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Manager Announcements
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Via electronic lodgement

Testing Program at the Jack Hamar 2-13 Well at Southeast Lost Hills

Overview of the Testing Program

Solimar Energy Limited ("Solimar Energy" or the "Company") (ASX Code: SGY) is pleased to announce that a testing program has commenced at the Jack Hamar 2-13 well at the Southeast Lost Hills (SELH) Project.

The testing program on the Jack Hamar 2-13 well, which was drilled and tested in March 2008, will initially involve cleaning out the existing well to the bottom of the 3 ½ inch liner at 2,660 feet and plugging and abandoning across the existing perforations from 2,594 to 2,588 feet. A production packer will be set at 1,780 feet and the well will be recompleted and perforated from 1,850 to 1,857 feet with the objective of bringing online commercial gas to production.

The program is expected to take less than a week to complete and cost about US\$65,000 in total.

The Chairman of Solimar Energy, Frank Petruzzelli, said that "the testing program involving shallower sands at the Jack Hamar 2-13 well is a cost effective plan to increase the potential gas sales revenues at the Southeast Lost Hills Program. Any new gas discoveries at the Southeast Lost Hills project can be commercialized more efficiently using the SELH Joint Venture's established gas pipeline infrastructure and production equipment. The Joint Venture is also selecting a new prospect to drill in the first half of calendar 2009 from available seismic data."

Update on Gas Production at the Jack Hamar Field

Total gas sales up to 25 February 2009 were 8.2 million cubic feet from only the Jack Hamar 3-13 well which commenced producing gas on 5 December 2008 (cumulative production to date is 25.8 million cubic feet). As at 25 February 2009, the average daily gas sales in February were 330 mcf per day at a wellhead pressure of about 900 psi.

Solimar Energy's wholly-owned US subsidiary, Livingstone Energy, Inc., is Operator in a 50/50 joint venture with Quest Petroleum NL (ASX Code: QPN) in the Southeast Lost Hills Project.

About the Southeast Lost Hills Project

The Southeast Lost Hills Project is located in the San Joaquin Basin, California, along the southern flank of the large Lost Hills Anticline. The Lost Hills structure is a large feature that has already produced in excess of 400 million barrels of oil equivalent ("MMboe") to date to the north of the Jack Hamar 3-13 discovery which was brought into production on 5 December 2008.

The Southeast Lost Hills gas accumulation is a combination structural and stratigraphic trap. The reservoir targets are shallow Pliocene sands that pinch out around the flanks of the Lost Hills Anticline. Seismic amplitude anomalies are associated with the presence of these hydrocarbons. Since the Southeast Lost Hills project is a shallow play, with target depths of not greater than 4,000ft, it is expected that commercial development costs will be relatively low.

Solimar Energy believes there is potential for a substantial gas accumulation in the shallow Pliocene reservoirs around the Lost Hills structure. The commercial development potential of the project is enhanced by low drilling costs due to the shallower reservoirs, strong gas demand in the area, local infrastructure and high gas prices.

If you have any queries please contact Andrew Gould, General Manager Corporate Development on (03) 9347-2409.

Yours sincerely,



Frank Petruzzelli
Chairman
Solimar Energy Limited

Forward Looking Statements

This announcement contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause the actual results to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserves and resources estimates, loss of market, industry competition, environmental risks, physical risks, legislative changes, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

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