



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 23 October 2013

Cua Lo-1 Drilling Update

Neon Energy Limited (ASX: NEN) advises of the following update regarding drilling of the *Cua Lo-1* exploration well, located in Block 105-110/04 ("Block 105") offshore Vietnam.

Since the last update on 24 September 2013, drilling operations were suspended due to the passage of Typhoon *Wutip* across the central coast of Vietnam. After resuming operations and preparing to sidetrack, a leak was detected during a routine Blowout Preventer (BOP), requiring replacement of parts to be airfreighted from Singapore. Typhoon *Nari* subsequently resulted in a further rig evacuation. The rig has re-manned and Operator Eni has now resumed sidetrack drilling operations. The daily cost of the rig during the repair downtime is reduced as per the rig contract.

The *Cua Lo-1* well is targeting the *Cua Lo* gas prospect, which comprises five clastic reservoir targets ranging in age from Lower Pliocene to Upper Miocene. The well is being drilled by the Ensco 107 jackup rig in a water depth of 76 metres, to a planned TD of 2,826 metres.

The respective working interests of the joint venture parties in the Block 105 PSC are as follows

Neon Energy (Song Hong) Pty Ltd	25%
Eni Vietnam B.V. (Operator)	50%
KrisEnergy (Song Hong 105) Ltd	25%

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