

15 January 2010

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

Rig enroute to drill Almond Grove

Solimar Energy Limited ("Solimar")(ASX Code: SGY) is pleased to advise that Ensign Rig 530 is enroute to the site of the Almond Grove 4-13 well which will appraise the Company's Southeast Lost Hills (SELH) gas project in the San Joaquin Basin, California. The well will commence drilling over the weekend and is expected to take approximately 6 days to drill to total depth.

The well 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 the 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 well is located over 1 kilometer from Solimar's current gas producing facilities and if successful, 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