



EXPLORATION



DISCOVERY

PRODUCTION



Solimar Energy Limited

(ASX Code: SGY)

November 2009

Update on advanced production and development projects

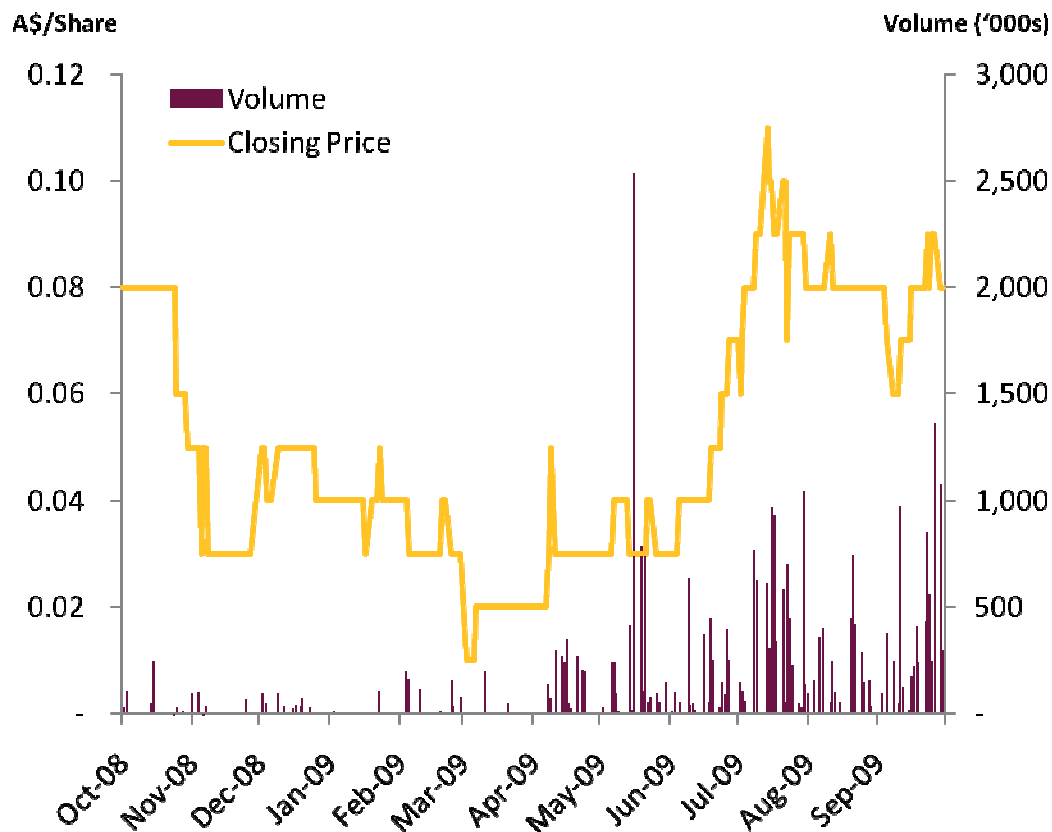
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Who we are



- A junior oil and gas company listed on the Australian Stock Exchange
- Production and exploration assets onshore California
- Operator of 3 of its 4 projects
- 2 projects in production*

Share Price	A\$0.084
52 Week Range	A\$0.021-0.11
Shares on Issue	213.1 million
Unlisted Options	30.4 million
Market Cap.	A\$17.9 million
Cash Position	A\$2.1 million

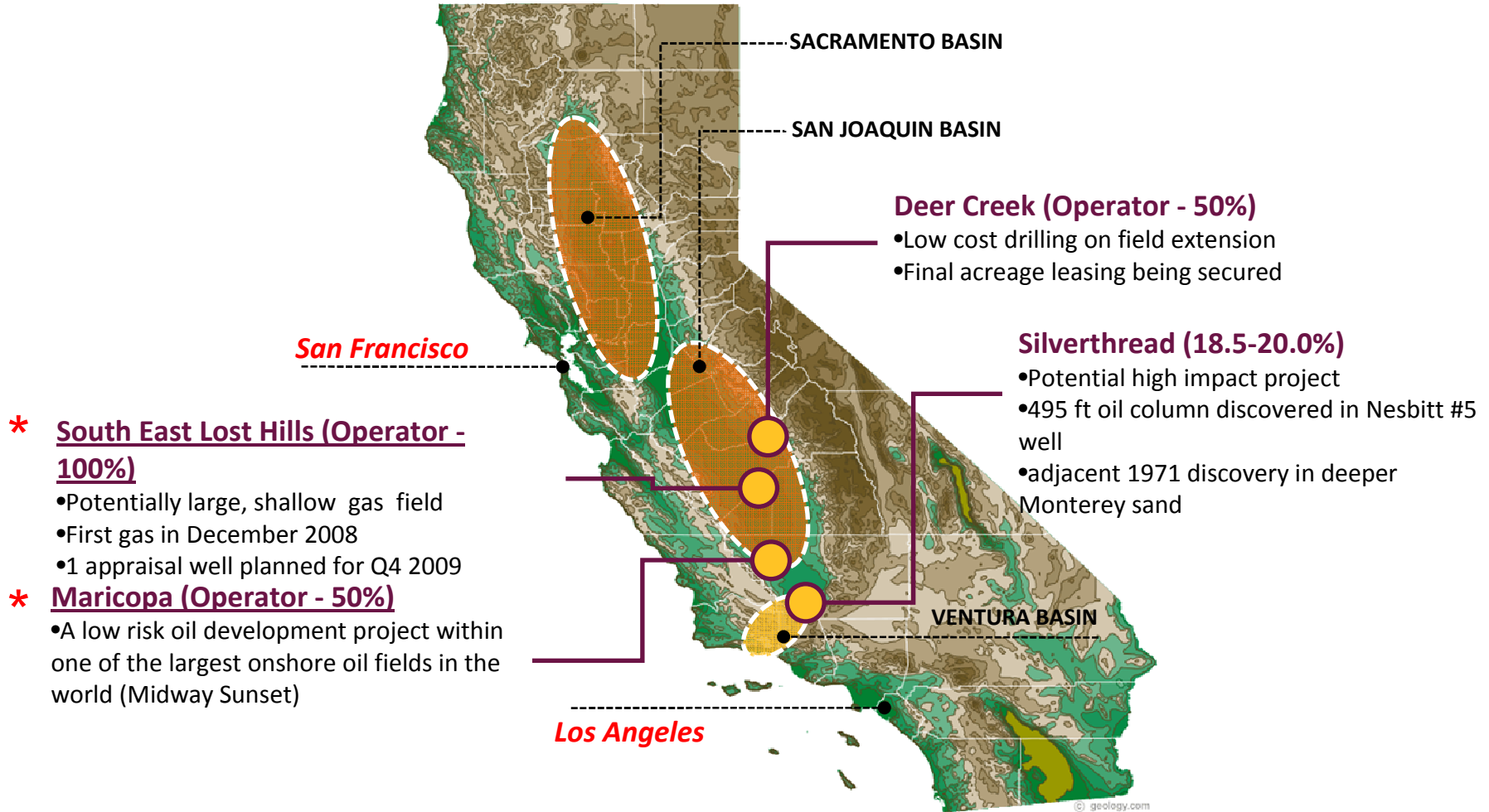


As operator of its main projects Solimar controls its destiny and coming off a low share price base investors have the opportunity to share in material upside

* SELH 3-13 producer currently shut in pending workover

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* **Advanced field development / appraisal project**

Key metrics of our business



Control, focus and increased capability

- We operate
- Large equity positions
- Shallow, affordable targets in areas we know well
- Main focus oil and gas field appraisal and development
- Low operating costs so profitable production
- Lean, highly experienced team of staff and selected consultants with deep knowledge of our areas of activity in California and the Australian capital markets
- Former Salinas Energy MD John Begg has joined and will be directing activity



Flaring gas during production testing of SELH well 3-13



Drilling the Nesbitt -5 well at the Silverthread project

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Strengthened team and spread of capabilities



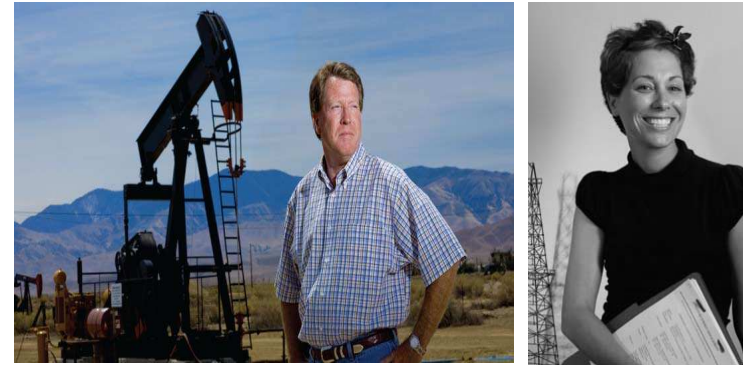
Begg brings increased capability

Solimar has low overheads and is run by a small team of staff and expert consultants from offices in Melbourne, Australia and Ventura, California. The appointment of former Voyager Energy and Salinas Energy MD John Begg adds significantly to the Company's capability through his;

- Proven oil finding abilities
- Direct experience in successfully building an oil production company in California
- Extensive business and capital markets networks

Mr Begg is positioning the Company to upscale its business and since his appointment has moved quickly to:

- Rejuvenate the Company's new venture program targeting additional oil field appraisal projects drillable in 2010. Announcements on this front are expected soon.
- Secure the services of former Nations Petroleum California Exploration Manager, Rob Hoar who adds hands on, geoscience experience to the Company's already strong drilling and operations capability



Steven L. Mclean, Vice President of Operations and Alyssa Knowles of the Ventura office.



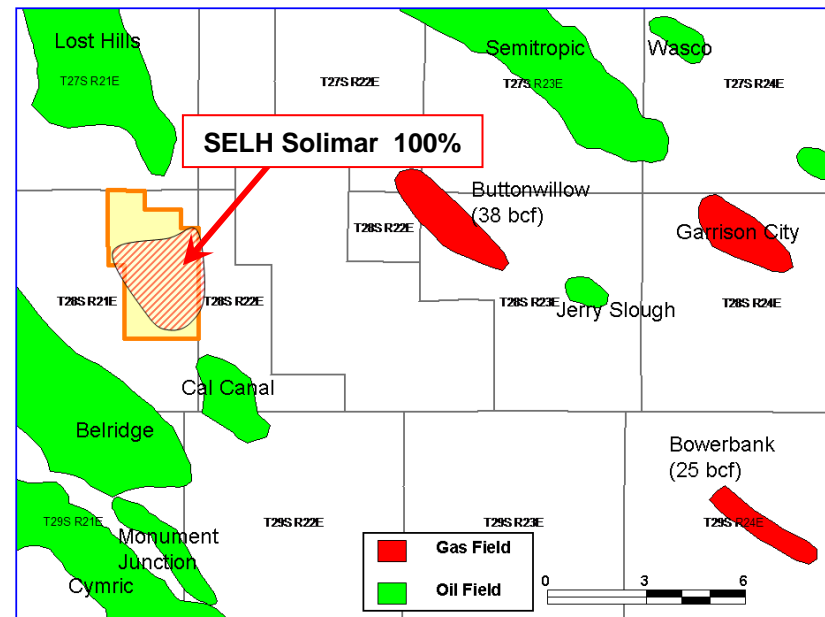
Steve Mclean with Landman Lee Molesworth at the SELH gas plant

South East Lost Hills (SELH) gas field



A potential company making project for Solimar

- Solimar acquired former partner Quest's 50 % in July and now has 100% and control of over 5,000 acres
- Target gas reserves 40bcf, upside +100bcf
- Shallow (< 4,000 feet) dry gas sands make affordable targets to drill and produce
- 3 wells drilled for deeper targets subsequently tested at commercial rates of up to 1.5mmcf from the shallow gas sands. One well able to be brought on stream
- Good economics, current gas prices b/n US\$4.0 and US\$5.0
- Royalty 24%
- Low operating costs, high margins
- Solimar looking to reinstate production from well 3-13 after shut in due to mechanical issues
- Preparing to drill new well

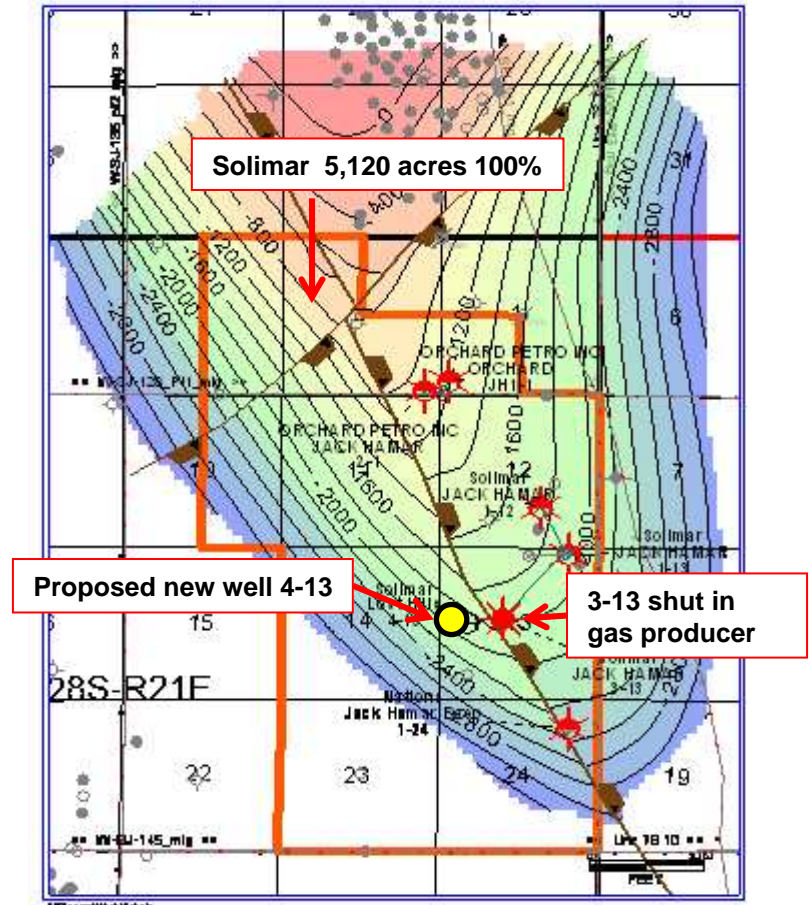


Southeast Lost Hills shallow gas project location

Success at SELH has potential to create value of 34 cents to over \$1.00 per share

Proving extent of good reservoir the main challenge

- Potentially extensive, combination structural and stratigraphic trap on the SE plunge of giant Lost Hills field anticline
- Gas hosted in shallow (<4,000 feet) Pliocene sands that can be discontinuous
- All wells drilled in the acreage (designed for deeper targets) have recorded high gas shows drilling thru the section
- 3 wells have tested commercial scale flows although only 1 so far able to be brought on production, the 3-13
- 2 analogue gas fields in the vicinity Buttonwillow and Bowerbank have historically produced 38 bcf and 25 bcf respectively
- Solimar will drill in December the first modern, purpose drilled appraisal /production well on the SELH gas accumulation, the Almond Grove 4-13



SELH gas accumulation and lease position

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SELH positioned to add gas production and reserves



Rapid commercialisation of successful wells

- First production module already in place to produce from 3 wells with capacity for up to 6 mmcf/d
- Connected to sales pipeline
- Gas offtake agreement in place
- Location of first purpose drilled appraisal/production well prepared
- Almond Grove 4-13 to begin drilling in December
- Targeting flow rate of up to 1.0mmcf/d and up to 1.0bcf reserves per well (average achieved in offset fields 0.7bcf/well)
- One off well costs approx <US\$450,000 to drill and complete. Costs reduce in a multiple well, success case program



SELH 3 well gas production facility



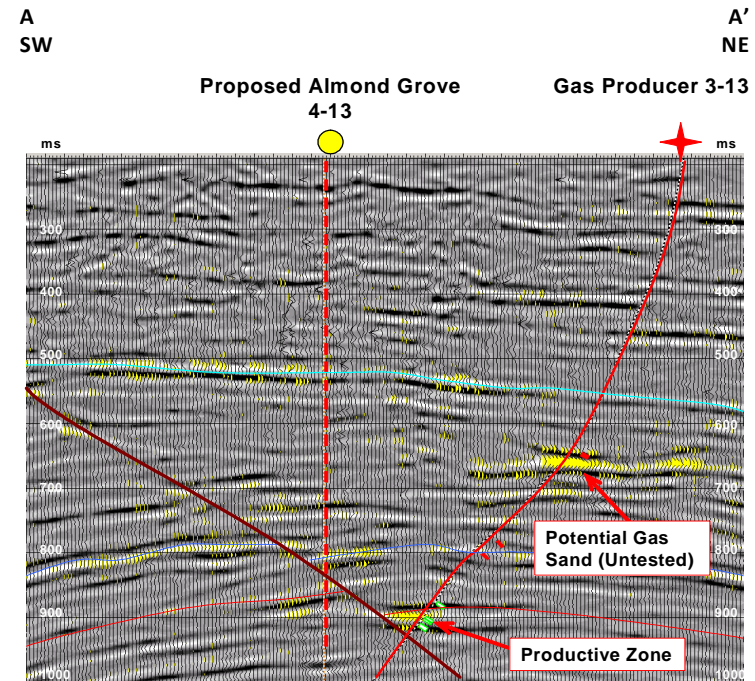
Coiled tubing unit in operation at SELH during well workover

SELH The importance of Almond Grove 4-13



The first well designed specifically to drill and test the shallow gas

- The well is being located to:
 - Penetrate a sand that looks gaseous on 2D seismic
 - Test the western side of the gross mapped trap. All other wells are on the east, downthrown side.
- Success in the 4-13 will:
 - Validate seismic as a predictive tool for presence of both reservoir and gas
 - Prove the accumulation covers a large area
 - Provide confidence in the Company's drilling and completion practices in the Pliocene sands
- If successful Solimar plans to bring the well into production then following necessary permitting drill step out wells to define the northern extent of the accumulation. This program would either be preceded or followed by 3D seismic



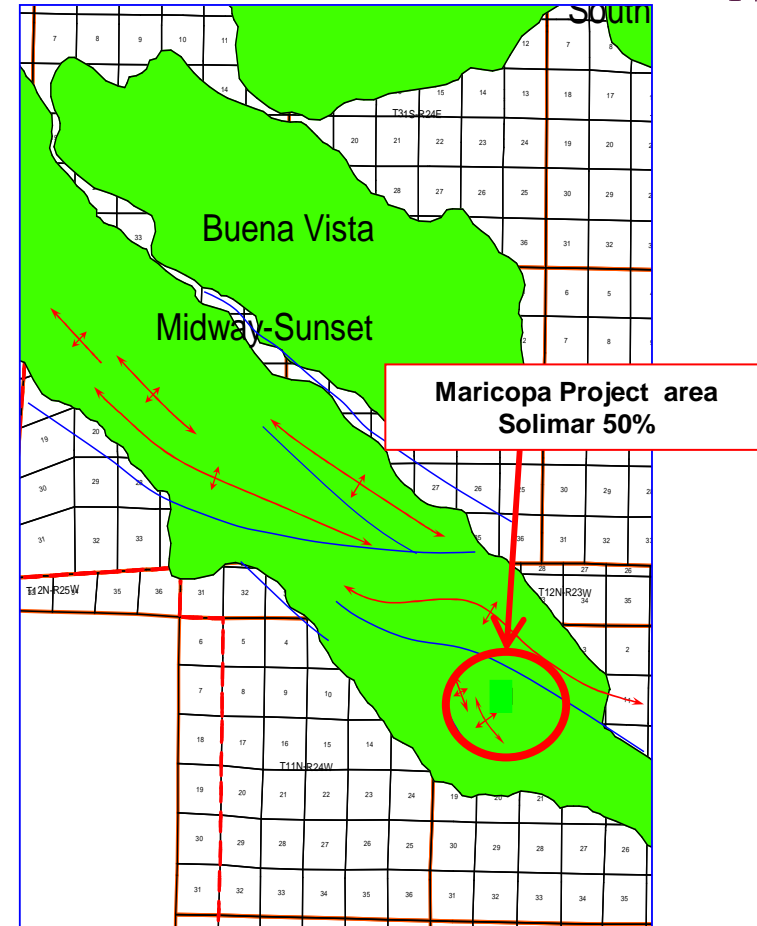
SELH seismic line showing potential gas sands and the locations of producer 3-13 and the proposed Almond Grove 4-13.

Maricopa oil production project



A hidden jewel , Solimar’s challenge is to scale it up

- Part of giant (3.5 billion barrel) Midway Sunset oil field.
- Shallow (3400') sandstone reservoir.
- Solimar holds 120 acres and is planning to increase its position.
- Drilled 2 wells in 2008
 - Maricopa -6 22-31 bopd
 - Maricopa -7 5-28 bopd (currently shut in pending improvement to water handling facilities)
- Several in-fill drilling locations identified
- Achieving strong oil price for 23 API oil
- potential to significantly increase oil production
- Solimar Operator 50%



General project location relative to giant oil fields

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Maricopa economics are excellent

- Maricopa -6 has been a very consistent oil producer
 - 22-31 bopd for over 19 months
 - Produced cumulative over 15,000 bbls
 - 23°API crude sells for approx US \$3.50 discount to WTI.
- Gross Revenue since drilling (Including some revenue from Maricopa -7) US\$1.02 million
- Currently generating gross revenue of approx US\$60,000/month
- Royalties 12.5 %
- 6-12 month payback on well investment (wells cost approx US\$500,000)



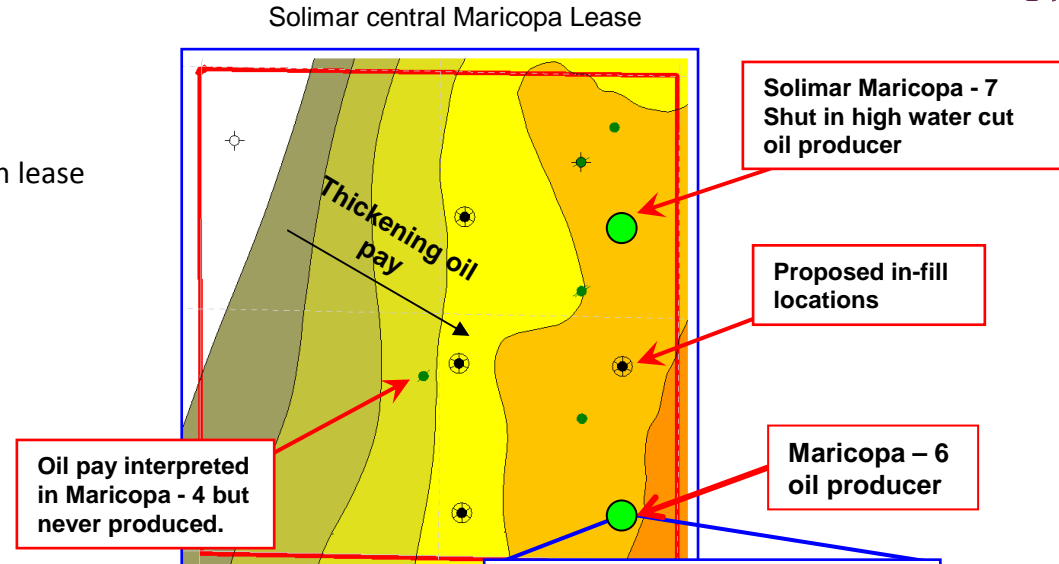
Beam pump on oil producer Maricopa - 6

An aggressive drilling program to increase oil production has the potential to underwrite the Company's overheads

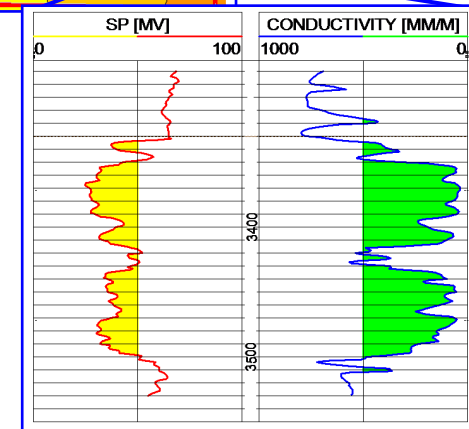
Maricopa oil production upside



- Solimar expanding its position, now has 120 acres in the area including the central production lease
- Developing a jointly funded water disposal project with other operators to allow for increased, future oil production and revenue.
- Several in-fill locations identified on central lease
- Horizontal drilling in consideration



Example E log



Example E- log of oil producing sand

Good quality, medium crude reservoirs offer oil production rates and recovery upside when modern engineering practices are applied.

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- Focussed on production and field appraisal activities
- Low cost corporation and cost efficient producer
- John Begg signed on to build the business;
 - Already added additional , motivated personnel to the team
 - Drillable in 2010 new business initiatives expected to be announced soon
- SELH gas project has company making potential
- The Maricopa oil production project has potential to be scaled up so that cash flow underpins the Company
- The last capital raising (A\$1.8 million) and cash flow should fund the next stage of growth
- Exploration upside to be captured in 2010



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