



ABN 42 112 256 649
www.solimarenergy.com.au

December 24, 2013

RELEASE to ASX and TSXV

Notice to repay Debentures maturing 31 December 2013 in Shares

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Solimar Energy Limited (ASX: SGY; TSXV: SXS) (the "Company") provides notice to the holders of outstanding debentures ("February Debentureholders"), which were issued pursuant to the trust indenture dated February 10, 2012, as amended July 27, 2012 (the "February Indenture"), that the Company elects to satisfy its obligation to pay the principal and remaining interest to February Debentureholders on December 31, 2013 by issuing up to an aggregate of 24,529,905 common shares of the Company ("Shares") (subject to adjustment in accordance with the terms of the February Indenture) being that number of Shares equal to the number obtained by dividing the amount of principal and interest due and payable by C\$0.1170 (being 95% of the volume weighted average price of the Shares on the TSX Venture Exchange for the 21 consecutive trading days ended on December 23, 2013).

The Company also provides confirmation that it has issued Shares in lieu of cash for fees to certain of its directors, as approved by shareholders on November 29, 2013. The Company will also be issuing an Appendix 3B updating on the issue of these shares on the ASX.

For further information contact: Jason Bednar – Director

Phone +1 805 643 4100 or (03) 9347 2409 and website www.solimarenergy.com.au

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Reader Advisory: Forward-looking statements

This news release contains forward-looking information relating to the Company's election to satisfy a principal and interest payment by the issue of shares 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 the 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.