



Salinas  
Energy Limited

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 2 JANUARY 2007

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## WINDGAP TESTING – INITIAL RESULTS

Salinas Energy advises that the first of two hydrocarbon zones in the Windgap 42-36 well has been tested. Small quantities of gas and petroleum liquids were produced in the test but at this stage commercial flow rates have not been demonstrated. Further analysis of the test data is required before a conclusive assessment of the production potential of the zone can be made.

Preparations are underway to test the second slightly shallower zone of interest in the well, which also correlates to one of the producing zones in the North Tejon gas and oil field. The Windgap prospect is interpreted to be a previously under exploited extension of this field. Initial results of testing the second zone should become available during the next week

Partners in the Windgap project post earning will be:-

<b>Salinas Energy</b>	<b>42.5%</b>
Statesman Resources Ltd	21.25%
Laris Oil & Gas, LLC	15.00%
Transerv Australia Ltd	12.75%
Solimar Energy, LLC	8.50%

**Enquiries:**

*Managing Director:*  
*Telephone:*  
*Website:*

*John Begg*  
*08 9380 2111*  
[www.salinasenergy.com](http://www.salinasenergy.com)