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RELEASE to ASX and TSXV

Kreyenhagen Update

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Solimar Energy Limited (ASX:SGY; TSXV:SXS) ("Solimar" or "the Company") has signed a Letter of Intent ("LOI") with its joint venture Kreyenhagen Heavy Oil Project joint venture partner ("JV Partner").

The LOI is at this stage non-binding but contemplates the following key amendments to the Farmout Agreement that was announced on May 7, 2013.

- A testing program in respect of the two wells drilled (2-33, 8-33) has been agreed by both parties and the cash call in respect of that program has been issued by Solimar to its JV Partner.
- The JV Partner will agree to pay cash calls for future approved AFE's in respect of any additional work required as a result of accelerating the testing program on wells 2-33 and 8-33.
- The JV Partner will not drill any further wells under Phase I of the work program.
- The JV Partner's 15% working interest in the Heavy Oil lease will be reduced proportionately for that amount under the original USD\$2m commitment to Phase I that had been contemplated in the Farmout Agreement.
- The JV Partner will not earn any interest in the Shale leases.
- The JV Partner will not participate in the Phase II program and will forego any rights that it would have been entitled to, as contemplated in the Farmout Agreement, to increase its working interest in the project in Phase II.

In addition to the testing program planned for the two wells drilled under the joint venture (2-33, 8-33) Solimar is also intending to drill and core a vertical well as part of its program in the first quarter 2014. The Company is in advanced discussions with a third party to fund the drilling and coring of this well which would complete the original Phase I program.

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Solimar Energy Limited

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Reader Advisory: Potential resource estimates and forward-looking statements

This news release contains forward-looking information relating to 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 regarding, among other things, the impact of increasing competition; the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Company to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development of exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and the ability of the Company to successfully market its oil and natural gas products, and other similar matters. 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.

The estimates of resources in this news release constitute forward-looking information which is subject to certain risks and uncertainties, including those associated with the drilling and completion of future wells, limited available geological data and uncertainties regarding the actual production characteristics of, and recovery efficiencies associated with, the reservoirs, all of which are being assumed. As estimates, there is no guarantee that the estimated reserves or resources will be recovered or produced. Actual reserves and resources may be greater than or less than the estimates provided in this presentation.

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.