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Manager Announcements
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Via electronic lodgement

Second Well Commences Drilling at the Maricopa Project

Highlights

- The second well in the Maricopa Prospect, Wellington Maricopa #7, commenced drilling operations on 30 August 2008.
- The # 7 well is located approximately 200 feet north from the first well, Maricopa Wellington #6, which is currently averaging 30 barrels of oil per day.
- It is expected to take approximately two weeks to drill to the target depth of 3,600 feet, complete and prepare the well for production.
- The shallow Maricopa wells have pay outs in approximately 9 months at today's drilling costs and oil prices, and can remain productive over decades.

Wellington Maricopa #7 well spuds

Solimar Energy Limited ("Solimar Energy") (ASX Code: SGY) is pleased to announce that the drilling of the second well, Wellington Maricopa #7, at the Maricopa Project has commenced. This project is located at the southern end of the largest onshore oil field (Midway Sunset) in the San Joaquin Valley, California, as shown in Figure 1.

The well spudded at 12:30 am on 30 August (Pacific Coast Time, USA) with a targeted depth of 3,600 feet. It is currently at 414 feet and preparing to set surface casing. In the absence of any unforeseen operational problems, this well will take approximately 2 weeks to drill, complete and bring on production. The drilling contractor is Kenai and the rig is # 4.

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The primary objective is the Contact Sands which are the productive intervals in the # 6 well. The Maricopa wells are shallow, low cost wells with low oil flow rates and long productive lives. Well pay out is approximately 9 months in today's oil price environment.

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.

As reported to the ASX in April and May 2008, the first well at the Maricopa Project, Wellington Maricopa #6, was successfully drilled to the primary zone of interest, the Contact Sands. Initial testing at this well produced oil at an average daily rate of 35 barrels of oil per day and variable amounts of gas. Oil production has continued to average 30 barrels of oil per day with a small decline since the initial production testing.

Additional follow-up locations in the Project have also been identified, including up to 3 vertical well locations and possibly 2 horizontal locations. A new geologic review is underway to identify further new drilling locations to increase potential production.

For further information regarding this announcement and Solimar Energy, please contact Andrew Gould on (03) 9347 2409 or via email: andrewg@solimarenergy.com.au.

Yours sincerely,



Frank Petruzzelli
Chairman
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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.

Figure 1: Location of the Maricopa Project at the southern end of the largest onshore oil field (Midway Sunset) in the San Joaquin Valley, California, USA.

