

8<sup>th</sup> January 2010

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

### **Almond Grove Prospect commences drilling**

Solimar Energy Limited ("Solimar")(ASX Code: SGY) is pleased to advise that the Almond Grove 4-13 well at Southeast Lost Hills is due to spud on the 13th January 2010. This anticipated spud start may change depending on the drilling rigs current operation. The well is expected to take approximately one week to drill and complete.

Almond Grove 4-13 is programmed for a total depth of 4,000 feet and will drill for a primary gas reservoir target at approximately 3,600 feet. Secondary gas reservoir targets are expected to be encountered while drilling down to the main objective.

The Almond Grove 4-13 is an important well for Solimar's South East Lost Hills (SELH) gas project in which the Company is targeting a recoverable gas resource of 40 Bcf with upside for over 100 Bcf in the large acreage position (over 5,000 acres) that the Company holds over the gas play.

The Almond Grove well is located over 1 kilometer from Solimar's current gas producing facilities, and if successful, it will immediately be tied into this existing infrastructure.

Solimar has a 100% interest in the Southeast Lost Hills gas project.

Yours sincerely

A handwritten signature in black ink that reads "Frank Petruzzelli".

Frank Petruzzelli  
**Chairman**  
Solimar Energy Limited