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Manager Announcements  
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*Via electronic lodgement*

### **Three Well Testing Program Begins**

Solimar Energy Limited ("Solimar Energy") (ASX Code: SGY) is pleased to announce that work has started on testing multiple potential gas bearing intervals in each of the three already drilled wells at the Southeast Lost Hills (SELH) Project (Jack Hamar 1-12, 1-13 and 2-13) which is located in the San Joaquin Basin, California.

Operations have now commenced on the Jack Hamar 1-12 well with the rig running tubing to clean out the hole in preparation to perforate and to test the deeper zone in this well.

A fourth well, Jack Hamar 3-13, was tested in December 2007 and flowed gas at 633,000 cfpd over a 48 hour testing period at a tubing pressure of 1,185 psi on a 6/64 inch choke.

The new extensive testing programs for each of the three wells will firstly involve perforating the lowest prospective interval and, if productive, an extensive flow test will begin in preparation for commercial production. A total of 10 intervals have been targeted for testing in the three wells. These reservoir targets are shallow Pliocene sands that pinch out around the flanks of the Lost Hills Anticline. The target intervals to be tested are not greater than 4,000 feet in depth.

Solimar is also working to commercialise the existing successfully tested well Jack Hamar 3-13 as well as any new production from the current testing operation. Work is continuing on a pipeline connection to the Jack Hamar wells. Details are being completed on connection points and the required permits. Terms are also being finalised with a buyer of the gas.

The aim of testing the SELH operation is to confirm commercially viable production rates from these wells and to better ascertain the reserves potential. Solimar Energy believes there is potential for a substantial gas accumulation in the shallow Pliocene reservoirs. The commercial development potential of the project is enhanced by strong gas demand in the area, local infrastructure and high gas prices.

Solimar Energy's wholly-owned US subsidiary, Livingstone Energy, Inc., is Operator in a 50/50 joint venture with Nuenco NL (ASX Code: NEO) in the SELH project.

### **About the Southeast Lost Hills (SELH) Project**

SELH is located in the San Joaquin Basin, California, along the southern flank of the large Lost Hills Anticline. The Lost Hills structure is a large feature that has already produced in excess of 400 million barrels of oil equivalent ("MMboe") to date to the north of the Jack Hamar discovery.

The SELH gas accumulation is a combination structural stratigraphic trap. The reservoir targets are shallow Pliocene sands that pinch out around the flanks of the Lost Hills Anticline. Seismic amplitude anomalies are associated with the presence of these hydrocarbons. This is a shallow play, with target depths of not greater than 4,000 feet, hence the commercial development costs will be relatively low.

For further information regarding this announcement and Solimar Energy, please contact Peta Marriner, Manager Investor Relations on 0404 002 613 or via email: [petam@solimarenergy.com.au](mailto:petam@solimarenergy.com.au).

Yours sincerely,



Frank Petruzzelli  
**Chairman**  
Solimar Energy Limited