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30 November, 2011 RELEASE TO ASX AND CANADA

Multiple Additional Potential Pay Zones in Paloma Well

Highlights

- **The Paloma Deep-ST2 well has reached Total Depth of 13,320 feet and wireline logging has been completed.**
- **Analysis of the data indicates multiple potential hydrocarbon pay zones in the lower sandstone and shale reservoirs which were targeted by the well. These are additional to the shallower zones previously reported.**
- **Preparations are being made to run production liner prior to releasing the large drilling rig and then bringing in a workover rig to conduct a comprehensive flow testing program.**

Commenting on the Paloma drilling results, Solimar CEO John Begg said:

"*The positive results observed so far for this well, when combined with the expanded land position we have been building over the Paloma field area, provide Solimar with an opportunity for transformational growth. A multi zone test program is now planned. This will require careful design in order to effectively production test the range of potential pay zones and reservoir types (sandstones and shales) that have been encountered and to determine whether these reservoirs are capable of economic flow rates. It is an exciting time for the Company ".*

Solimar Energy Limited ("Solimar") (ASX: SGY) (TSXV: SXS) is pleased to attach the following announcement from the Paloma Deep well operator, Neon Energy Limited (ASX: NEN), which was released today to the ASX:

Sincerely,

John Begg
Chief Executive Officer
Solimar Energy Limited

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"PALOMA DEEP DISCOVERY

Neon Energy Limited (ASX: NEN) is pleased to announce the discovery of multiple hydrocarbon bearing zones at the Paloma Deep prospect in the San Joaquin Basin, onshore California.

The well reached Total Depth (TD) of 13,320 feet on 26 November 2011. Wireline logging has been completed and the well is presently being prepared for production testing.

Since the last update at 10,650 feet, the well continued to encounter extended zones of oil and gas shows. Analysis of wireline logging data confirms the presence of oil and/or gas in eight zones, (including three *unconventional oil shale zones) which in aggregate represent approximately 1,000 feet of potential hydrocarbon pay. The following figure indicates the potential pay intervals which will be production tested in either the current well or future wells.*

Most notably the Lower Stevens sand encountered a column of more than 200 feet of continuous potential oil pay, with a high reservoir net to gross ratio. It is hoped that the reservoir will have sufficient permeability to allow an economic flow rate, and the Company believes that this potential pay zone could extend over at least 740 acres of Neon's gross 2,500 acre lease holding. If production testing confirms the economic producibility of the formation, the Lower Stevens alone could represent a significant resource.

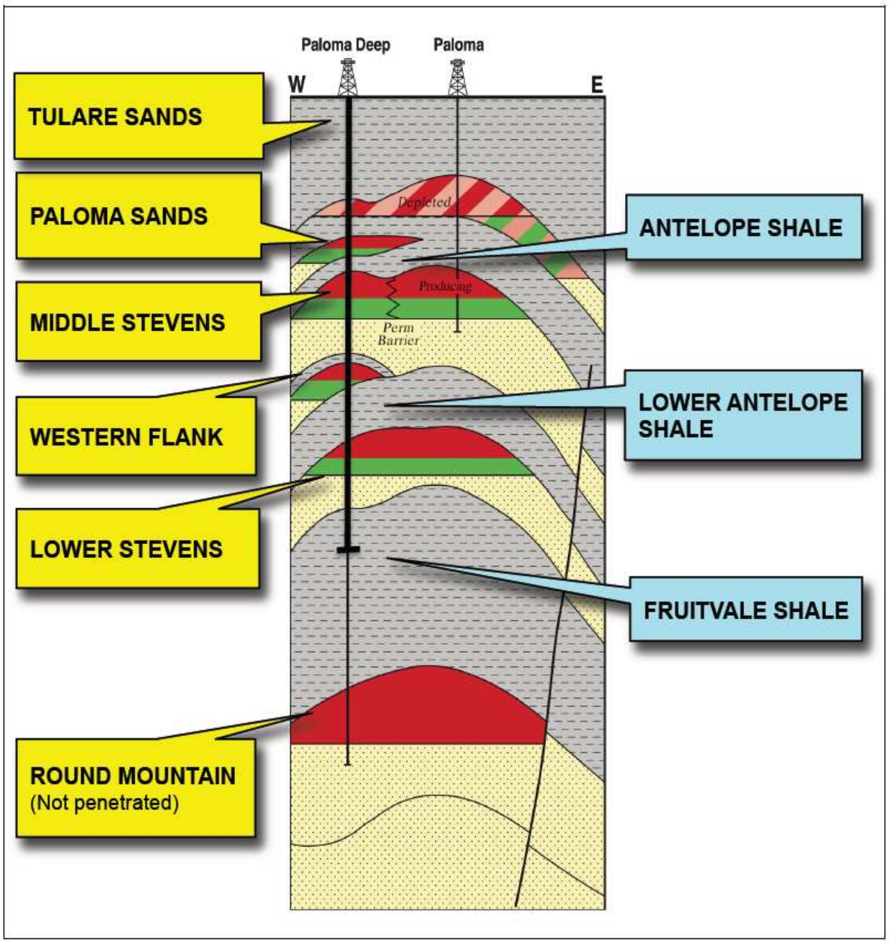
Also of note is the Lower Antelope Shale, in which a combination of naturally fractured (brittle) shales coupled with a mature source rock make the 350+ foot section a prime candidate for unconventional production. A 34 foot sand within this interval represents one of the most marked oil shows encountered in the well.

The well was drilled 310 feet into the Fruitvale Shale, which also exhibits characteristics of a producing oil shale and is interpreted to be approximately 1,300 feet thick at the well location. Due to the apparent success of this well and earlier drilling challenges, it was decided to cease drilling operations above the Round Mountain objective, which will likely be a target of future drilling.

After operations associated with preparing the well for production testing are completed in the coming days, the Nabors #710 rig will be released and a lower cost "workover" rig will be brought on location in order to commence a comprehensive production testing program. A statement regarding the commercial viability of these hydrocarbon zones can only be made after completion of the testing program.

Neon is operating the well with a 75% working interest, while partner Solimar Energy (SGY) is participating with a 25% working interest. Pursuant to the terms of a Farmout Agreement, Solimar is paying a promoted share of the dry hole and completion/testing costs, up to an agreed cost cap.

Managing Director Ken Charsinsky commented "We are pleased to have completed the drilling phase of the Paloma Deep well, and are particularly excited by the hydrocarbon indications of some of the deeper zones. We look forward to commencement of production testing, which we hope will confirm significant commercial potential of the well and surrounding acreage."



Further updates including the overall testing plan and its timing will be provided by the joint venture once confirmed.

Interests in the project are held:

Neon Energy (Operator)	75%
Solimar Energy	25%*

*Solimar is participating with a 25% interest and pursuant to the terms of an earlier farmout agreement, is paying a promoted share of the dry hole costs up to an agreed cost cap.