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Manager Announcements
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Successful Production Testing of the First Well at the Maricopa Project

Highlights

- The Wellington Maricopa #6 well has been successfully production tested.
- Initial production testing shows the well has produced oil at an average daily rate of 35 barrels of oil per day and gas is stabilising at an average daily rate of 120,000 cubic feet per day.
- Oil and gas sales from the project will bring in cash flows to support Solimar Energy's growing exploration and development program.
- A rig is being sought to drill the Wellington Maricopa #7 well which is targeted for the third quarter, calendar 2008.
- Several additional drilling locations have been identified in the Maricopa Project which will form the basis of a long-term drilling campaign in the area to further increase production.

Wellington Maricopa #6 well update

Solimar Energy Limited ("Solimar Energy") (ASX Code: SGY) is pleased to announce the successful production testing of the Wellington Maricopa #6 well. Initial production testing shows the well has produced oil at an average daily rate of 35 barrels of oil per day and gas is stabilising at an average daily rate of 120,000 cubic feet per day. The oil and gas is being produced potentially over a 130 feet net pay interval in the Contact Sand objective from 3,370 feet to 3,550 feet.

The oil production results are slightly above the Company's expectations for this well and initial strong gas flows are unexpected and significantly enhance the economics of the well.

The successful production test of the first well at the Maricopa Project will result in a follow-up well being drilled as soon as a rig can be contracted at the Wellington Maricopa #7 location which has already been permitted. Additional follow-up locations in the Project have also been identified, including approximately up to 3 vertical well locations and possibly 2 horizontal locations. In addition, there is another 80 acres that may have further potential for subsequent follow-up drilling.

The Chairman of Solimar Energy, Frank Petruzzelli said that “the successful production testing of the Wellington Maricopa #6 well is an important milestone for Solimar Energy. This is the first oil discovery by the company and second gas discovery, along with the Jack Hamar 3-13 well at Southeast Lost Hills.”

“Our objective is to commercialise these discoveries as soon as possible to capitalise on the high oil and gas prices, which are over US\$10 per mcf in California. Sales of the liquids and gas from these projects will bring in cash flows to support Solimar Energy’s growing exploration and development program in California. We are actively pursuing a number of potential projects in California to enhance the value of the company’s exploration portfolio.”

Background to the Wellington Maricopa #6 Well

The Wellington Maricopa #6, at the Maricopa Project in the San Joaquin Basin, California was spudded on 16 March 2008 and drilled to a total depth of 3,550 feet. Electric logging indicated a potential oil pay of approximately 130 feet in the primary Contact Sand objective.

Solimar Energy has a 50% interest and is operator of the Maricopa Project. Sunset Energy (ASX Code: SEY) also has 50% interest in the project.

About the Maricopa Project

Solimar Energy currently has a 50% interest in a 120 acre lease located two miles east of the town of Maricopa within the southeast end of the Midway-Sunset Oil Field. The Midway Sunset field is one of the largest onshore oil fields in the world with reserves in excess of 3 billion barrels. The lease already contains five wells completed as producers with close to 1 million barrels being produced from the lease and some 2.2 million barrels from immediate adjoining leases since 1930.

There are no current producing wells on the lease but it is surrounded by numerous currently producing wells.

The joint venture has identified several well locations on the lease. The wells will be drilled on what is believed to be the undrained portion of the lease between previously producing wells. In addition, a horizontal well may be drilled in the centre of the lease which has had no previous drilling or producing activity.

As announced on 21 August 2007 to the ASX, Solimar Energy signed a Farmout Agreement with Sunset Energy Limited (“Sunset Energy” ASX Code: SEY) involving the Maricopa and Deer Creek Projects. Under this agreement, Solimar Energy agreed to offer a 50% working interest to Sunset Energy in both projects in exchange for Sunset Energy agreeing to fund 100% of the cost to drill and complete 2 wells, one in each project. On 13 February 2008 a variation to this agreement was made, whereby Sunset Energy would pay 100% of the first US\$750,000 in costs to drill and complete the two wells at the Maricopa project. Any additional costs beyond the initial US\$750,000 to drill and complete the two wells will be paid 50% by Solimar Energy and 50% by Sunset Energy.

For further information regarding this announcement and Solimar Energy, please contact Peta Marriner, Manager Investor Relations, on 0404 002 613 or via email: petam@solimarenergy.com.au.

Yours sincerely,

A handwritten signature in black ink that reads "Frank Petruzzelli". The signature is written in a cursive style with a prominent initial "F".

Frank Petruzzelli
Chairman
Solimar Energy Limited

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