

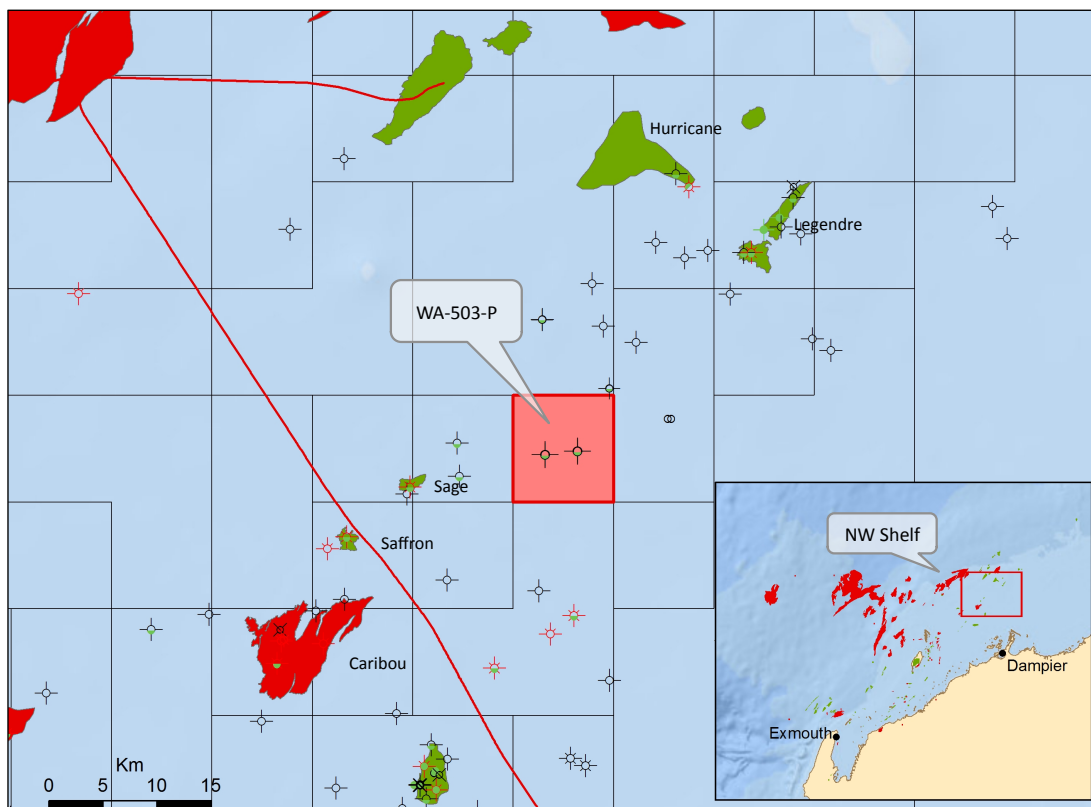
Award of Australian Offshore Exploration Permit

Highlights

- Neon Energy awarded Block WA-503-P, offshore WA (100%, Operator)
- Excellent location within oil prone petroleum system
- Technology play with exploration leads identified on legacy seismic data
- Minimal work commitment

Neon Energy Limited (ASX: NEN) is pleased to announce that the Company has been awarded the WA-503-P offshore petroleum exploration permit, as Operator and 100% working interest holder, having successfully bid in the 2013 Australian Offshore Petroleum Exploration Acreage Gazettal.

Block WA-503-P is located offshore Western Australia within the Dampier Sub-basin, inboard of the giant Northwest Shelf gas field complex and on trend with numerous oil and gas discoveries, including the Legendre and Hurricane fields. Water depths within the block range from 50 metres to 70 metres, within the depth capability of jack up drilling rigs.



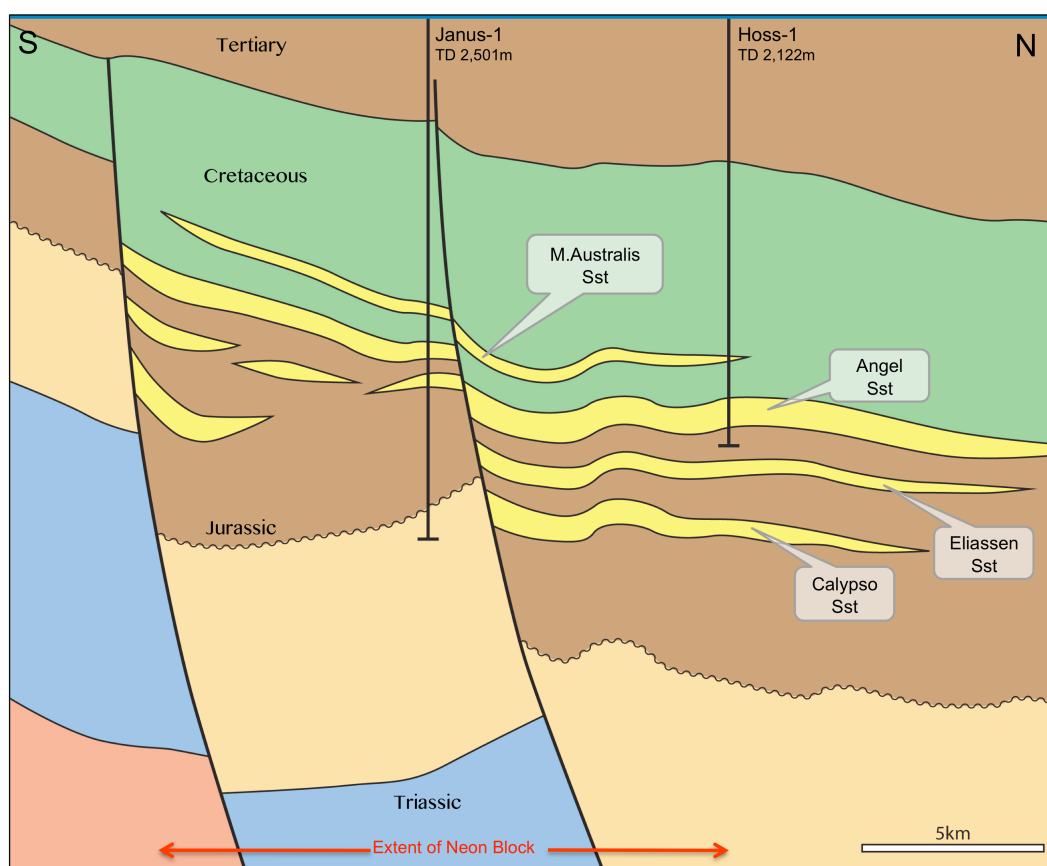
Block WA-503-P Location Map

Neon Energy is confident that the application of new technology - in particular "Broadband" 3D seismic - will generate renewed exploration interest in the area. "Broadband" 3D seismic is an emerging technology that enables the recording of a much wider range of seismic frequencies than traditional 3D seismic, resulting in a high-resolution dataset that can be accurately correlated to regional well data and geology. This enables detailed mapping of subtle

structural, and complex stratigraphic features not readily identifiable on conventional 3D seismic data.

Two wells have been drilled within WA-503-P to date, with the Janus-1 well confirming the presence of a working oil system within the block, having discovered a 4 metre oil column. The Hoss-1 well, located immediately to the northeast of the block, encountered encouraging oil shows. The primary exploration focus in WA-503-P will be the hydrocarbon potential of Lower Cretaceous to Upper Jurassic basin margin fan deposits within the oil rich Legendre Trend, situated along the eastern flank of the Lewis Trough. The Legendre field (now decommissioned) is located approximately 20 km to the northeast, and produced over 40 MMbbls of oil from excellent quality reservoirs that yielded a superior oil recovery rate of over 50%.

The most recent discovery in the area, Hurricane, is believed to contain over 100 MMbbls of oil in place (plus associated gas and condensate) within a subtle structural/stratigraphic combination trap. This is one of the play types being targeted by Neon Energy in WA-503-P. The Company has already identified four exploration leads based on existing 3D seismic data, the largest of which has potential for over 100 MMbbls oil in place within a series of stacked sandstone reservoirs.



Schematic Cross-Section and Play Concept

Block WA-503-P is awarded with a six-year term. The initial three-year primary term includes a work commitment to licence 80km² of new “Broadband” 3D seismic data and complete various geological and geophysical studies. Neon anticipates that the new seismic data will be acquired by early 2015. The secondary term is optional and includes an associated commitment to drill one exploration well.

Neon Energy Managing Director, Ken Charsinsky commented “We are pleased to have acquired the Company’s first exploration permit in Australia, which is the result of an expanded new ventures effort that commenced in mid 2013. We look forward to exploring this exciting new block, and to bringing additional quality assets to Neon’s portfolio in due course.”

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