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Via electronic lodgement

Update on the Maricopa and SELH Projects

Solimar Energy Limited ("Solimar Energy") (ASX Code: SGY) announces an update on activity at the Maricopa and Southeast Lost Hills (SELH) Projects.

Maricopa

As announced on 30 January 2009 in the December 2008 Quarter Activity report and again on 31 March 2009 the Wellington Maricopa #7 well had been shut-in due to high water cuts and the low oil prices.

With the recent increase in oil prices, the Maricopa joint venture partners Solimar Energy and Sunset Energy Limited (ASX Code: SEY) reviewed the possibility of re-entering the #7 well. The re-entry would establish if the well's water production could be decreased and therefore enable it to be placed back on production.

On May 7, 2009 a production rig was contracted to pull the rods and pump and place sand across part of the slotted liner interval. The well was returned to production at a rate of approximately 8 BOPD and 90 BWPD. This is a 30% decrease in water production without effecting the oil production.

The well is presently being evaluated and additional sand may be placed across the zone to further reduce water production and if successful will enable the well to be put back on commercial production.

Solimar Energy has a 50% interest and is operator of the Maricopa Project. Sunset Energy Limited also has 50% interest in the project.

Southeast Lost Hills

The Jack Hamar 3-13 well has recently experienced declining pressure and gas flow rates and there were indications of a build up in fill which appeared to be the likely cause of the pressure and rate decline.

A decision was made to clean out the well with coil tubing in order to attempt to re-establish commercial production.

After completing the coil tubing clean out operations the fluid was swabbed from the well in order to re-establish the gas flow. There are however no indications that the clean out has re-established significant pressure or flow rates.

The well has been shut-in and the company will re-evaluate the information it has gathered from the clean out operation and decide whether to undertake any further work on the productive interval or moving up hole where two additional intervals have been identified for testing.

Solimar Energy continues to prepare for the drilling of a new gas well at Southeast Lost Hills. A location has been identified from the recently processed seismic data. Permit applications are moving ahead and it is expected that drilling operations will commence sometime in the September 2009 quarter.

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 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.

Solimar Energy and its joint venture partner, Sunset Energy, have drilled two successful oil wells at the Maricopa Project.

The Wellington Maricopa #7 well was the first appraisal well drilled in September 2008 at the Maricopa Project and follows the discovery well, Wellington Maricopa #6, which was drilled in March 2008. Production of oil from the Maricopa Project in the March 2009 quarter was 2,713 barrels.

Additional follow-up locations in the Maricopa 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.

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.

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 and local infrastructure.

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.