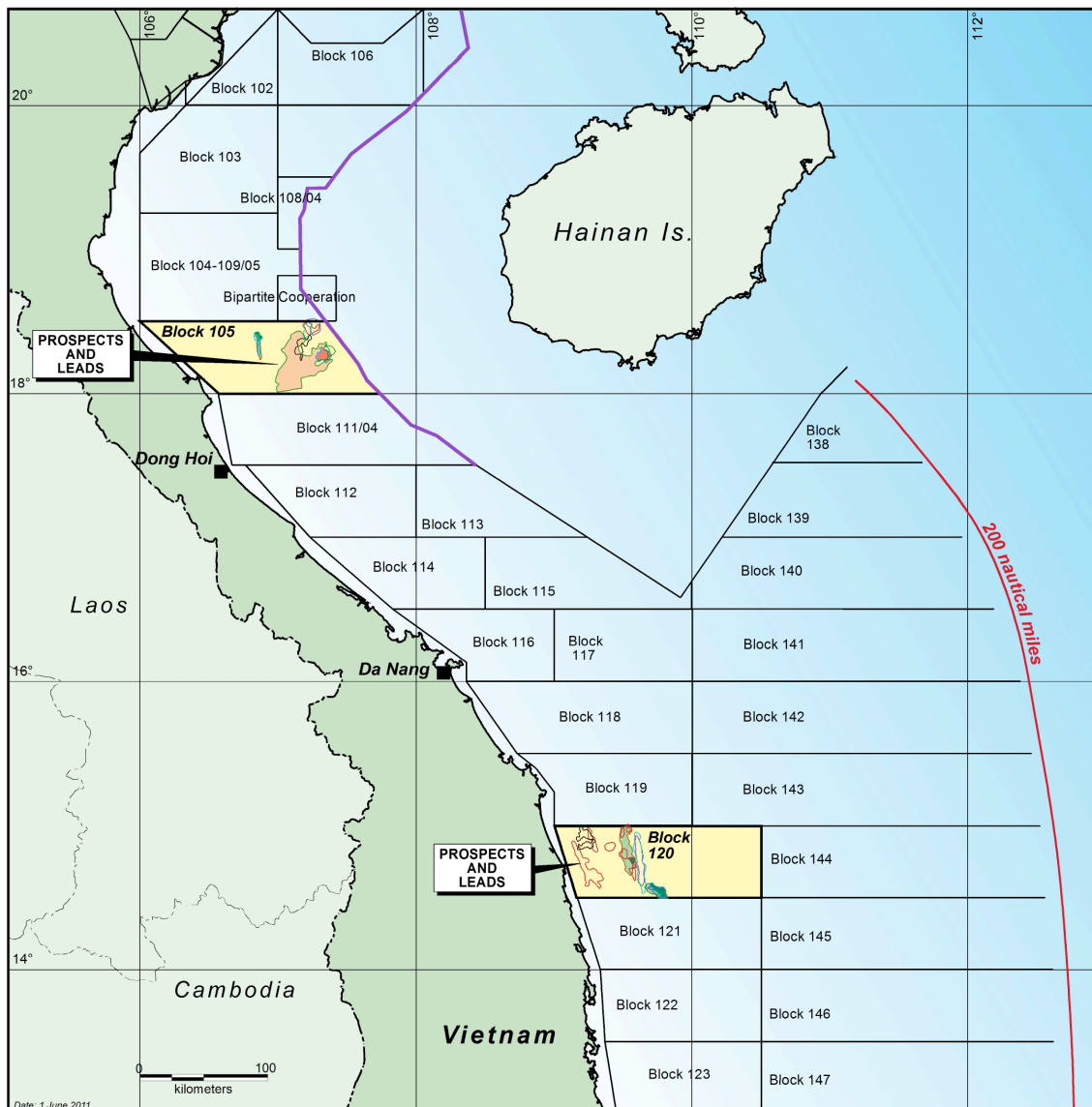


SECURITY OF VIETNAM LEASES

Further to recent reports concerning a confrontation between a Vietnamese seismic vessel and a Chinese patrol vessel over the jurisdictional sovereignty of the waters in which the seismic vessel was operating, Neon Energy Limited (ASX: NEN) wishes to clarify the situation regarding the Company's offshore Vietnam exploration acreage.

Neon's Block 105-110/04 ("Block 105") is unaffected as no border dispute exists in that area. Block 120 does have a portion of the block on which there has been a longstanding dispute between China and Vietnam. However Neon has restricted all activity, analysis and reporting to only that portion of the block on which there is no dispute. Block 120 is wholly located within the 200 nautical mile exclusive economic area of Vietnam, as defined by the United Nations Convention on the Law of the Sea 1982, and International Law. As such the Company has no concerns regarding security of title for either of the blocks as preparations for drilling in early 2012 continue.



The above map shows the location of the 200 nautical mile limit, relative to Block 120.

Enquiries

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