

Annual Report and Accounts and Notice of AGM

Salamander Energy plc

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1 April 2014

Salamander Energy plc

(the 'Group' or the 'Company')

Annual Report & Accounts and Notice of Annual General Meeting

Salamander Energy plc has today published on its website, www.salamander-energy.com, its Annual Report and Accounts for the year ended 31 December 2013 (the "2013 Annual Report and Accounts"), together with the Notice of the Company's 2014 Annual General Meeting that will be held on 6 May 2014.

Hard copies of these documents will shortly be mailed to those shareholders who have elected to continue to receive paper communications.

These documents, together with a copy of the notice of availability sent to shareholders receiving web-communications and the form of proxy for the 2014 Annual General Meeting, will be submitted to the National Storage Mechanism and will shortly be available for inspection on the National Storage Mechanism's website, <http://www.Hemscott.com/nsm.do>.

The 2014 Annual General Meeting will be held at the Institute of Directors, 116 Pall Mall, London SW1Y 5ED at 2.00pm on Tuesday 6 May 2014.

IMPORTANT: EXPLANATORY NOTE AND WARNING

The primary purpose of this announcement is to inform the market about the publication of the 2013 Annual Report and Accounts. The information set out in the appendices to this announcement has been extracted from the 2013 Annual Report and Accounts and is included solely for the purpose of complying with DTR 6.3.5 and the requirements it imposes on issuers in respect of how to make public annual financial reports. It should be read in conjunction with the Company's 2013 Full Year Results Announcement issued on 13 March 2014. Together these constitute the material required under DTR 6.3.5 to be published in unedited full text through a Regulatory Information Service. This material is not a substitute for reading the full Report and Accounts. Page numbers and cross-references in the extracted information below refer to page numbers and cross-references in the Report and Accounts.

Since the Full Year Announcement, there have been no material changes in relation to the directors' interests in the Company as presented in the Annual Report and Accounts, except those set out in the press release dated 19 March 2014 relating to Directors' Awards under the Performance Share Plan 2006.

For further information:

Salamander Energy 020 7432 2680

Charles Morgan, Group General Counsel and Company Secretary

Geoff Callow, Head of Corporate Affairs

Appendix One: Principal Risks

The identification and mitigation of risks are of critical importance to the Group as it continues to expand and operate the majority of its activities.

Effective risk management is essential if the Group is to deliver its strategic and operational objectives whilst maintaining its excellent HSE record. Risks are identified, documented and monitored through a risk register with senior management involved at all stages of this process. Once a risk is identified, mitigants are defined and responsibility assigned. The risk register is a dynamic process with new risks being identified and others being removed as they are eliminated or become immaterial. The risk register is presented to both the Audit Committee and the Board on a regular basis.

Strategic Risks

Description	How we manage it	Responsibility	Change (v prior year)	Assessment
Intensified political and fiscal risk through focus on a single asset	Allow investor to diversify risk. Within region, exposure to three or more countries and a mix of economic regimes.	CEO	Increased	Mid.
Over reliance on a single producing asset	Diversify production base, partially monetise when peak value in view.	CEO	Increased	High

Operational Risks

Description	How we manage it	Responsibility	Change (v prior year)	Assessment
Failure to develop & manage relationships with host governments, regulators and NOC's	Relationships well established in all countries. Ensure relationships established beyond Energy ministries to include Environment. Participate in industry-wide initiatives. Develop and maintain contracts at different levels throughout organisations.	CEO, COO	Increased	Low

Unbudgeted cost over-runs	Extensive planning pre-investment, cost engineering & estimating with experienced resources.	COO	Increased	High
Value erosion through project drag	Extensive in-house experience to prepare, submit & lobby. Establish realistic schedule upfront, taking account of likely bureaucratic delays. Close monitoring and engagement with authorities at working levels.	COO	No change	Mid

HSE Risks

Description	How we manage it	Responsibility	Change (v prior year)	Assessment
Catastrophic loss due to operational incident	Standard set of useable and comprehensible procedures. Utilise high quality and experienced staff. Training in critical operations with contingency plans that are communicated. Implementation enforced and policed.	COO	No change	Mid
Negative project impact through poor community stakeholder relations	Close engagement with communities. Educate as to our activities, sponsor community initiatives and local projects in-line with CSR strategy.	COO	No change	Mid
Loss through third party HSE standards	HSE requirement in all tenders. Ensure bridging documents are in place before operations start and that there is sufficient resourcing in place to ensure contractor compliance.	COO	No change	Mid

Financial Risks

Description	How we manage it	Responsibility	Change (v prior year)	Assessment
Business constrained through lack of capital availability	Targeting capital expenditure broadly in-line with cash generation. Diversity in funding options, asset-backed debt, corporate bonds and equity. Partial asset divestments provide further optionality.	CFO	Decreased	Mid.
Uncertainty in planning & results through volatile commodity prices.	Hedging policy to mute cash flow volatility and enhance planning ability. Indonesian gas sales contracts at fixed prices	CFO	No change	Low

Governance and compliance Risks

Description	How we manage it	Responsibility	Change (v prior year)	Assessment
Ensuring Corruption & Bribery Act Compliance	Continued review of financial procedures. Code of Conduct in place and rolled out among workforce, extensive in-house training. Internal Audit function in place, plus active participation in Industry initiatives.	CEO, Group General Counsel	No change	Low
Employee conduct damages the business.	Code of Conduct rolled out, together with internal training. An effective Whistle-blowing policy is also in place.	CEO, Group General Counsel	No change	Low
Loss due to occurrence of fraud	Well-developed internal control systems and financial procedures. Conflicts of Interest policy implemented as well as Connected Persons Register.	CFO, Group General Counsel	Decreased	Low

Additional detail on certain financial risks is set-out in note 26 to the consolidated Financial Statements which can be found on pages 102 to 107 of the Annual Report and Accounts.

Appendix Two: Related Party Transactions

Transactions with Key Management Personnel

Details of the remuneration of key management personnel (defined as both those of executive and non-executive directors together with the members of the leadership team) are provided below:

	2013	2012
	\$'000s	\$'000s
Short term employee benefits	5,870	9,974
Share based payment	2,914	3,415
Total key management employee costs	8,784	13,389