

ASX & Media Release
Solimar Energy Limited
Quarterly Activities Report and Appendix 5B
For the 3 months ended 31 March 2009



COMPANY OVERVIEW*

ASX Code	SGY
Share Price	A\$0.021 per share
Shares on Issue	185,430,842
Unlisted Options	30,350,000
Market Capitalization	A\$3.9m
Average Stock Turnover**	1.50m shares/month

* Figures as at 28 April 2009

** Based on the past 12months

DIRECTORS

Mr Frank Petruzzelli	Chairman
Mr Craig Burton	Executive Director
Mr Mark Elliott	Non-Executive Director
Natural Gas Price*	US\$/MMBtu (SoCal Border Spot) \$3.20
Oil Price*	US\$/bbl (Midway Sunset Spot) \$42.75

OPERATIONAL HIGHLIGHTS

Southeast Lost Hills (SELH 50% Operator)

- Gas sales for the March Quarter (3 months of sales) were 30.3 MMcf versus 8.515 MMcf in the December 2008 quarter (1 month of sales).
- Testing occurred at the Jack Hamar 2-13 well. Gas was recovered but not at commercial flow rates despite the well flowing gas when it was discovered in 2005.
- Seismic interpretation has been completed yielding some excellent prospects to be drilled this year.
- Acreage position increased by 100% to 5,120 acres reflecting increased confidence in the project.

Maricopa (50% Operator)

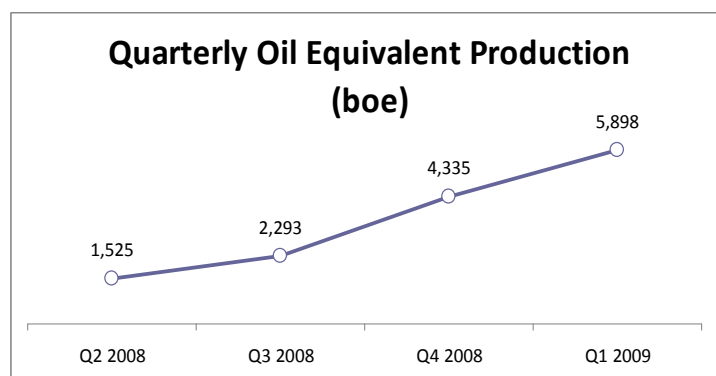
- Oil sales for the March Quarter of 2,713 barrels.
- Wellington Maricopa #4 (a pre-existing well) was re-entered and tested. A swab test failed to recover oil. The well was shut-in pending further evaluation.
- Wellington Maricopa #7 was shut-in in January due to high water disposal costs.
- Plans progressing for another well and improved water handling facilities.

Silverthread (18.5 - 20% Operator)

- A 495 foot oil column discovered in Nesbitt #5 has been confirmed by Schlumberger.
- Evaluating plans for a testing operation to begin later this year.

Sales Production and Revenue

- During the March quarter, a total of 2,713 barrels of oil were sold from the Maricopa Project, a decrease of 20.1% on the previous quarter as a result of shutting-in the Wellington Maricopa #7 well.
- Gas sales from the SELH Project for the March quarter totalled 30.3 MMcf from Jack Hamar.
- Solimar's share of revenue received in the March quarter (before royalties) was A\$181,000.



For further information please contact:

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OPERATIONAL UPDATE

Southeast Lost Hills Project: 50% Working Interest and Operator (San Joaquin Basin)

During the quarter Solimar increased its net acreage position by over 100% in the project area to approximately 5,120 acres and holds on the new acreage the same working interest it has on the existing. The decision to increase its acreage exposure was based on the solid production performance of the Jack Hamar 3-13 well and the exciting results from recent seismic interpretation which has combined to increase management's confidence in the project's ultimate potential.

Jack Hamar 3-13 has been in production since December 2008 and has effectively proven the geological model and the productivity of the shallow gas sands on the flank of the Lost Hills anticline. Solimar has also completed a detailed seismic interpretation and is very encouraged by the size and quality of the prospects delineated in the project area. The Company has plans to drill several wells chasing this play type over the next 12 months with the first well scheduled at this time for July 2009.

Testing of the existing project wells drilled by the previous Operator continued during the quarter with limited success. The wells did encounter gas but Solimar believe these wells were either not optimally located or drilled incorrectly. The testing program on the Jack Hamar 2-13 well, involved perforated potential gas bearing zones from 1,850 to 1,857 feet. Gas was recovered but not at sustainable commercial rates. Further work is being considered to evaluate the gas zone and determine if commercial flow rates are achievable, but the test has provided encouragement and proves the zone is gas bearing. The company is also encouraged from reports of a previous test at 2-13 that took place in 2005. The operator of the project at that time reported undertaking a 5 hour test and recording gas flows.

Total gas sales for the March quarter were 30.3 million cubic feet from the Jack Hamar 3-13 well.

Solimar Energy has a 50% interest and is operator of the South East Lost Hills Project.

Maricopa Project: 50% Working Interest and Operator (San Joaquin Basin)

On 10 March 2009 Solimar announced that the testing of the Wellington Maricopa #4 well had commenced. The well is located to the west and up dip of both the Wellington Maricopa #6 and #7 wells.

The Wellington Maricopa #4 well was drilled in 1930 and produced oil from the Contact Sands until 1938. At that time the well was temporarily abandoned in the Contact Sands and recompleted to test the heavy oil sands further up the hole. However, the Contact Sands were never reopened after an unsuccessful test of the heavy oil sands.

The testing program involved re-entering and performing a workover procedure. The well was swab tested and failed to recover oil due to fluid leaking from other sections. The well has been shut-in pending further evaluation. The Wellington Maricopa #4 workover was an inexpensive test of a proven oil column without the need to drill a new well. However, with well costs having fallen sharply over past months future operations will most likely involve drilling a new well to access the known existing oil column. Solimar has already drilled two successful wells in the project area and has several future wells planned including horizontal drilling.

During the quarter Solimar decided to shut in the Wellington Maricopa #7 well due to the high water cut. The Company is currently reviewing re-entering the well to see whether the water production could be reduced. The Company is also evaluating the installation of a water

disposal line on the lease which would significantly reduce costs and even at the current water cut would allow the #7 well to be put back into production. This initiative combined with additional wells on the property will add value to the project.

Solimar Energy has a 50% interest and is operator of the Maricopa Project.

The Silverthread Project: 18.5% - 20% Working Interest (Ventura Basin)

Solimar and its joint venture partners have been evaluating the Nesbitt #5 well after production testing in 2008 yielded mixed results. Solimar has been reviewing a report from Schlumberger Oilfield Services that confirmed that the Nesbitt #5 well had discovered a 495 foot oil column in a 640 foot oil saturated perforated interval. Schlumberger has made several recommendations to increase oil production from this well. Solimar and its joint venture partners are investigating these development options for recovering what could potentially be significant volumes of oil in place.

Deer Creek Project: 50% Working Interest and Operator (San Joaquin Basin)

Leasing has continued over the prospect area and some critical leases have been secured. Final leasing is being secured which should soon put Solimar in a position to move into the well planning stage.

CORPORATE

Half Year Financials

On 16 March 2009 Solimar released its interim financial report for the six months to 31 December 2008. The financial accounts showed the consolidated group had at 31 December 2008 net assets of \$7.07 million and had made a loss of \$5.98 million for the six month period.

PRODUCTION AND SALES

- During the March quarter 2009, a total of 2,713 barrels of oil were sold from the Maricopa Project, a decrease of 20.1% on the previous quarter's production of 3,397 due to the decision to shut-in the Wellington Maricopa #7 well. The average price of oil received from Kern Oil Refinery in the March quarter 2009 was about US\$38/bbl.
- Gas sales from the SELH Project in the March quarter 2009 totalled 30.323 million cubic feet from the Jack Hamar 3-13 well. The average price of gas received in the March quarter 2009 was about US\$3.99 per Mcf.
- Solimar Energy's share of revenue received in the March quarter (before royalties) was approximately A\$181,000. The March quarter revenue recorded on the quarterly cash report also reflects an allocation of revenue to our partners from a prior quarter.

Solimar Energy Limited – Summary of Quarterly Sales Production

Quarterly Sales	Jun. Qtr 2008	Sept. Qtr 2008	Dec. Qtr 2008	Mar. Qtr 2009
Oil (Barrels)	1,525	2,293	3,398	2,713
Natural Gas (mm cubic feet)	-	-	8.513	30.323

Note that all dates for drilling activities discussed in this quarterly report are subject to rig availability, and may change.

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.

For further information please contact:

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

SOLIMAR ENERGY LTD

ABN

42 112 256 649

Quarter ended ("current quarter")

31 MARCH 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	148	559
1.2 Payments for (a) exploration and evaluation	(392)	(2,041)
(b) development	(283)	(1,714)
(c) production	(72)	(276)
(d) administration	(292)	(1,351)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	10	51
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Farmin Payments	235	2,002
Net Operating Cash Flows	(646)	(2,770)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Cash acquired from Solimar Acquisition	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(646)	(2,770)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	2,276
1.15	Costs of the issue	-	(96)
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		-	2,180
Net increase (decrease) in cash held		(646)	(590)
1.20	Cash at beginning of quarter/year to date	1,750	1,525
1.21	Exchange rate adjustments to item 1.20	(11)	158
1.22	Cash at end of quarter	1,093	1,093

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	7
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Office rent paid to a company associated with a director.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	50
4.2	Development	300
Total		350

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.			
	Current quarter \$A'000	Previous quarter \$A'000	
5.1	Cash on hand and at bank	1,093	1,750
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
Total: cash at end of quarter (item 1.22)		1,093	1,750

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased	Southeast Lost Hills	Increase in acreage position at Southeast Lost Hills (refer to Activity Report)	

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Performance +securities <i>Convert to ordinary securities on development of a commercial mining project</i>	n/a			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs.				
7.3 +Ordinary securities	185,430,842	185,430,842		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)	n/a			
7.6 Changes during quarter (a) Increases (b) Decreases				
7.7 Options (description and conversion factor)	30,350,000 comprising: 17,500,000 1,250,000 <i>Incentive Options</i> 11,500,000 100,000 Options Convert on a 1:1 basis		Exercise price 30 cents 20 cents 25 cents 25 cents	Expiry date 18 December 2009 18 December 2009 18 December 2009 18 December 2010
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)	n/a			
7.12 Unsecured notes (totals only)	n/a			

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Chris Bowyer

Company Secretary

Date: 30 April 2009

Print name:

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.