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

Via electronic lodgement

### **SUCCESSFUL PRIVATE PLACEMENT TO SUPPORT EXPANSION PLANS**

The Board of Directors of Solimar Energy Limited (Solimar) are pleased to announce that commitments have been received for a private placement of 16,306,455 fully paid ordinary shares (Placement Shares) at an issue price of 6.2 cents per share to sophisticated and professional investors to raise just over one million dollars.

The Placement Shares have been subscribed for under Solimar's 15% placement capacity and will not require shareholder approval. Solimar expects to issue the Placement Shares in the next few days and is pleased to report that there was strong investor demand during the capital raising process.

The Placement has been made to top up working capital while the Company attempts to bring to fruition a number of as yet incomplete transactions that will expand the Company's asset base in California and lead to an active drilling program this year. As part of this growth strategy Solimar plans to complete farmout arrangements for key assets as outlined in the investor presentation released on 21 April that will mean most of the drilling activity is funded by third parties, which will help to preserve capital and minimise dilution.

Solimar expects to retain operatorship and significant interests (i.e. over 35%) in its key assets. The project areas include some large oil targets like Gujarral Hills with potential for 35 million barrels of oil in place and Jacalitos which is effectively a step out of an existing oil field. Solimar does intend to maintain its 100% equity in the Southeast Lost Hills gas discovery where further drilling/testing is expected to take place this year.

The Board wishes to thank all the participants in the Placement and looks forward to a very active remainder of 2010.

Yours sincerely,

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

Frank Petruzzelli  
**Chairman**  
Solimar Energy Limited