



ABN 42 112 256 649

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RELEASE to ASX and TSXV

Closing of First Tranche of Private Placement and Amendment Agreement with Kreyenhagen JV Partner

Solimar Energy Limited ("Solimar" or the "Company") (ASX: SXS ; TSXV: SXS) is pleased to announce that it has completed a first tranche of a non-brokered private placement for aggregate gross proceeds of C\$250,000 via the issuance of Units at a price of C\$0.065 per Unit. Each Unit is comprised of one common share and one half of one right. Each right entitles the holder to acquire a warrant upon shareholder approval of the conversion of the rights to warrants. Assuming shareholder approval is obtained, each warrant will allow the holder to purchase one common share of the Company at a price of C\$0.065 for a 24 month period following closing.

The securities issued pursuant to the private placement are subject to a four month statutory resale restriction.

The Company intends to hold a shareholder meeting before the end of March 2014 in order for, among other things, shareholders to vote on, and if deemed appropriate, to approve the conversion of the rights to warrants.

The Company intends to complete a further placement in the upcoming week for an amount up to C\$363,600 and the remainder of up to an aggregate of C\$2,000,000 following shareholder approval of the remainder of the placement pursuant to ASX rules.

The private placement is subject to final TSX Venture acceptance.

The Company also has entered into an amending agreement with its joint venture partner ("JV Partner") in the Kreyenhagen Heavy Oil Project, in California.

Following the LOI announced on December 23, 2013, the amending agreement reduces the JV Partner's Farm-in commitment to \$1.8 million with a proportional reduction in the earned Working Interest from 15% to 13.5 % and confirms that the JV Partner will not participate in a second farm-in phase to earn additional rights or working interest.

The JV Partner will participate in the ongoing testing and capital program within the Heavy Oil Project at the Company's working interest of 13.5%. This program includes testing planned for the 2-33 well drilled under the joint venture and the drilling and coring of a vertical well, subject to a successful completion of the proposed financing.

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Solimar Energy Limited

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 private placement, 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 the private placement, 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.