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*Via electronic lodgement*

### **Update on the Testing Programs at the Maricopa and SELH Projects**

Solimar Energy Limited ("Solimar Energy") (ASX Code: SGY) announces that the testing programs at the Wellington Maricopa #4 well at the Maricopa Project and the Jack Hamar 2-13 well at the Southeast Lost Hills (SELH) Project have been completed.

#### **Testing Programs**

##### Wellington Maricopa #4

The testing at Wellington Maricopa involved re-entering a well bore drilled in the 1930's in an attempt to produce oil from a zone proven productive in the well and in the field. Operations discovered that the old existing perforations in the Wellington Maricopa #4 well were cemented off and the well was cleaned out through the Contact Sands to about 3,328 feet. The well was swab tested and failed to recover oil due to fluid leaking from other sections. The well has been shut-in pending further evaluation. The test at Wellington Maricopa #4 was an inexpensive test of a proven oil column without the need to drill a new well. However, with well costs having fallen sharply over past months future operations will most likely involve drilling a new well to access the oil column.

Solimar has already drilled two successful new wells on the field which is currently in commercial production. Solimar expects to drill further new wells over the medium term in order to increase production.

Solimar Energy has a 50% interest and is operator of the Maricopa Project. Sunset Energy Limited (ASX Code: SEY) also has 50% interest in the project.

##### Jack Hamar 2-13

This testing program initially involved the perforation of a 7 foot interval between 1,850 to 1,857 feet. Gas was recovered from the test which is encouraging and proves the zone is gas bearing but not at sustainable commercial rates at this stage. Further work is being considered to evaluate the gas zone and determine if commercial flow rates are achievable.

Solimar currently has one producing well on the Jack Hamar field which has been in commercial production since December 2008. The production from this well effectively proves the play type and its commercial potential where Solimar has a 50% interest. Solimar also has plans to drill

further new wells on the field over the coming year in order to increase production. The testing of Jack Hamar 2-13 completes a testing program of old wells drilled by the previous operator.

Solimar Energy's wholly-owned US subsidiary, Livingstone Energy, Inc., is Operator in a 50/50 joint venture with Quest Petroleum NL (ASX Code: QPN) in the Southeast Lost Hills Project.

### **About the Maricopa Project**

Solimar Energy currently has a 50% interest in a 120 acre lease located two miles east of the town of Maricopa within the southeast end of the Midway-Sunset Oil Field. The Midway Sunset field is one of the largest onshore oil fields in the world with reserves in excess of 3 billion barrels. The lease already contains five wells completed as producers with close to 1 million barrels being produced from the lease and some 2.2 million barrels from immediate adjoining leases since 1930.

Solimar Energy and its joint venture partner, Sunset Energy, have drilled two successful oil wells at the Maricopa Project.

The Wellington Maricopa #7 well was the first appraisal well drilled in September 2008 at the Maricopa Project and follows the discovery well, Wellington Maricopa #6, which was drilled in March 2008. The Wellington Maricopa #7 well has been shut-in due to high water cuts and the current low oil prices, however as more production of oil is added to the field the company has alternative plans to dispose of water in a more cost efficient manner. Production of oil from the Wellington Maricopa #6 well in February 2009 averaged about 30 bbls per day.

Additional follow-up locations in the Maricopa Project have also been identified, including up to 3 vertical well locations and possibly 2 horizontal locations. A new geologic review is underway to identify further new drilling locations to increase potential production.

### **About the Southeast Lost Hills Project**

The Southeast Lost Hills Project 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 3-13 discovery which was brought into production on 5 December 2008.

The Southeast Lost Hills gas accumulation is a combination structural and 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. Since the Southeast Lost Hills project is a shallow play, with target depths of not greater than 4,000ft, it is expected that commercial development costs will be relatively low.

Solimar Energy believes there is potential for a substantial gas accumulation in the shallow Pliocene reservoirs around the Lost Hills structure. The commercial development potential of the project is enhanced by low drilling costs due to the shallower reservoirs, strong gas demand in the area and local infrastructure.

Yours sincerely,



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.

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