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RELEASE to ASX and TSXV

Corporate Update

Solimar Energy Limited ("Solimar" or "the Company")(ASX: SGY; TSXV: SXS) is pleased to announce further information regarding the Kreyenhagen Ranch 2-33 well (K 2-33).

The first well (K 2-33) of the Phase I program reached TD at 1,472 feet measured depth on July 20 and was subsequently logged and cased. The well was directionally drilled up to a 48 degree angle and encountered close to 600 feet (measured depth) gross interval of the Temblor heavy oil formation.

Rock and fluid properties, including the relative amounts of sand and shale in the formation and the percentage of oil and water will be investigated in conjunction with the drilling of the second well (K 7-33) of the Phase I program. K 7-33, anticipated to spud in mid-August, will be a vertical well and have whole core cut across much of the Temblor formation to calibrate logs.

K 2-33 will be completed and placed on production, using a completion rig in due course, to obtain reservoir fluid samples and to evaluate the production performance of a deviated well on primary production. The Company plans to include the well in the upcoming Phase II thermal (steam) pilot test currently scheduled for early 2014.

Further to the news release of July 22, 2013, the Company has been in negotiations with SCCP Solimar Holdings LP ("Second City") in relation to their issuance of a "Notice & Request" to Computershare Trust Company of Canada. Solimar has since paid the interest in relation to the alleged default. While the outcome of the negotiations with respect to Second City withdrawing their "Notice & Request" of default cannot be guaranteed, the Company is hopeful that a mutually acceptable resolution will be reached.

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Solimar Energy Limited

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Reader Advisory: Forward-looking statements

This news release contains forward-looking information relating to the dispute with Second City, planned development and exploration activities on the properties in which the Company has interests, and other statements that are not historical facts. Such forward-looking information is subject to important risks, uncertainties and assumptions. The results or events predicated in this forward-looking information may differ materially from actual results or events. As a result, you are cautioned not to place undue reliance on this forward-looking information.

Forward-looking information is based on certain factors and assumptions. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Forward looking-information is subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what is currently expected. These factors include risks associated with instability of the economic environments in which the Company operates or owns interests, oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, reliance on key personnel, regulatory risks and delays, including risks relating to the acquisition of necessary licenses and permits, environmental risks and insurance risks.

You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Company may elect to, the Company is under no obligation and does not undertake to update this information at any particular time, except as required by law.