



Salinas
Energy Limited

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 14 MAY 2007

GOOD OIL PRODUCTION RATES CONFIRMED FOR HORIZONTAL PRODUCER AT NORTH SAN ARDO

Salinas Energy is pleased to advise that production testing of the Lombardi 4-27H horizontal well has been concluded, demonstrating the well's capacity for pump-assisted, primary production rates of 500 bopd.

The well will be suspended pending completion of the permanent production facilities which are in fabrication and due to be commissioned in August.

Commenting on the latest results, Salinas Managing Director John Begg said:

"We continue to meet key technical and commercial milestones for this project. The successful production testing outcomes support our strategy for development of the asset and we will be devoting our attention to commissioning the production facilities on schedule"



Oil Production Test at North San Ardo

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