



ABN 42 112 256 649

566 Elizabeth Street
Melbourne Victoria 3000

Tel: +61-3-9347-2409

Fax: +61-3-9349-1186

www.solimarenergy.com.au

18 March 2008

Manager Announcements
Company Announcements Office
Australian Securities Exchange
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Via electronic lodgement

Drilling Commences at the Maricopa Project

Highlights

- The first of two wells, Wellington Maricopa #6, has spudded at the Maricopa Project, located at the southern end of the largest onshore oil field (Midway Sunset) in the San Joaquin Valley, California.
- The Maricopa wells are shallow, low cost wells with low oil flow rates which can be highly profitable in today's high oil price environment.
- Solimar Energy has a 50% working interest and is the operator. Our partner, Sunset Energy, has the other 50% working interest and is funding 100% of the initial well.

Wellington Maricopa #6 well spuds

Solimar Energy Limited ("Solimar Energy") (ASX Code: SGY) is pleased to announce that the drilling of the first well, Wellington Maricopa #6, at the Maricopa Project in the San Joaquin Basin, California was spudded at 5.00pm on 16 March (Pacific Coast Time, USA). The well has been drilled to 415 feet and is being prepared to run surface casing. This well will take approximately eight days to drill in the absence of any unforeseen operational problems using the Western Drilling Rig 78.

The Wellington Maricopa #6 well will be drilled to a target depth of 3,600 feet. The primary zone of interest is the Contact Sands which are known to be oil-bearing sands in this part of the San Joaquin Basin. An additional well, Wellington Maricopa #7, is planned to be drilled at the Maricopa Project if the first well proves successful.

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

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 Solimar Energy's 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.

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.

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,



Frank Petruzzelli
Chairman
Solimar Energy Limited

For further information please contact: **SOLIMAR ENERGY LIMITED**
Registered Office: 566 Elizabeth Street, Melbourne, Victoria 3000
Telephone: +61 3 9347 2409; Facsimile: +61 3 9349 1186; www.solimarenergy.com.au