

ANNUAL GENERAL MEETING

17 NOVEMBER 2010

KEN CHARINSKY, MANAGING DIRECTOR



NEON
ENERGY LIMITED



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Investors should undertake their own analysis and obtain independent advice before investing in Neon Energy shares.

All references to dollars (\$) in this presentation are to US\$ unless otherwise stated.

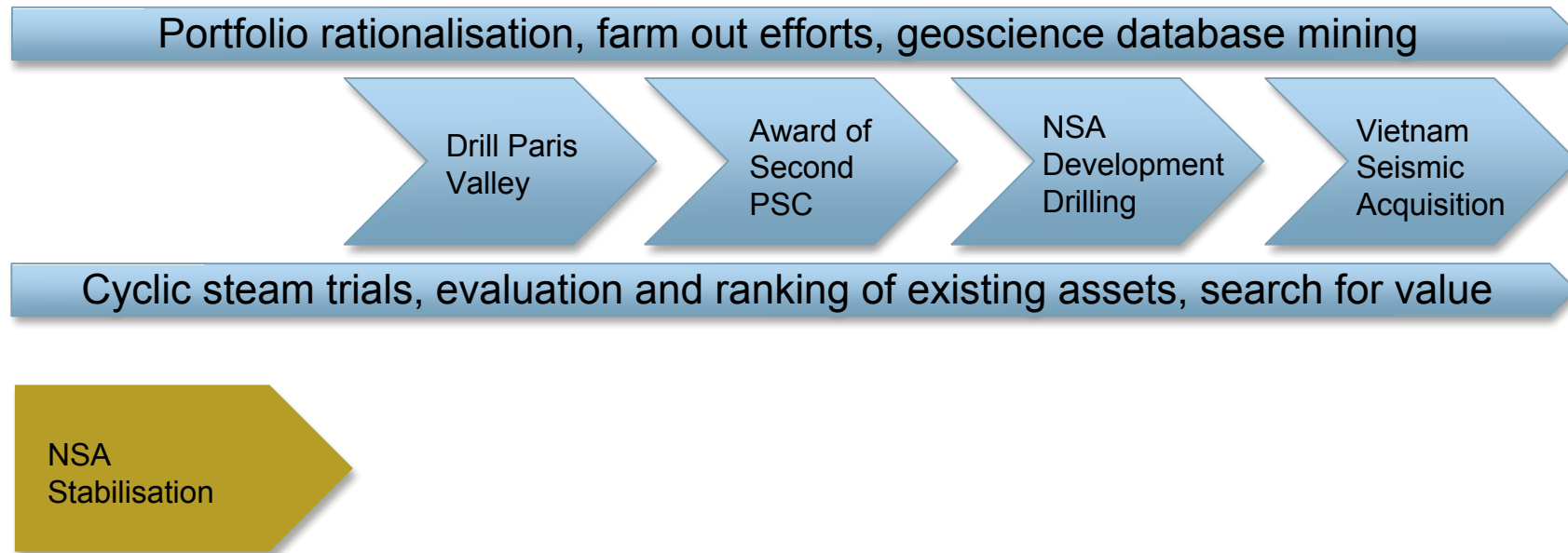
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Capital Structure

■ ASX Code:	NEN
■ Market Cap:	\$50 million
■ 1 Year Share Price:	9.3 to 18.5 cents
■ Shares on issue:	323,994,678
■ Cash on Hand:	\$2.1* MM
■ Options on issue:	29,170,000
■ Top 40 holding:	46.2%
■ Board & Management:	6.9%
■ Institutions:	12.8%
■ Nil debt	

* Does not include additional funds to be received upon approval of farm out to KrisEnergy by the Vietnam granting authority

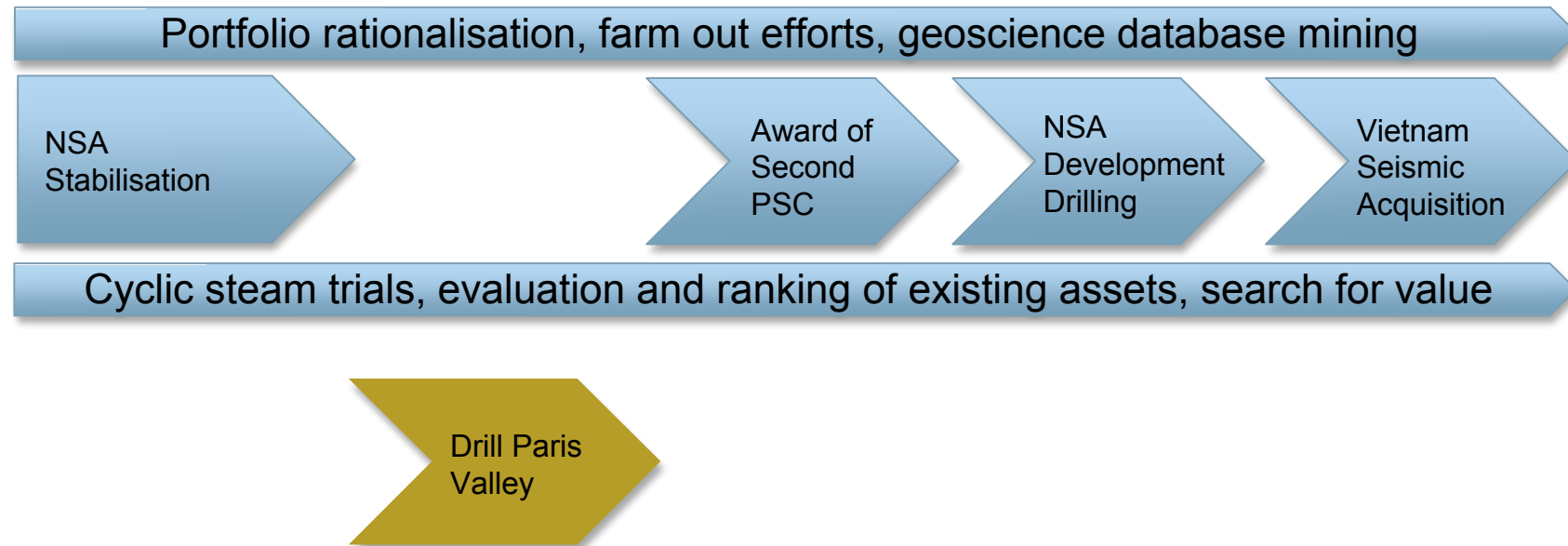
Stabilisation



North San Ardo Stabilisation

- Drilled two wells to augment declining production rates
- Commissioned dedicated cyclic steaming unit
- Result is a near doubling of production from last year
- Upgrades to maximise water handling capacity
- Clean heater elements to increase quality of sales crude and optimise process

Paris Valley

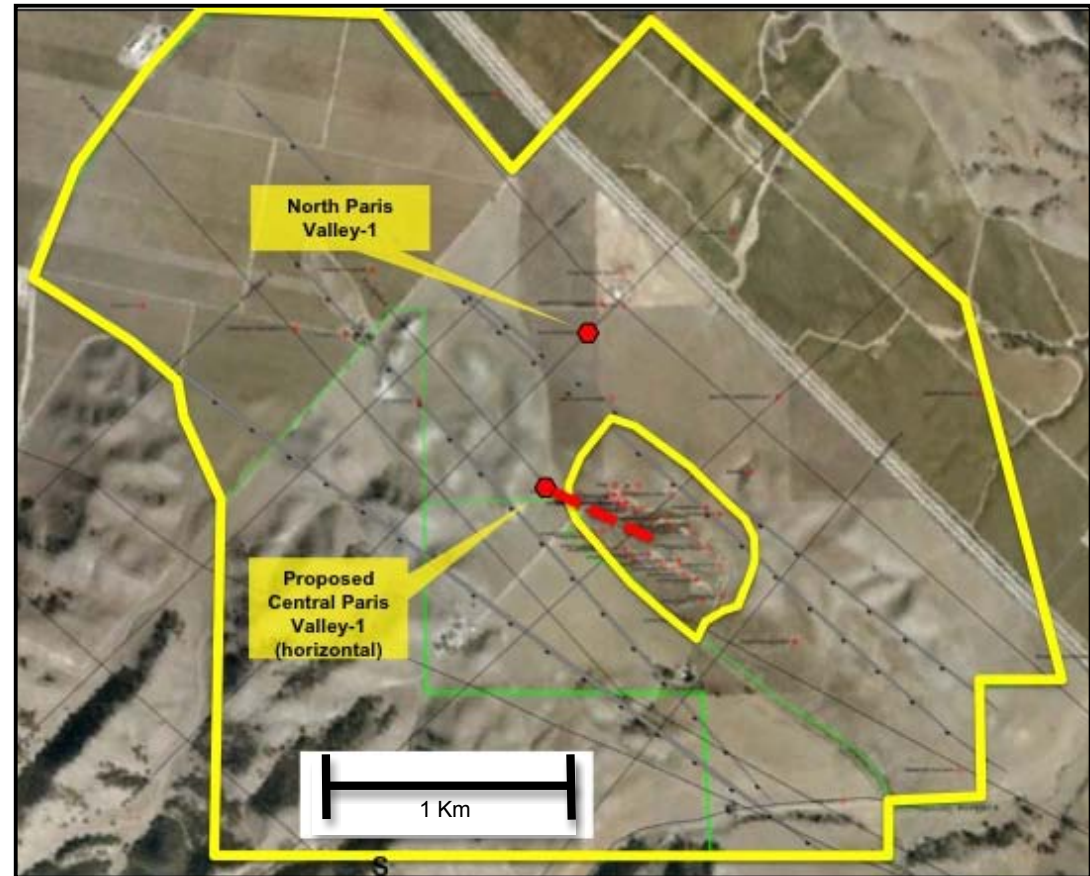


Drill Paris Valley

- Drilled NPV-1 well late 2009
- Testing ongoing
- Significant delays associated with lab results and changes to California portable steam generator emission standards

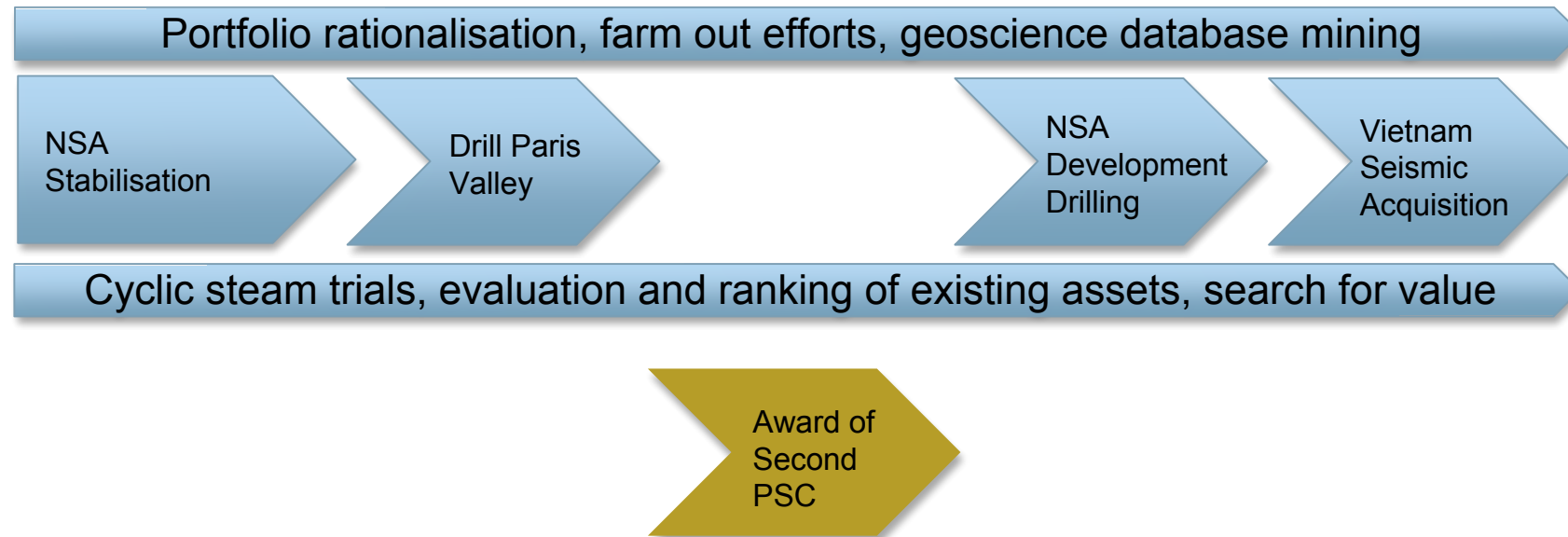
Paris Valley Oil Field Re-Development Project

- Neon Energy Hold 100%
 - Over 100 MMbo in place resource
 - Central Area contains 9.1 MMBO 2P reserves*
 - Appraisal well in northern compartment currently being tested
 - Better than expected oil viscosity
 - Aim to book reserves in 2010
- Other appraisal opportunities being pursued at the present time



*MHA Petroleum Consultants, in a report with an effective date of 1 January 2009

Vietnam Block 105

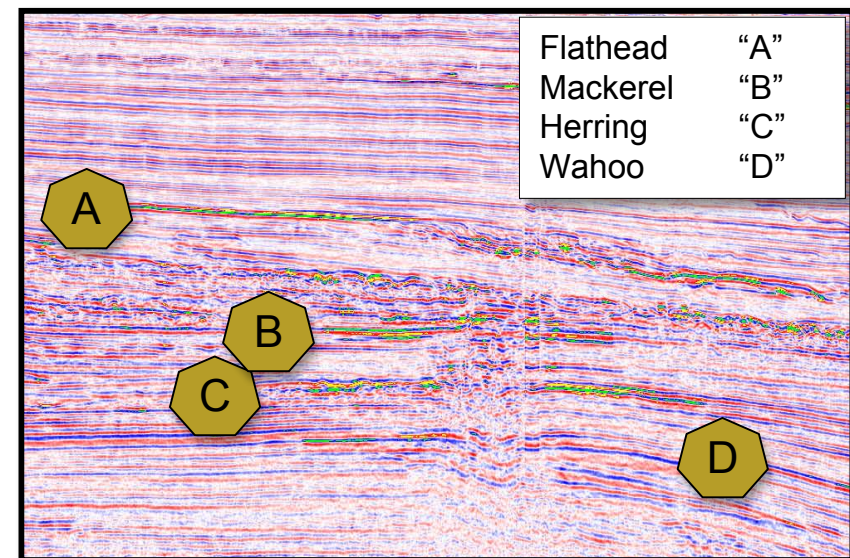
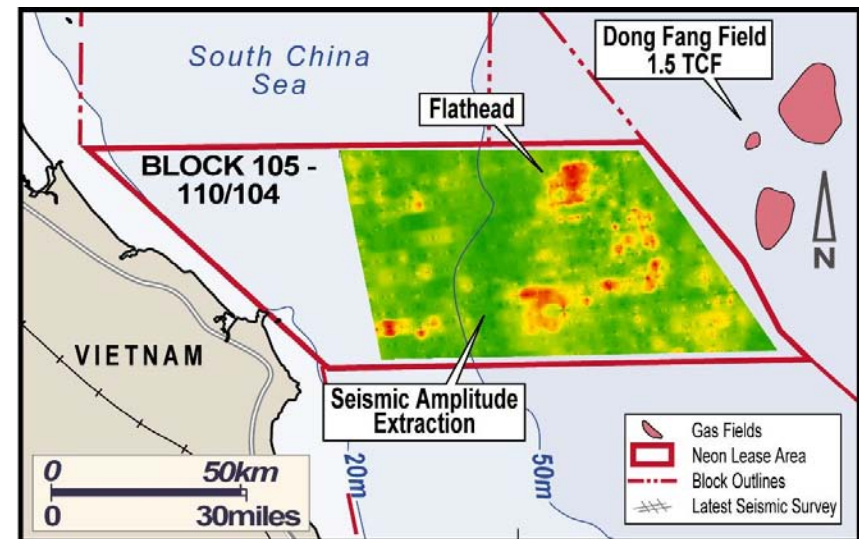


Award of Second PSC

- Vietnam Block 105-110/04 awarded January 2010
- Seismic program completed 1 year ahead of schedule
- First tranche farmout completed (subject to approval by Vietnamese granting authority)

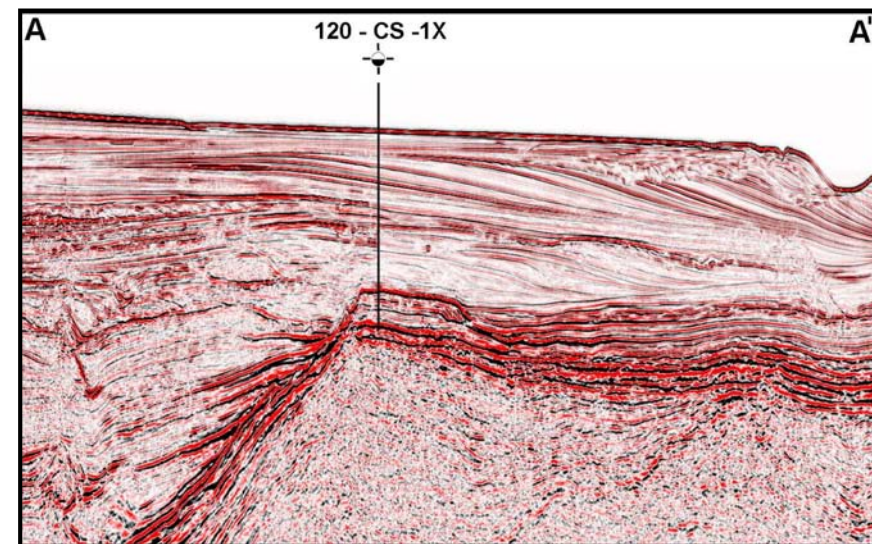
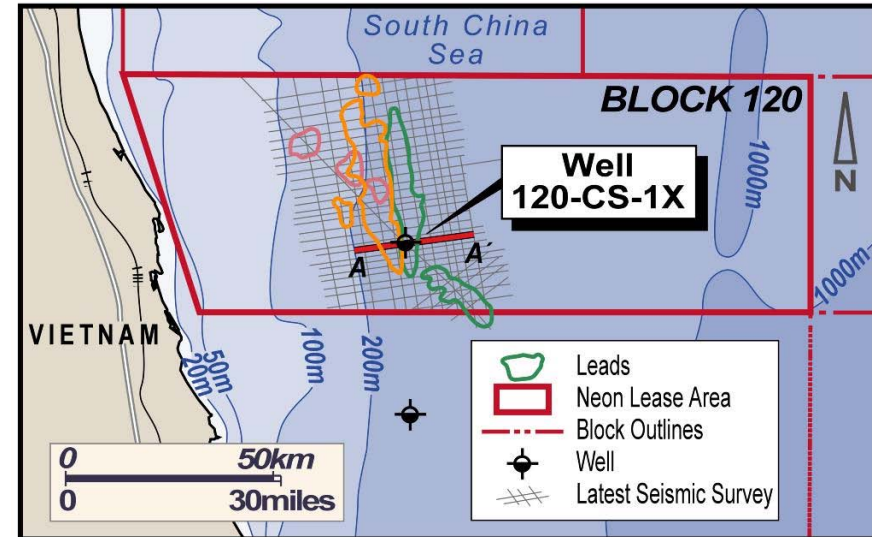
Vietnam Block 105 (Neon Operator, 50%)

- Area 7,192 km² with no wells to date
- Water depth 25-50 metres
- PSC signed January 2010
- Significant resource potential for gas with potential inboard oil play
 - Numerous leads evident on seismic data, with apparent Direct Hydrocarbon Indicators
 - Adjacent to large Chinese gas fields
 - Leads analogous to recent VietGazprom discoveries
- 1,807 kms 2D seismic commitment acquired June 2010
 - Currently being interpreted
- One commitment well by January 2014 latest
 - Potential to fast track drilling
 - Drilling obligation via planned farmout

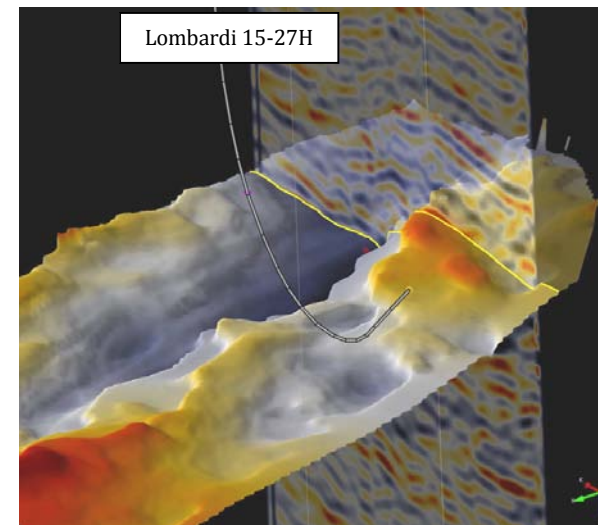
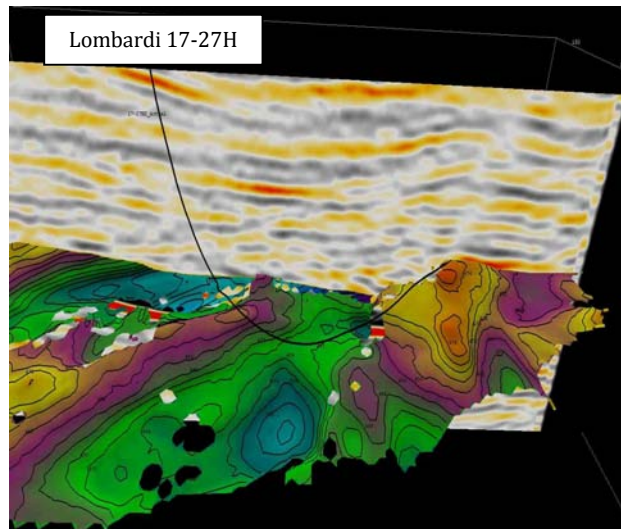


Vietnam Block 120 (Neon Operator, 50%)

- Large underexplored area: 8,469 km²
- Prospects all in 100-400 metres of water
- Significant resource potential for oil
 - Large structures evident on seismic data
 - Oil discovery on-block
 - Proven petroleum system with sixteen prospects and leads thus far
 - Potential for 500 MMBO+ prospects
- 2,021 km 2D seismic acquired May 2010
 - Currently being interpreted
- Exploration well committed by January 2013 latest
 - Drilling obligation via planned farmout



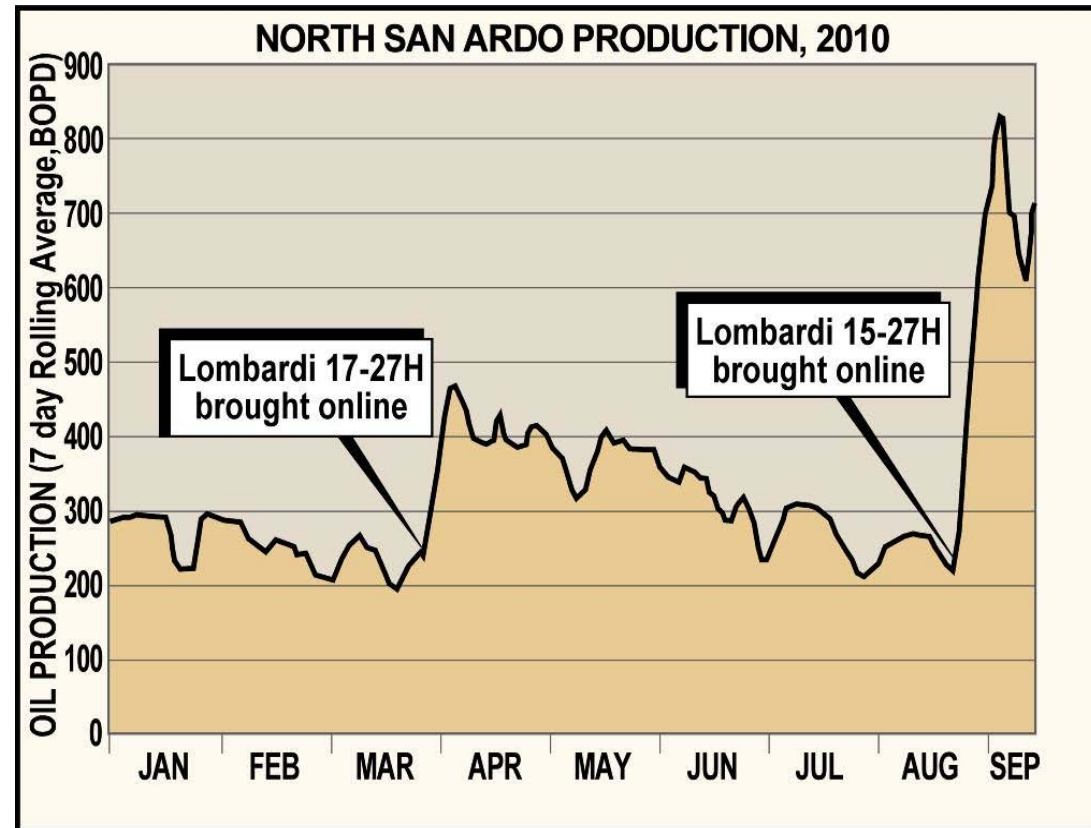
NSA Development Drilling



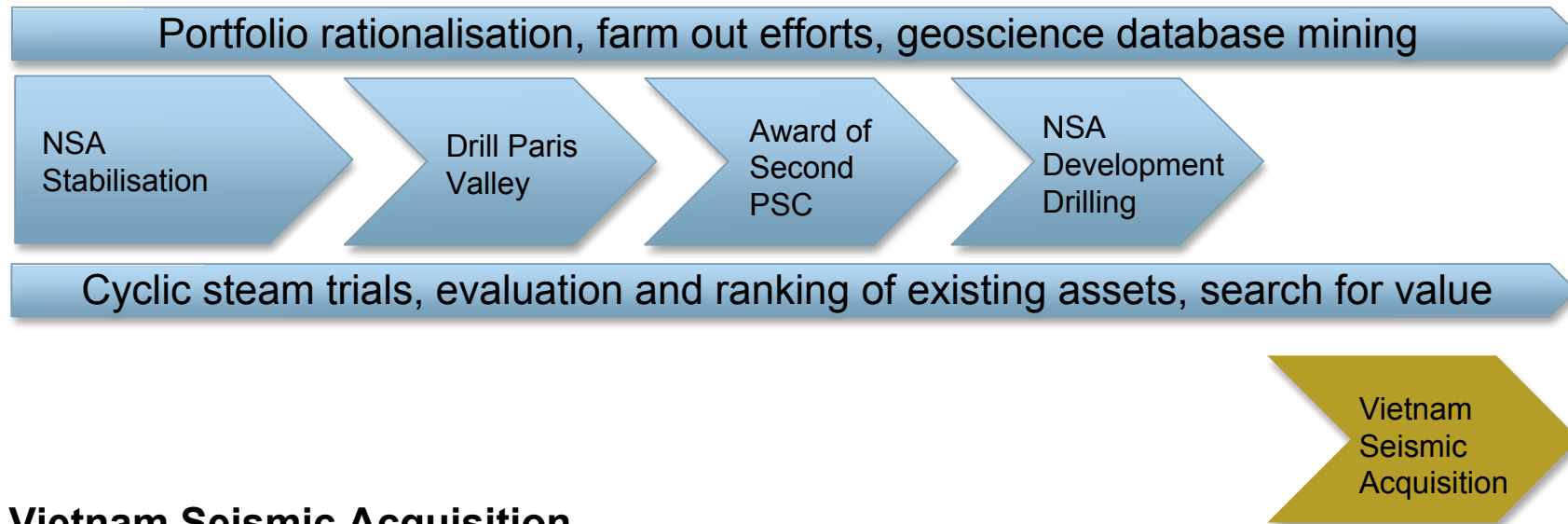
- #17 completed March 2010 paid out in 79 days
- #15 completed August 2010 paid out in 36 days
- First use of real time geo-steering technology

North San Ardo Infill Drilling

- Recent success with infill wells
- Significant production increase with rapid payback
- 17-27H cost US\$850k
- 15-27H cost US\$730k
- Combined incremental net revenue US\$1.8mm to date
- Re-entering and sidetracking existing wells will halve drilling cost



Seismic Acquisition Program



Vietnam Seismic Acquisition

- Commenced program 12 May 2010
- Completed in 29 days
- Nil net cost to Neon, consistent with farm down strategy
- Block 120 on schedule
- Block 105 is a year ahead of schedule



Aquila Explorer Seismic Vessel

Rationalisation



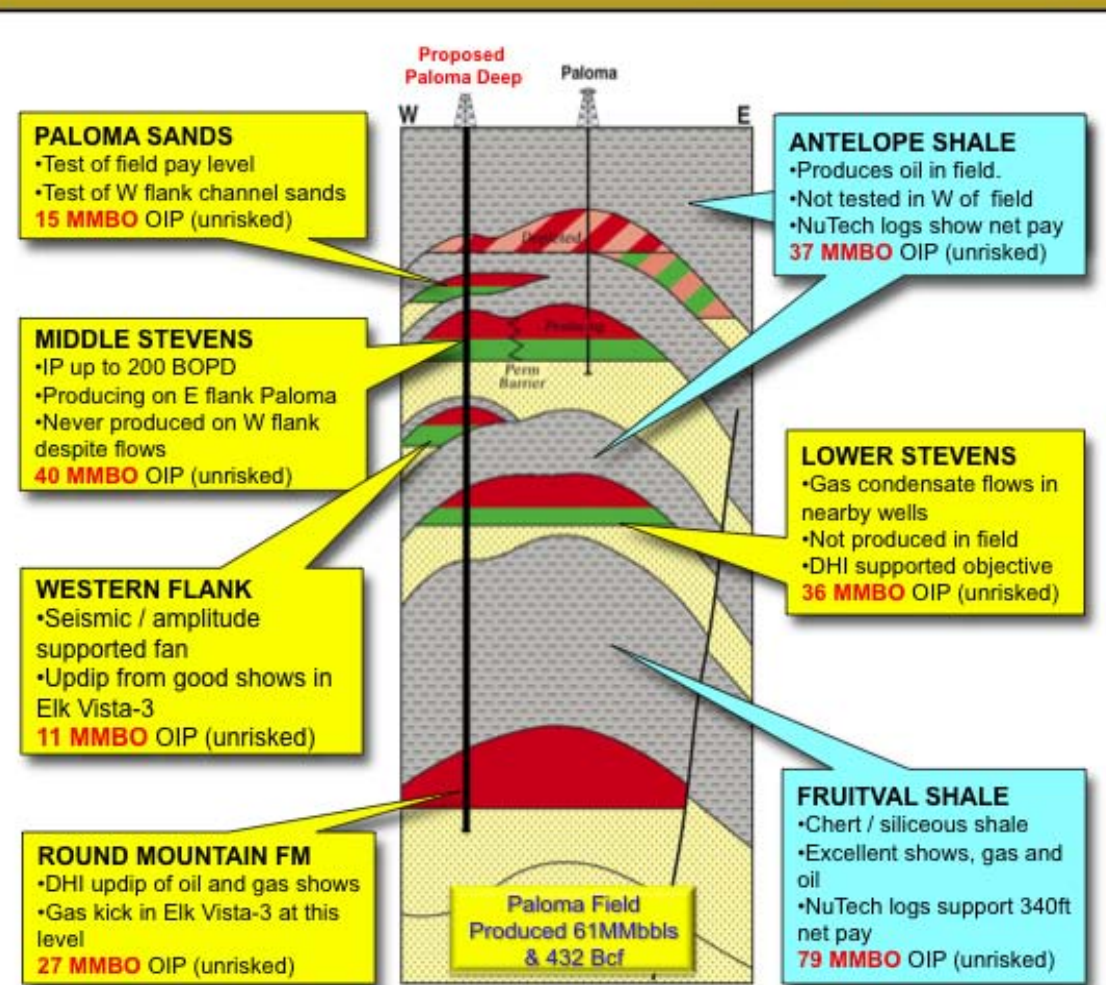
- Re evaluation of California acreage position has resulted in:
 - Release of non core acreage
 - Addition of new acreage
 - Current farmout negotiation for Guijarral Hills acreage exploration project that will minimise risk capital
 - Identification of new large upside Paloma Deep prospect

Paloma Deep Prospect

PALOMA DEEP PROSPECT



7 OBJECTIVES, 1 VERTICAL WELL, \$3M DHC

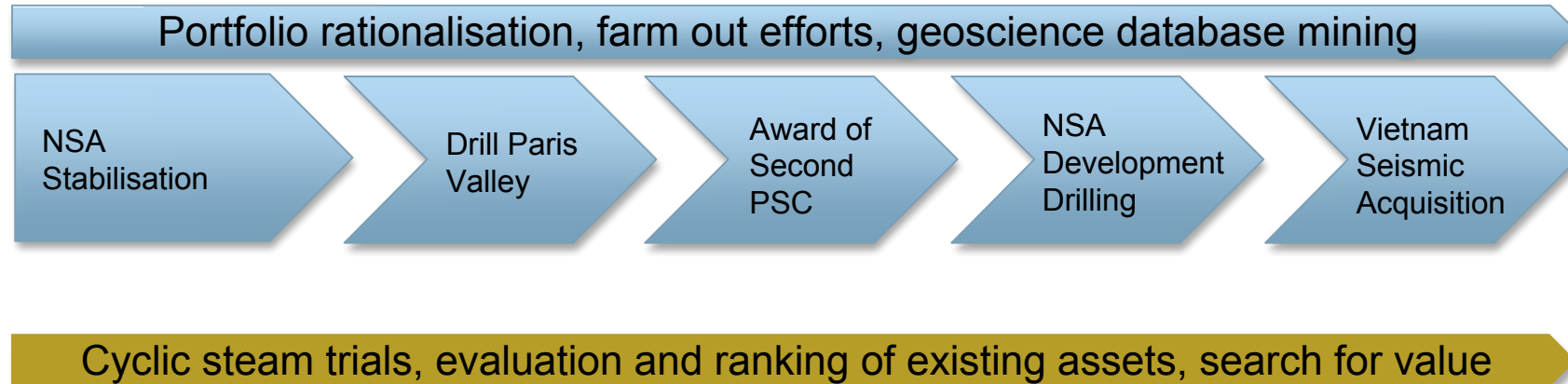


245 MMBO or 784 BCFG + 170 MMBC
 (In Place, Un-risked, Prospective Resource)

Key Conventional Target Unconventional Target



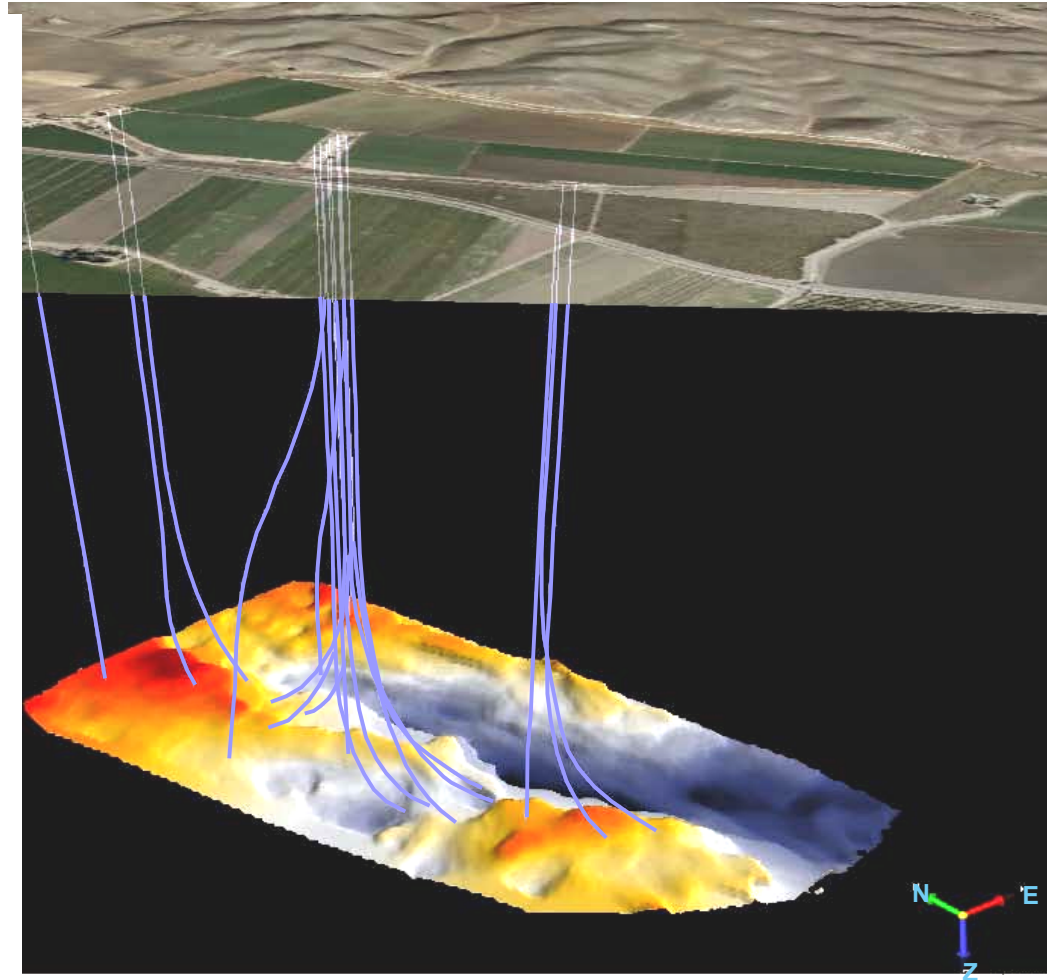
Value Addition



- Successful vertical well test trial resulted in dedicated cyclic steam equipment on the central pad to sequentially steam all wells
- Consideration of unconventional targets which are proven to work in California
- New potential unlocked in Taft area

California Production: North San Ardo Field

- North San Ardo heavy oil field provides profitable revenue stream
- Reversing the natural production decline via:
 - New development wells
 - Dedicated cyclic steaming
 - Remedial works
- Implementing latest technologies
 - 3D Visualisation
 - Real-time geosteering



San Joaquin Steamflood Success Story

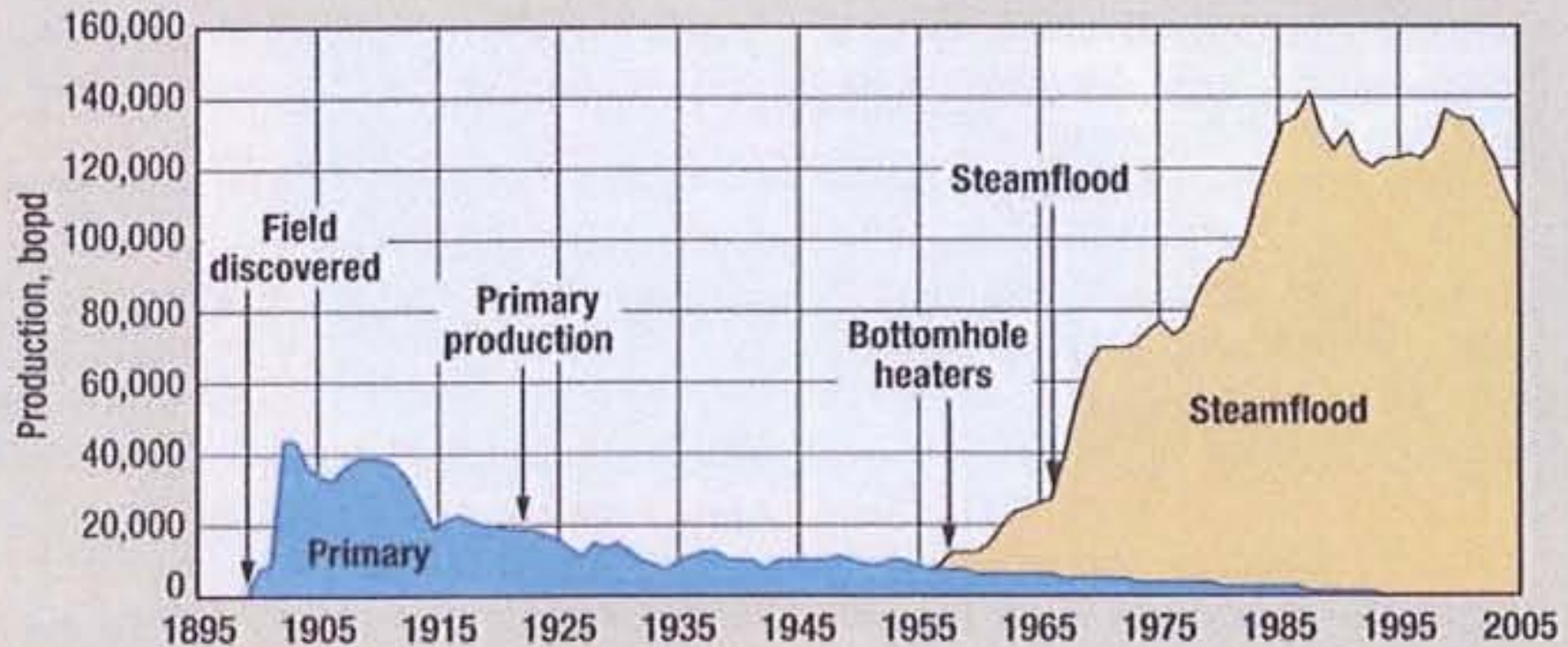
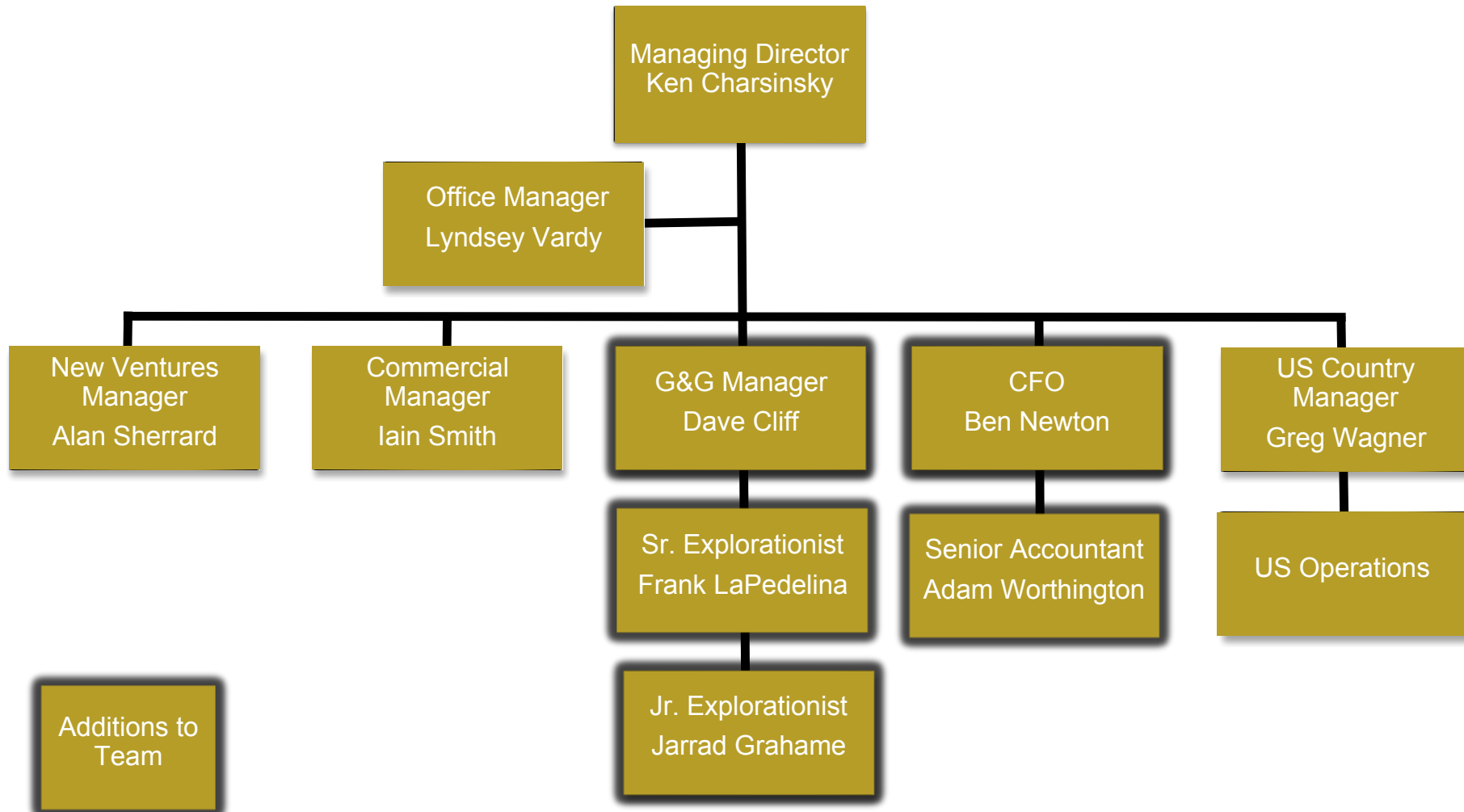


Fig. 2. The dramatic impact of steamflooding technology at Kern River Field resulted in increasing production for over 20 years after it was first implemented.

Organisation Chart



2011 and Beyond

- Additional Drilling at NSA
- Paris Valley test results and Drilling of CPV-1 well
- Dedicated Cyclic steam update at NSA
- Continued plant improvement at NSA
- Partnership/Drilling Paloma Deep
- Farmout and drilling at Guijarral Hills
- Kettleman Middle Dome Activity
- Taft Activity
- International New Ventures activity
- Certification of potential in Vietnam
- Approval of KrisEnergy and release of sunk costs
- Next stage farm down in Vietnam
- Vietnam Drilling