

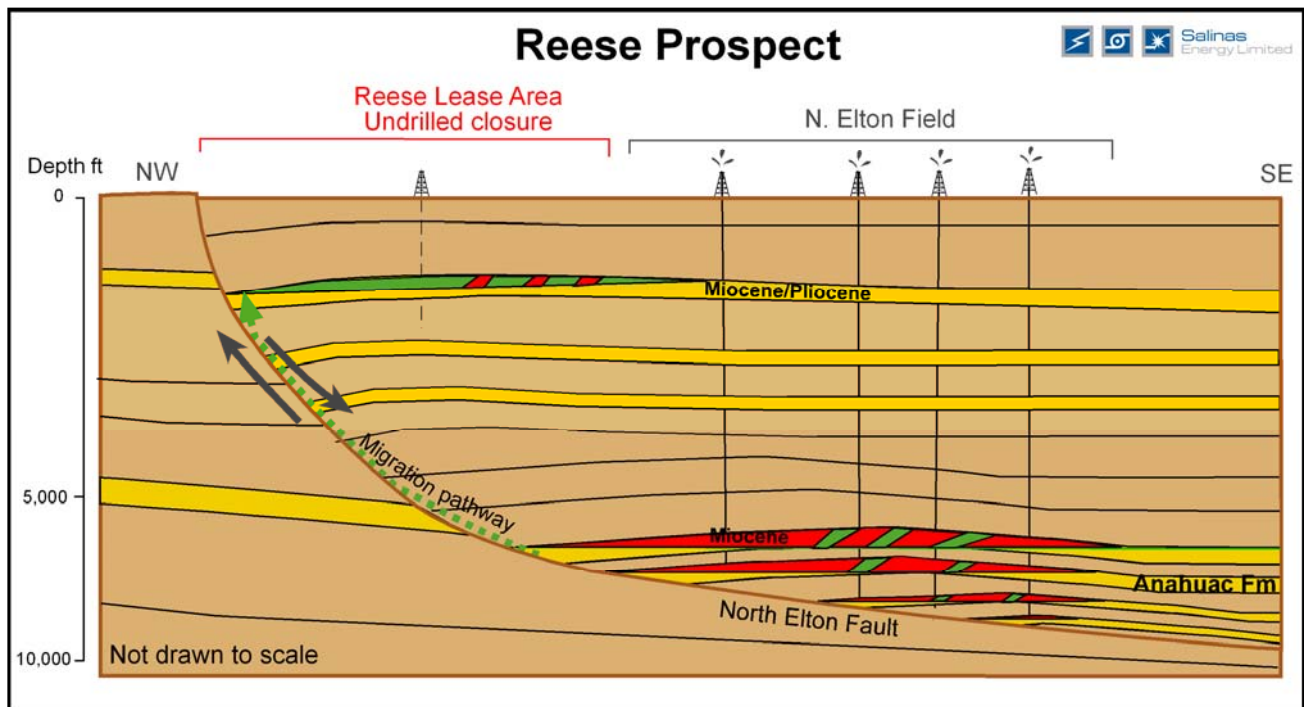


DRILLING COMMENCED ON REESE EXPLORATION PROSPECT

Salinas Energy (SAE) is pleased to announce that the Granger-1 well has spudded on the Reese Prospect in Allen Parish, Louisiana overnight. At morning report time the depth was at 620 feet. The well is being drilled by the Guichard No. 6 rig, and TD is expected within a week. The Granger-1 well is targeting stacked sandstone reservoirs of Miocene age at depths of between 2,500 and 5,500 feet. The prospect has a potential resource of between 4 and 20 million barrels.

The Reese prospect is located adjacent to the producing North Elton field, which since being bought into production in 1939 has produced over 205 bcf of gas and 4.3 million barrels of oil.

Salinas will fund 33% of this well to earn a 25% working interest in the prospect.



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