

19 January 2010

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

Almond Grove drilling ahead to target

Solimar Energy Limited ("Solimar")(ASX Code: SGY) is pleased to advise that the Almond Grove 4-13 appraisal well commenced drilling on Saturday, 16 January and that surface casing has been set at 1,204 feet.

The well is drilling ahead to a programmed total depth of 4,000 feet with the primary target gas reservoir 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 Southeast Lost Hills 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