



ABN 42 112 256 649

566 Elizabeth Street
Melbourne Victoria 3000

Tel: +61-3-9347-2409
Fax: +61-3-9349-1186
www.solimarenergy.com.au

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Manager Announcements
Company Announcements Office
Australian Securities Exchange
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Via electronic lodgement

Update on the Redrill of the Ventura South Flank #1 Well

The Ventura South Flank #1 well has reached a total depth of 10,100 feet without encountering commercial hydrocarbons and a decision has been made to plug and abandon the well. The Joint Venture will review the data obtained from this well over the coming months and make a decision on the future of the project.

The results at Ventura South Flank #1 have been disappointing. Solimar Energy has had a 100% drilling success rate outside of the Ventura South Flank Project over the past year with discoveries at Nesbitt and Maricopa. These discoveries combined with the imminent start-up of the Southeast Lost Hills gas field form a strong base for the company to grow. Solimar Energy is also evaluating other near term exploration opportunities which it hopes to announce shortly.

Yours sincerely

A handwritten signature in black ink that reads "Frank Petruzzelli". The signature is written in a cursive, flowing style.

Frank Petruzzelli
Chairman
Solimar Energy Limited

Forward Looking Statements

This announcement contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause the actual results to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserves and resources estimates, loss of market, industry competition, environmental risks, physical risks, legislative changes, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.