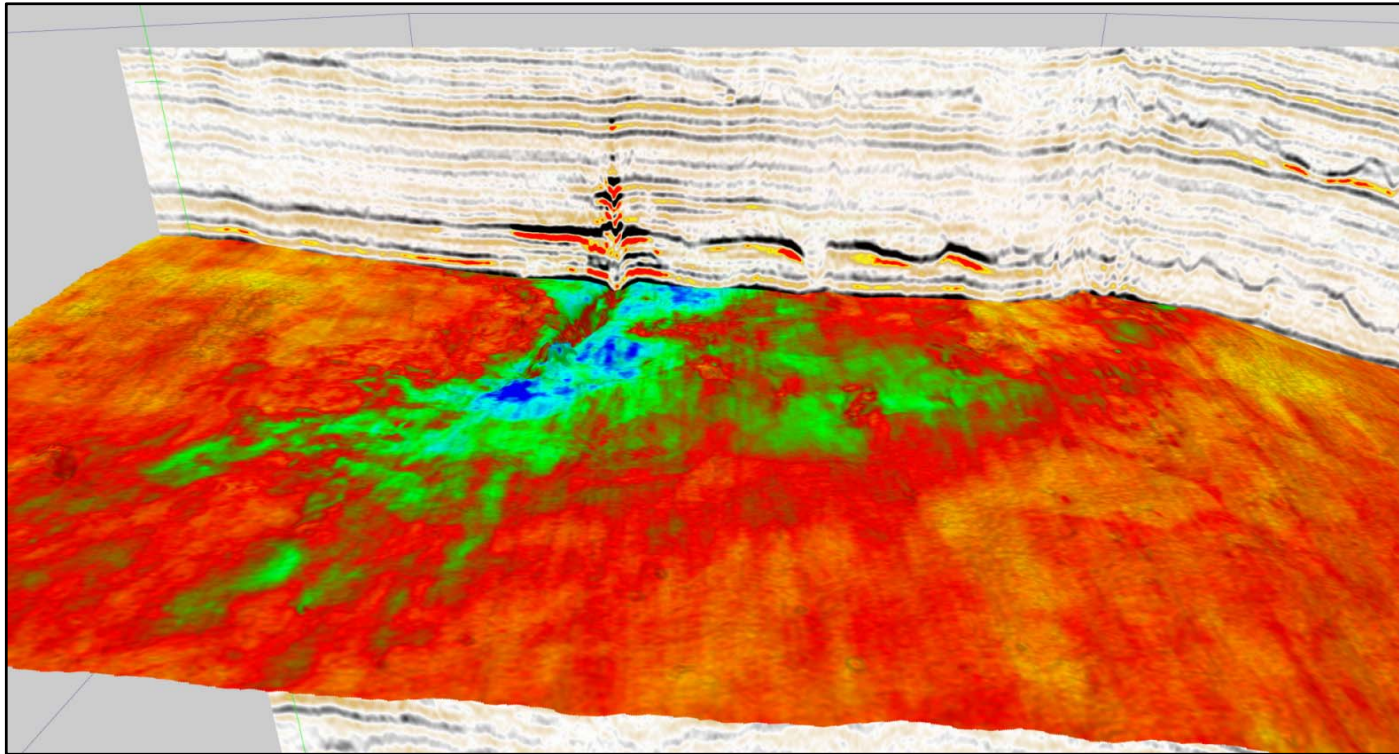
Perth
~ 100 Sq. Kms

Dongfang Gas Field:

Year 1 Production*: 85 Billion Ft³ Gas

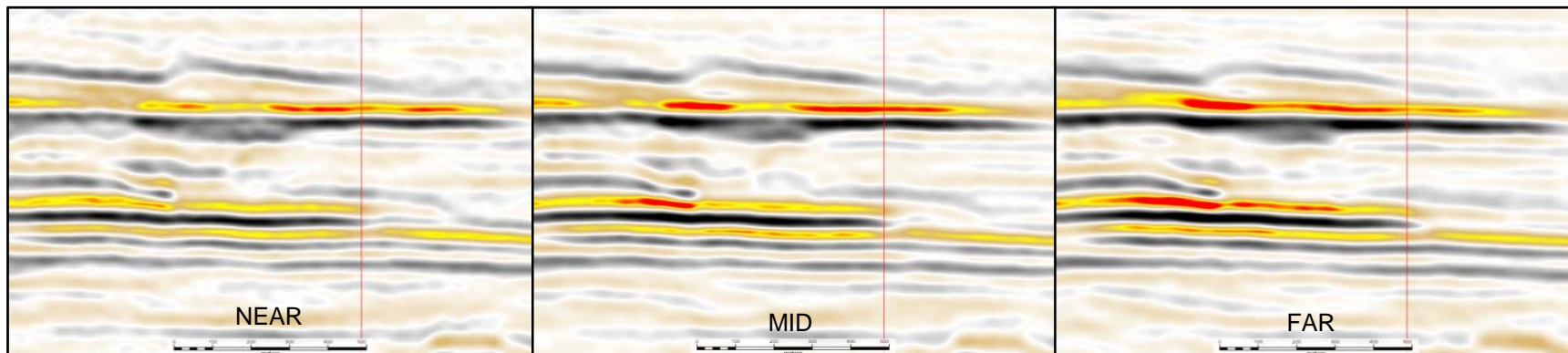
*Source Zhenfeng W. and Baojia H, Dongfeng 1-1 Gas Field in the mud diapir belt of Yinggehai Basin, South China Sea. Marine and Petroleum Geology 25 (2008) 445-455

Vietnam Block 105: Cua Lo 3D Perspective View



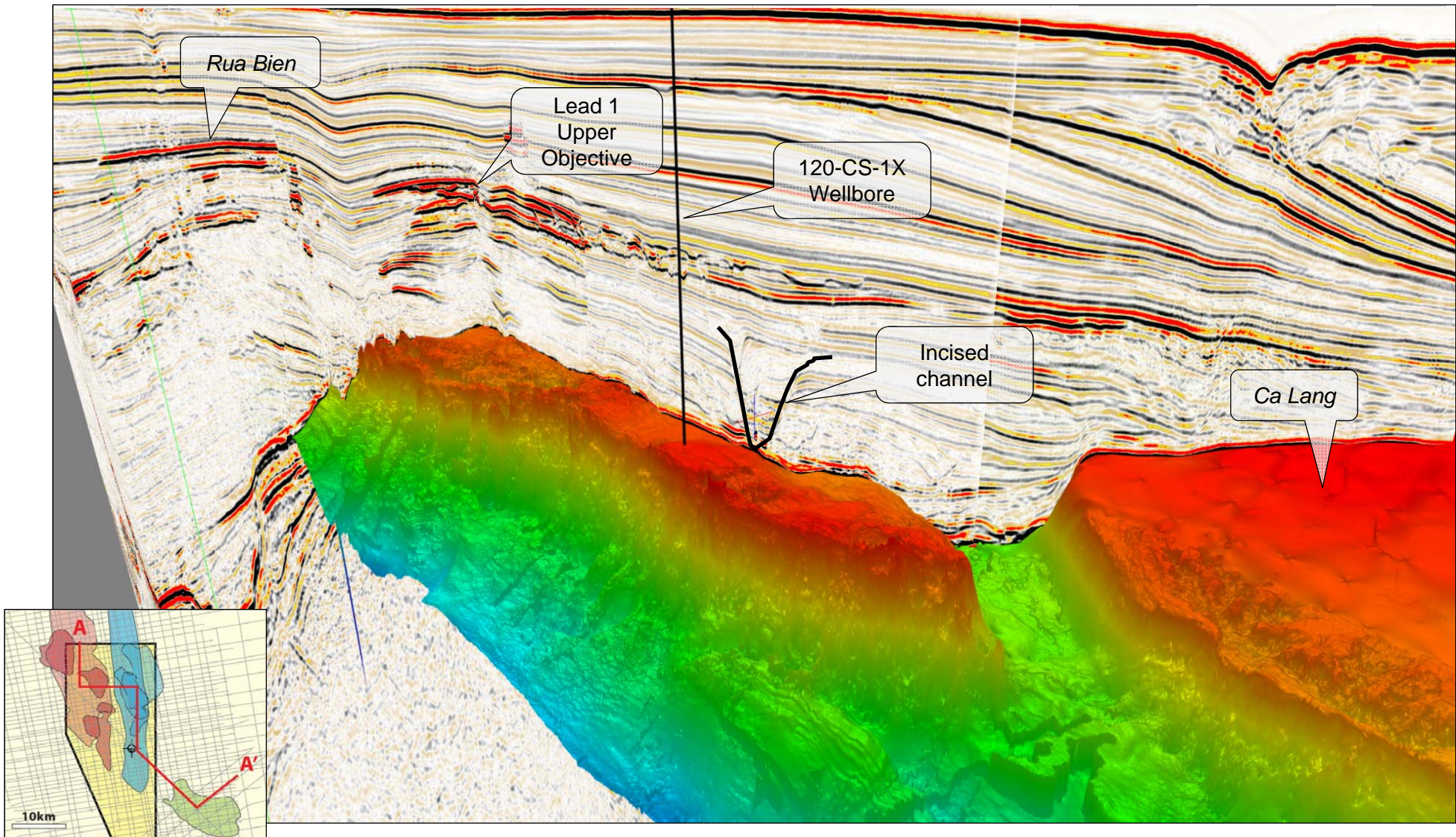
Amplitude Vs. Offset

Multiple Reservoir Levels show increase in amplitudes with offset which sometime can be indicative of the presence of hydrocarbons

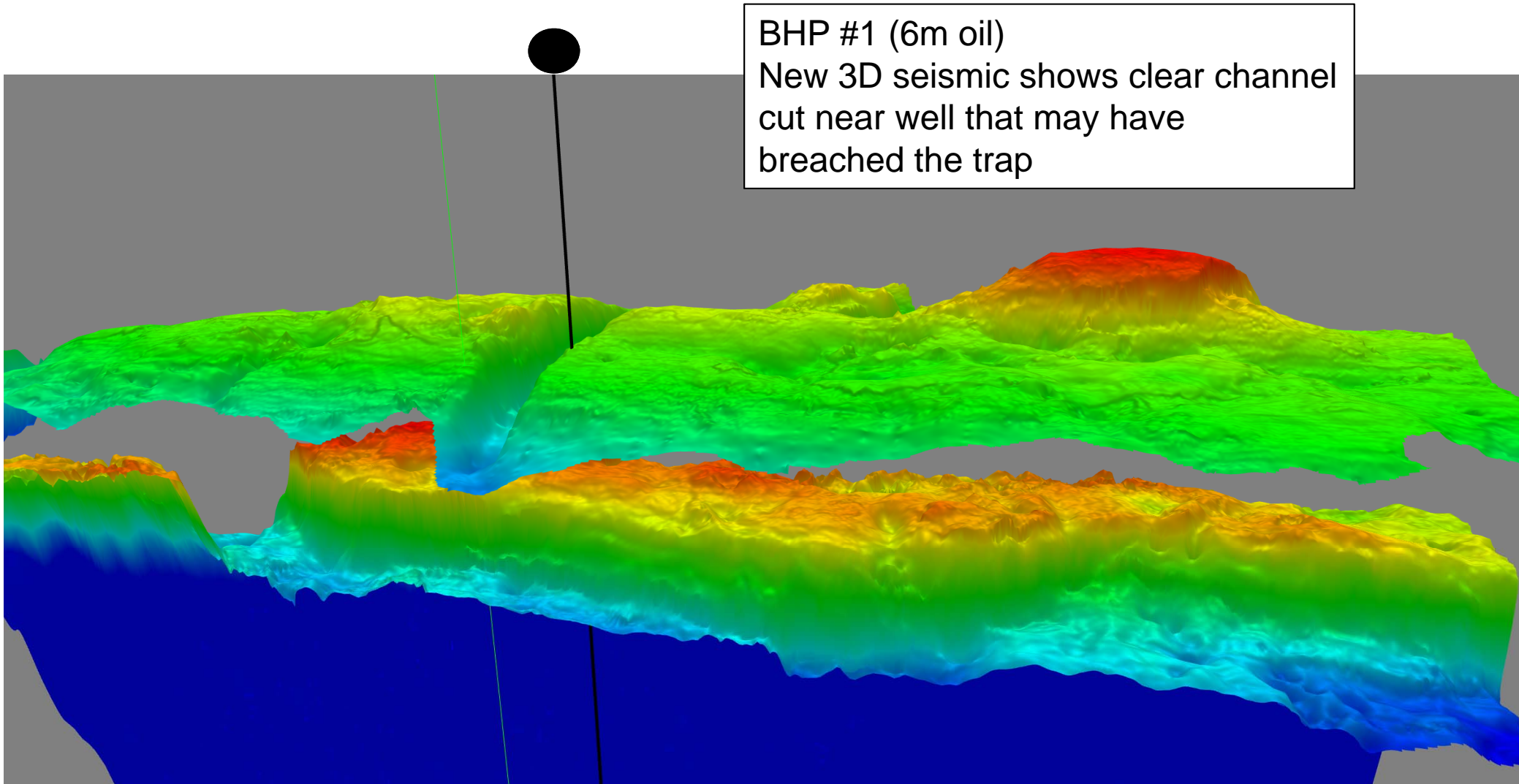


Vietnam Block 120: 3D Perspective View

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

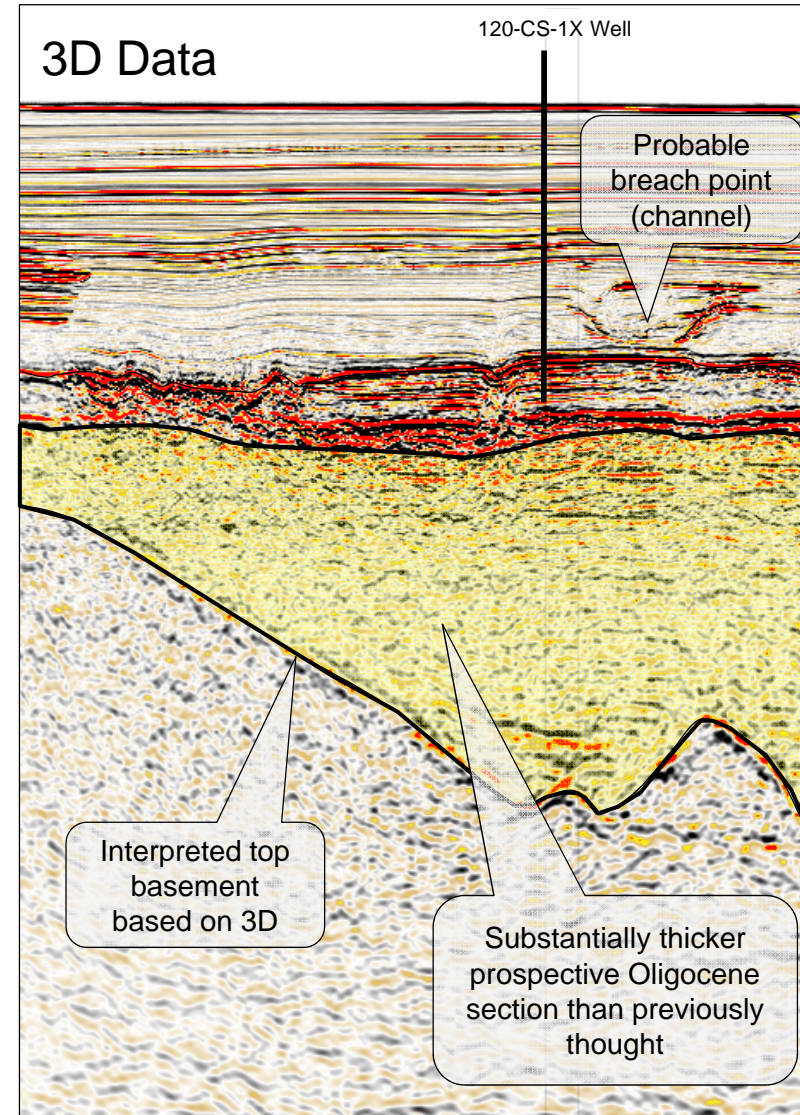
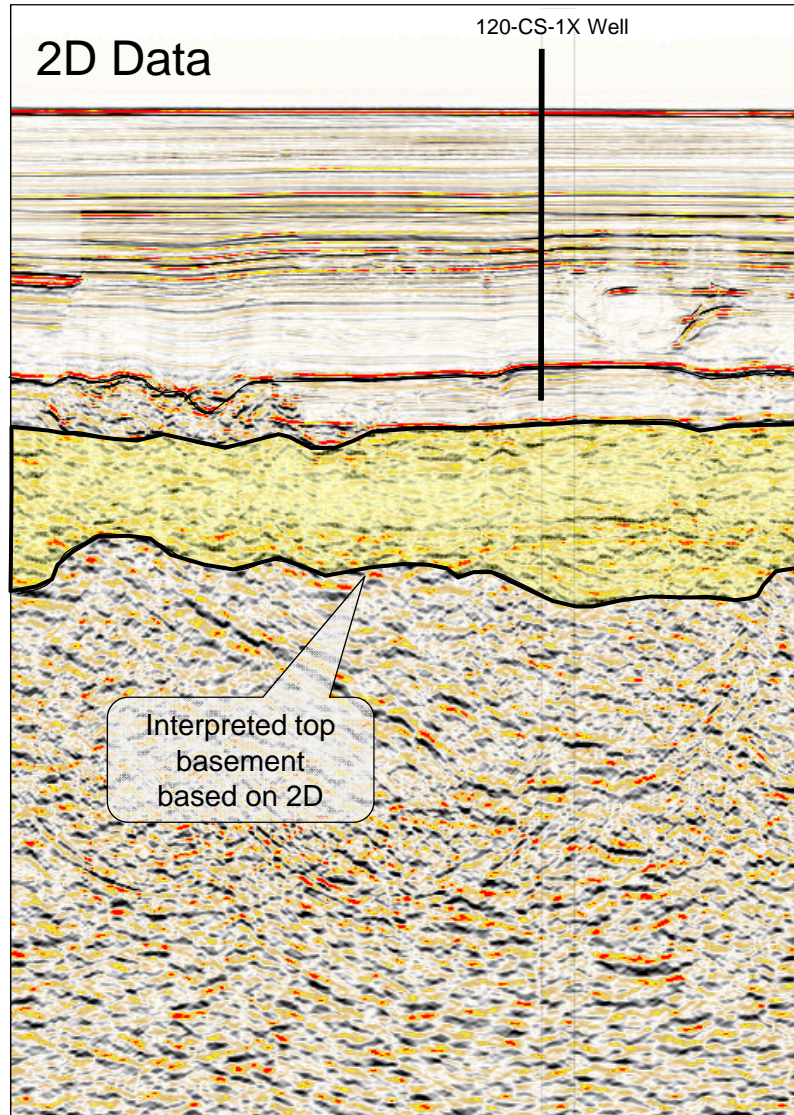


Vietnam Block 120: 2D vs. 3D



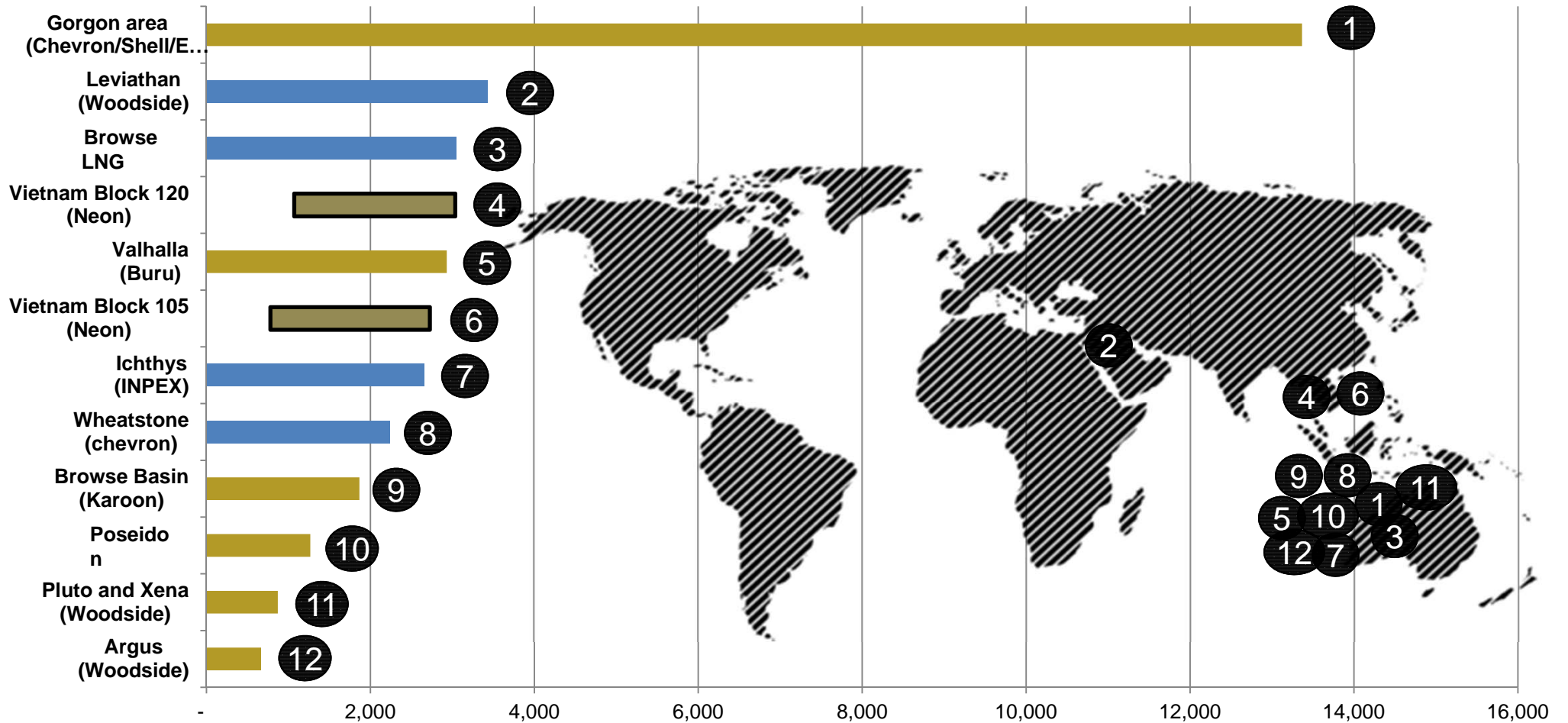
BHP #1 (6m oil)
New 3D seismic shows clear channel
cut near well that may have
breached the trap

Vietnam Block 120: 2D vs. 3D



Vietnam: world class oil & gas prospects

Neon's Vietnamese prospects are amongst the largest in Asia-Pacific



Neon 2013 Prospect
Best (Mid) to high case range

Source: publicly available information

California: diverse range of activity

Continued oil production at North San Ardo

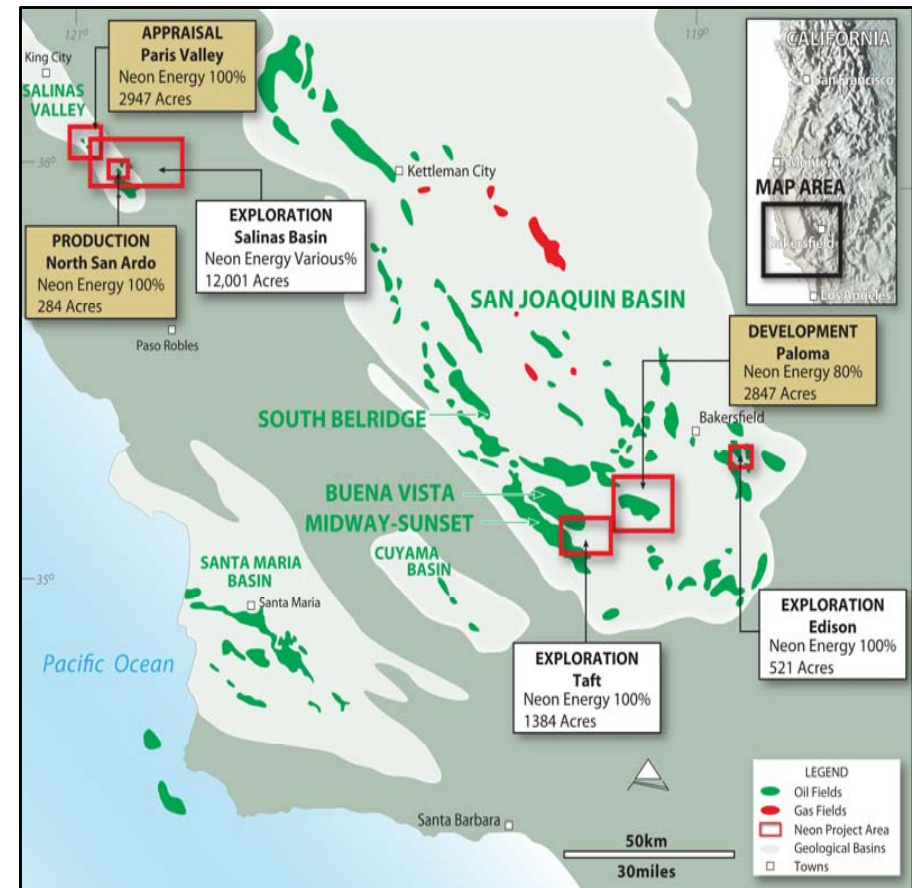
- Heavy oil sold at premium to WTI
- Ongoing initiatives to increase production:
 - Replacement injection well has been drilled
 - Cyclic steam trials have delivered promising early results

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” firminee
- 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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