

Solimar Energy Limited

(ASX Code: SGY)

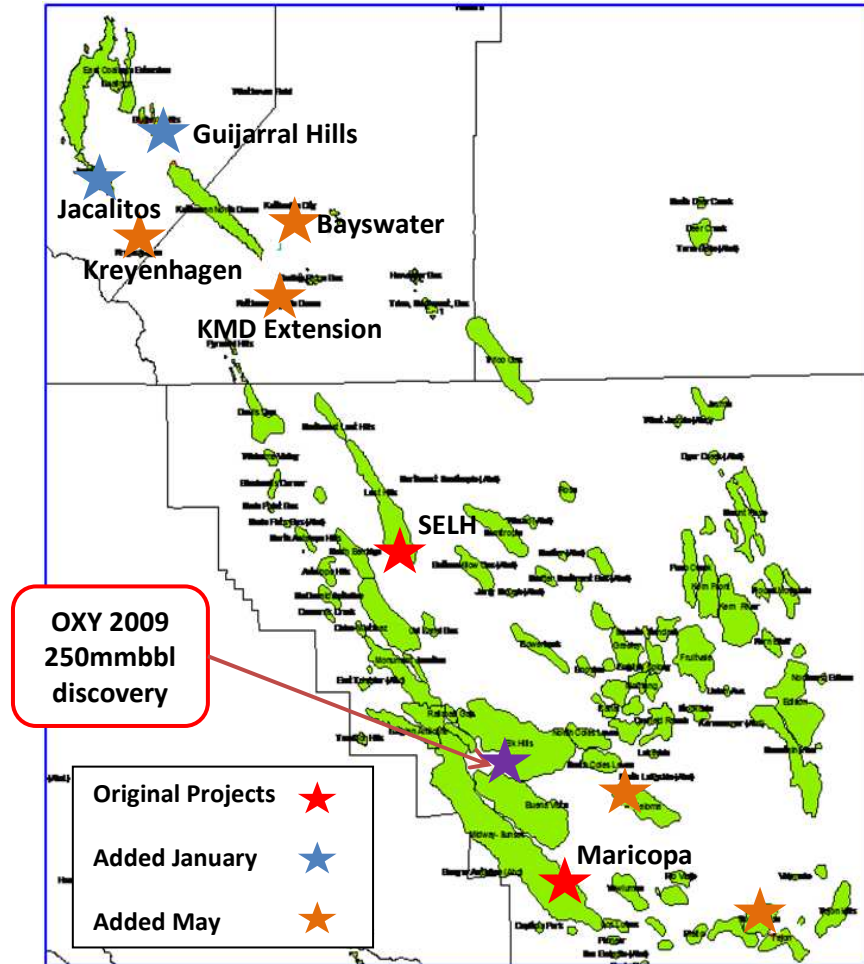
Expanded California oil and gas portfolio with active (to be mostly third party funded) 2010 drilling program

May 2010

Our focus area and strategy



- Solimar’s playground, the San Joaquin Basin
- One of the world’s great hydrocarbon provinces
- Offers great variety of proven play types
- Low risk of finding hydrocarbons. Main risk is flow rates from potentially energy sapped reservoirs but the gems are there
- Business environment turned on its head last year by OXY’s 250 mmbbl discovery
- Solimar now has a portfolio of projects and is building
- Cost effectively acquired, mainly with scrip
- Pre investment in bringing the databases up to modern standards then focus on the assets with most potential. Lower rated assets will be cycled out

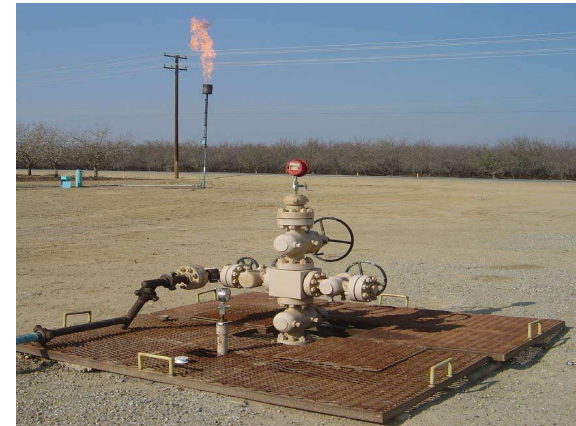


Our business metrics remain consistent



Control, focus and increased capability

- We operate our main projects and keep our exposure to non operated projects modest
- Large equity positions means control and ability to farm out to cover costs. The Gujarral Hills farmout is proof of the strategy
- Shallow, affordable targets in areas we know well
- Main focus oil and gas field appraisal and development
- Low operating costs so profitable production
- Lean, highly experienced team of staff and selected consultants with deep knowledge of our areas of activity in California and the Australian capital markets
- Former Salinas Energy MD John Begg joined in late 2009 and has added other area experts to the team on a cost effective basis

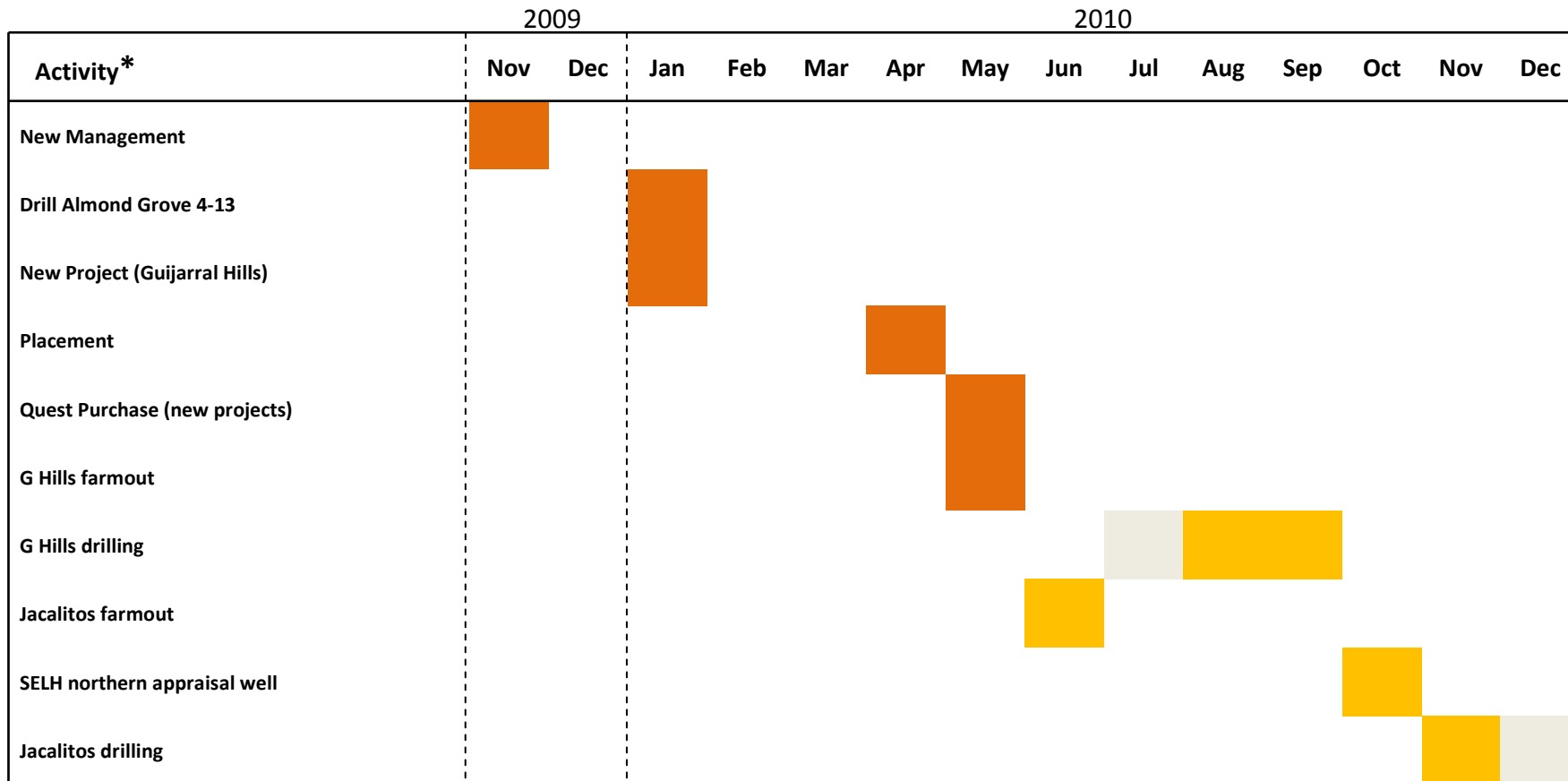


Flaring gas during production testing of SELH well 3-13



Solimar Chief Geoscientist, Rob Hoar

Schematic timeline of key activities



Actual



Planned

* All planned activities are subject to future essential approvals and in the case of drilling rig availability

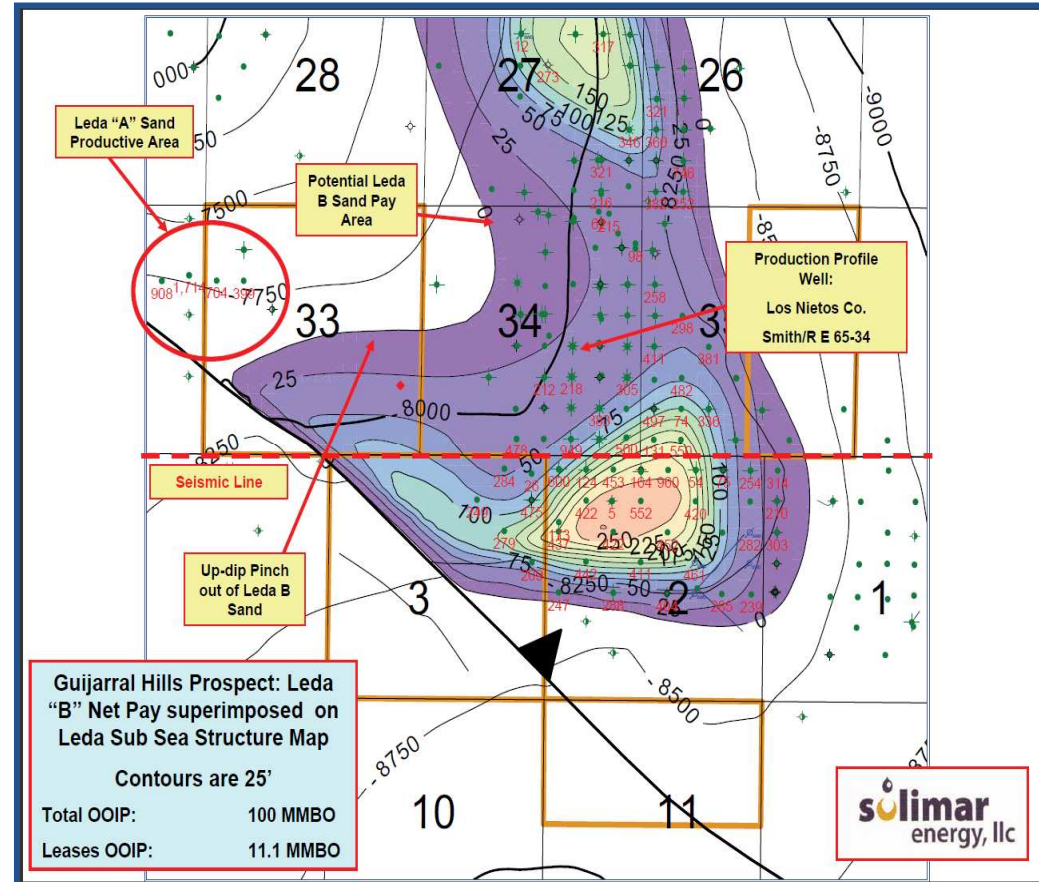
Guijarral Hills - testing the boundaries of a light oil field



New project

- Solimar Operator minimum 70%*
- Exploiting potential 35mmbbl OIP left behind in +50mmbbls produced Guijarral Hills field
- 2,560 acres
- Sandstone reservoir targets b/n 8,500 and 11,500 feet
- Two well locations chosen and being permitted
- Targeting 400 bopd per well
- Farmout negotiated
- Large acreage position supports significant reserves upside if initial drilling program successful

Planned drilling second half 2010



* New Project Interests subject to completion of necessary consents and assignments

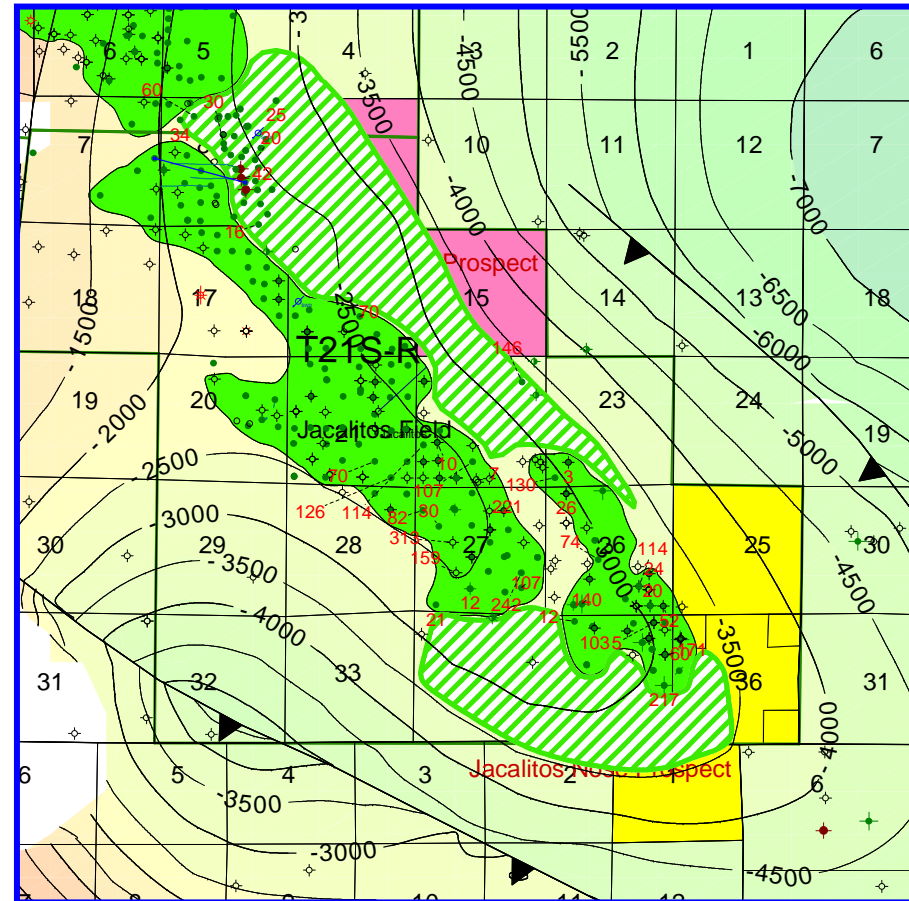
Jacalitos - stepping out down plunge on a light oil field



New project

- Solimar Operator minimum 90%*
- Over 1,700 acres
- Sandstone reservoir targets from 3,500 feet
- Two well locations being permitted
- Targeting 100 bopd per well
- Farmout discussions advancing
- If the first 2 wells successful numerous follow up locations in controlled acreage

Planned drilling second half 2010

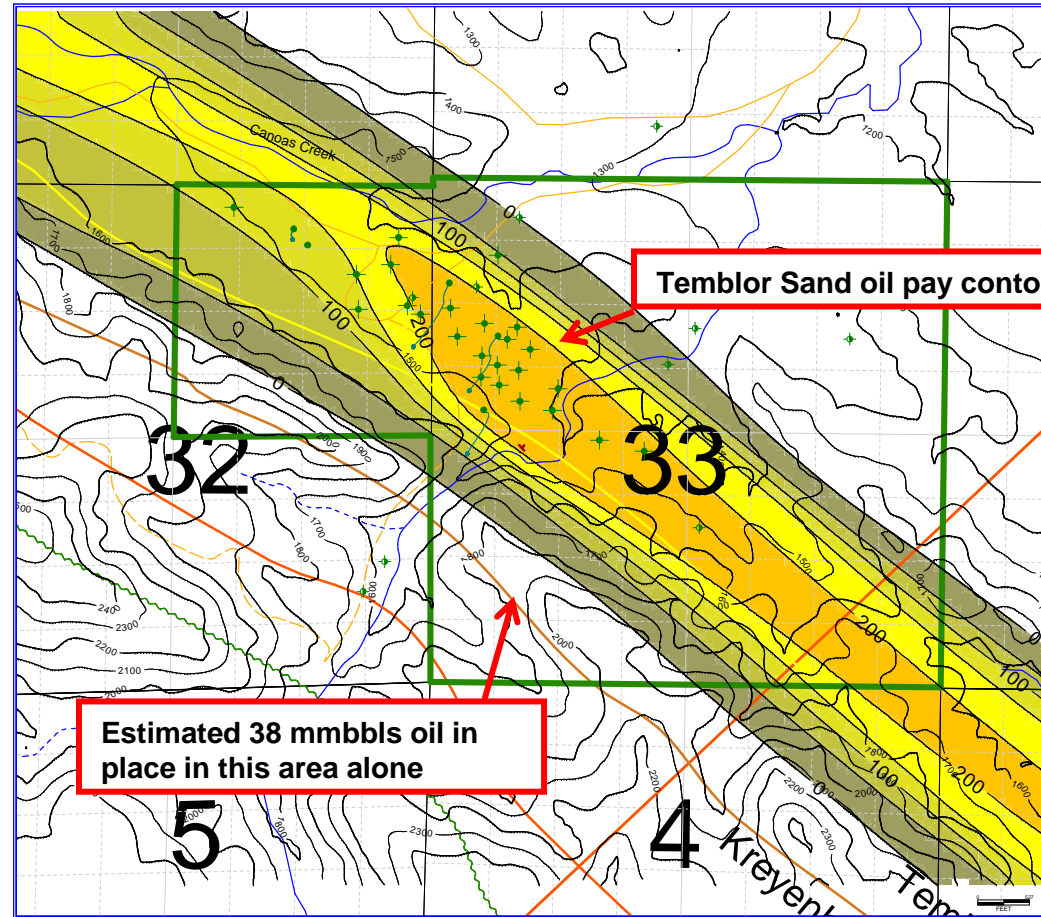


Kreyenhagen heavy oil field



New project

- Solimar 10%*
- Partnership finalising plans to test large heavy oil field
- Solimar acreage position covers many 1000's of acres
- Potential for over 200 million barrels of oil in place (OIP). Estimated 38 mmbbls OIP in Central Field Administrative area alone.
- Thick shallow sandstone reservoir with 500 foot oil column
- Sandstone and fractured shale targets at shallow , less than 4,500 feet target depths



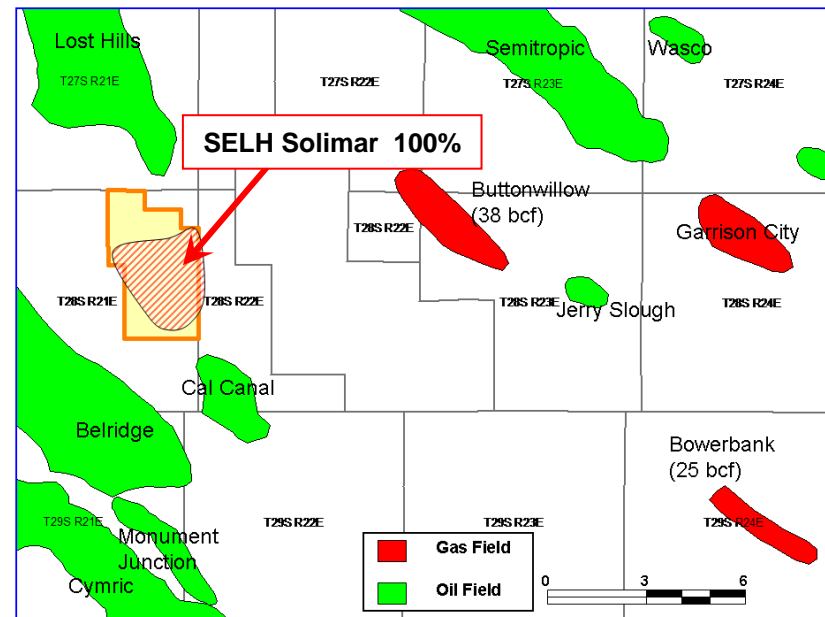
If strong oil prices continue, potential to be the Company's biggest and most valuable project

South East Lost Hills (SELH) gas field



A potential company making project for Solimar

- Solimar acquired former partner Quest's 50 % in July 09 and now has 100% and control of over 5,000 acres
- Target gas reserves 40bcf, upside +100bcf
- Shallow (< 4,000 feet) dry gas sands make affordable targets to drill and produce
- 3 wells drilled for deeper targets subsequently tested at commercial rates of up to 1.5mmcf/d from the shallow gas sands. One well able to be brought on stream
- Good economics, current gas prices b/n US\$4.0 and US\$5.0
- Royalty 24%
- Low operating costs, high margins
- Solimar tested gas from 3 zones in two wells
- Almond grove 4-13 suspended after encountering gas in target

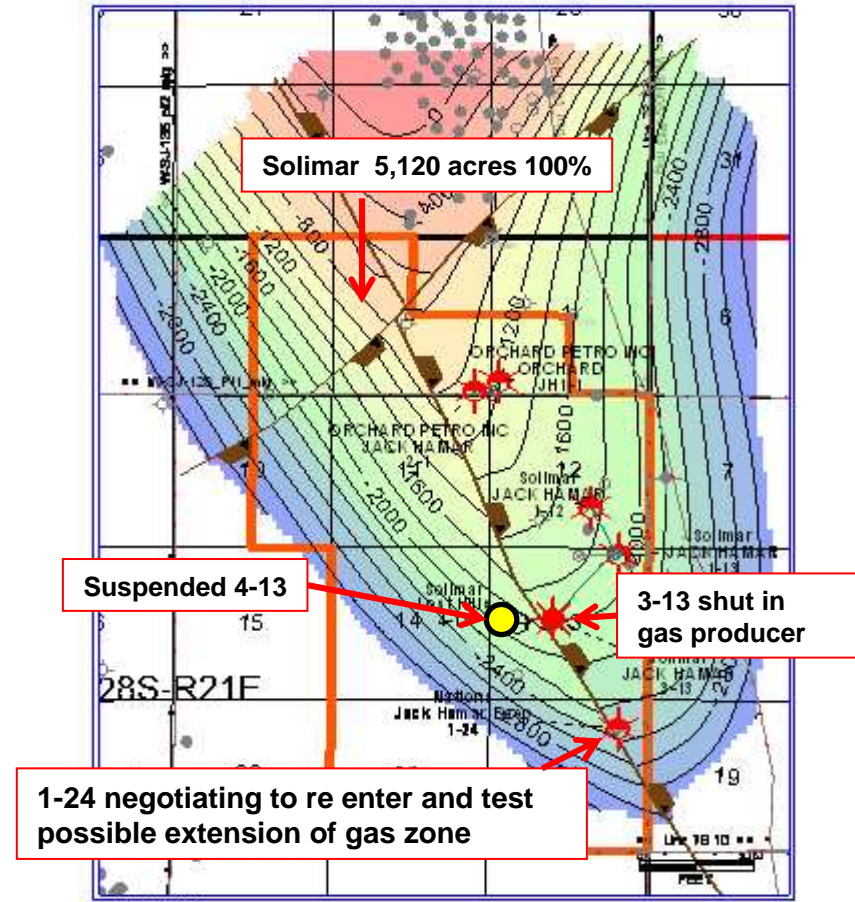


Southeast Lost Hills shallow gas project location

Success at SELH still has potential to create value of 30 cents to over \$1.00 per share

Proving extent of good reservoir remains the challenge

- Potentially extensive, combination structural and stratigraphic trap on the SE plunge of giant Lost Hills field anticline
- Gas hosted in shallow (<4,000 feet) Pliocene sands that can be discontinuous
- All wells drilled in the acreage (designed for deeper targets) have recorded high gas shows drilling thru the section
- 4 wells have tested commercial scale flows (3 zones in two wells by Solimar) although only 1 so far able to be brought on production, the 3-13
- 2 analogue gas fields in the vicinity Buttonwillow and Bowerbank have historically produced 38 bcf and 25 bcf respectively
- Solimar drilled new well in January but encountered mechanical difficulties after finding gas in the target. Well suspended pending re entry
- Negotiating to take over 1-24 well. Proving gas in this old well would extend the play to the south. High impact potential



SELH gas accumulation and lease position

SELH positioned to add gas production and reserves



Rapid commercialisation of successful wells

- First production module already in place to produce from 3 wells with capacity for up to 6 mmcfd
- Connected to sales pipeline
- Gas offtake agreement in place
- Location of first purpose drilled appraisal/production well prepared
- Almond Grove 4-13 suspended and could be re entered, side tracked and tested
- Targeting flow rate of between 0.4 mmcfd up to 1.0 mmcfd and up to 1.0bcf reserves per well (average achieved in offset fields 0.7bcf/well)
- One off well costs approx <US\$500,000 to drill and complete. Costs reduce in a multiple well, success case program



SELH 3 well gas production facility



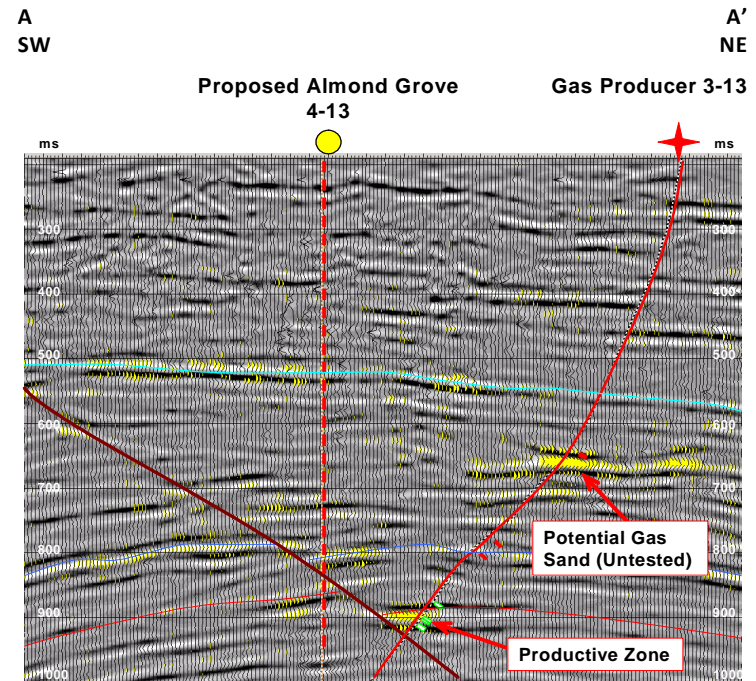
Coiled tubing unit in operation at SELH during well workover

SELH Almond Grove 4 -13 and what's next



The first well drilled by Solimar specifically to drill and test the shallow gas

- The well was located to:
 - Penetrate a sand that looked gaseous on 2D seismic
 - Test the western side of the gross mapped trap. All other wells are on the east, downthrown side
- The 4-13 result:
 - Validated seismic as a predictive tool for presence of both reservoir and gas
 - Proved the accumulation covers a large area
 - Did not advance the Company's drilling and completion practices in the Pliocene sands. Further design work will be necessary to get it right
- What is next:
 - Potential re entry of 1-24
 - Possible sidetrack and test the 4-13
 - Additional well to appraise the northern extent of the gas play



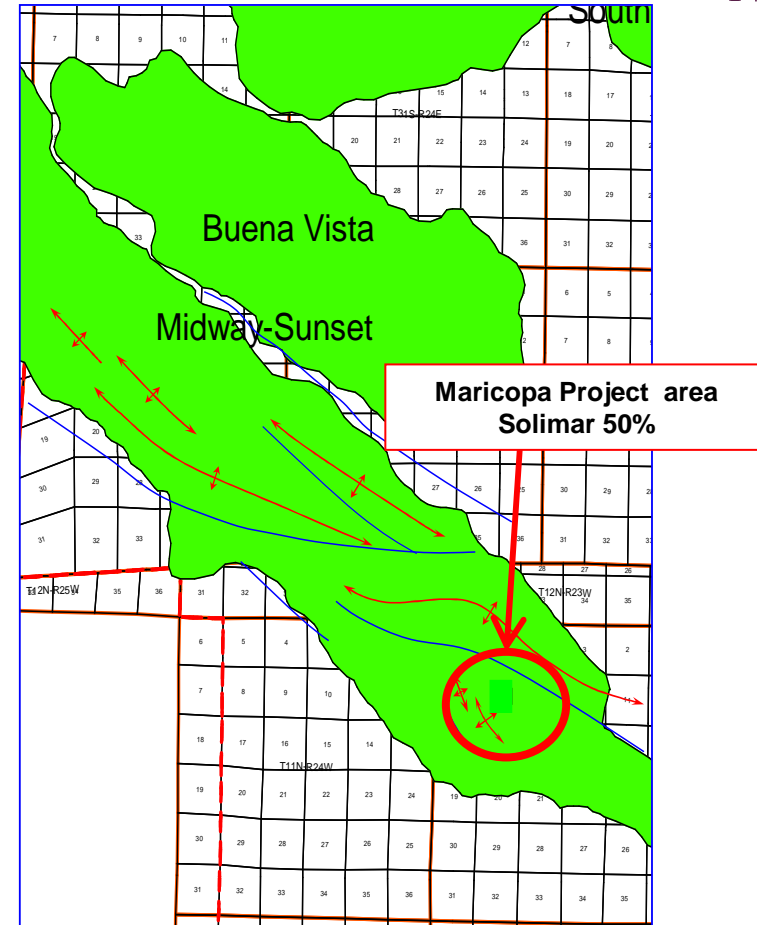
SELH seismic line showing potential gas sands and the locations of producer 3-13 and the proposed Almond Grove 4-13.

Maricopa oil production project



A hidden jewel , Solimar’s challenge is to scale it up

- Part of giant (3.5 billion barrel) Midway Sunset oil field.
- Shallow (3400') sandstone reservoir.
- Solimar holds 120 acres and is planning to increase its position.
- Drilled 2 wells in 2008
 - Maricopa #6 22-31 bopd
 - Maricopa #7 5-28 bopd (currently shut in pending improvement to water handling facilities)
- Horizontal well capable of 100 bopd planned and being permitted
- Achieving strong oil price for 23 API oil
- Potential to significantly increase oil production
- Solimar Operator and 50% interest



General project location relative to giant oil fields

Maricopa economics are excellent

- Maricopa #6 has been a very consistent oil producer
 - 22-31 bopd for over 24 months
 - Produced cumulative over 18,000 bbls
 - 23°API crude sells for approx US \$3.50 discount to WTI.
- Gross Revenue since drilling (Including some revenue from Maricopa #7) US\$1.3 million
- Currently generating gross revenue of approx US\$70,000/month
- Royalties 12.5 %
- 6-12 month payback on well investment (wells cost approx US\$500,000)



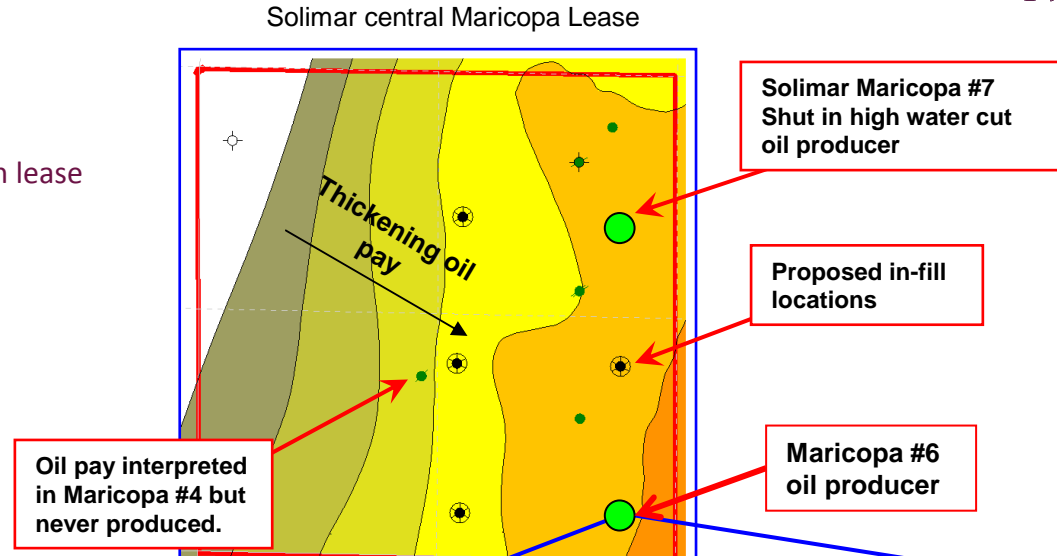
Beam pump on oil producer Maricopa #6

An aggressive drilling program to increase oil production has the potential to underwrite the Company's overheads

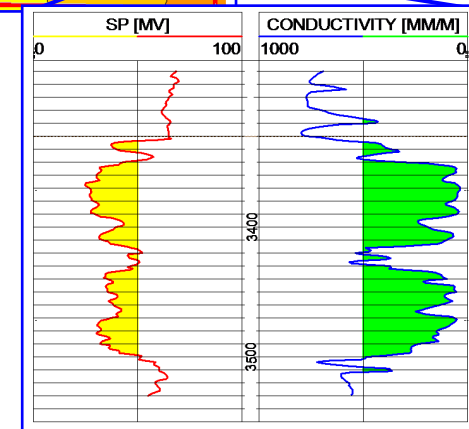
Maricopa oil production upside



- Solimar expanding its position, now has 120 acres in the area including the central production lease
- Developing a jointly funded water disposal project with other operators to allow for increased, future oil production and revenue
- Several in-fill locations identified on central lease. Horizontal well preferred
- Made offers to expand our acreage position in the same oil reservoir for which we have built leading knowledge



Example E log



Example E- log of oil producing sand

Good quality, medium crude reservoirs offer oil production rates and recovery upside when modern engineering practices are applied.

Conclusions

- Focused on production and field appraisal activities
- Low cost corporation and cost efficient producer
- John Begg signed late last year to build the business, has now set the company for significant expansion;
 - added additional , motivated personnel to the team
 - added new projects that are drillable in 2010 and offer large upside
- A set back with SELH but the gas project still has company making potential and a new well is in planning
- The Maricopa oil production project has potential to be scaled up so that cash flow underpins the Company
- Field appraisal and exploration upside to be captured in 2010. Multiple wells planned , mainly funded by third parties. First farmout done.



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