



SALINAS TO DRILL NORTH YOWLUMNE FOLLOW UP WELL

Salinas Energy (SAE) is pleased to advise that the North Yowlumne joint venture has agreed a second drilling location on this large oil prospect in the San Joaquin Basin and the Nabors Rig 93 is being mobilised to site.

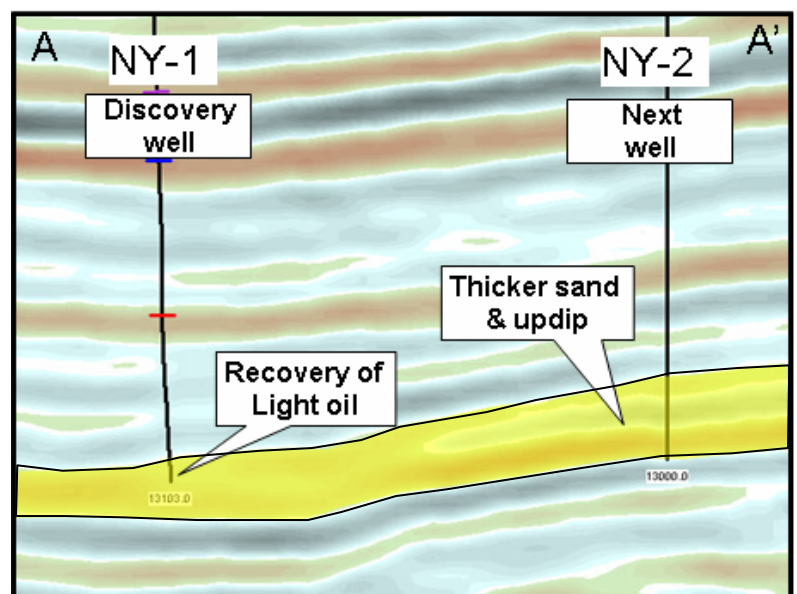
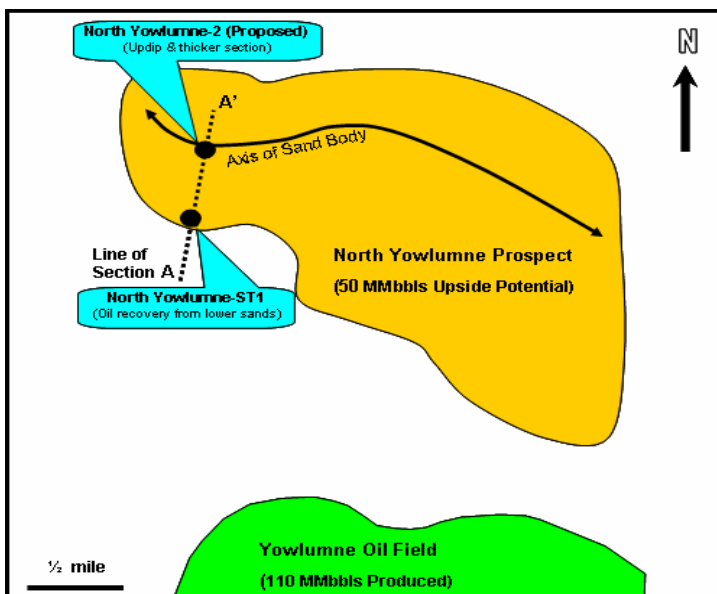
North Yowlumne 2-26 will be located some 0.5 miles north east of the first well (North Yowlumne 1-26) which last year tested light oil (32^o-36^o API) from Miocene age reservoir targets. The well has a planned total depth of 13,000 feet.

The location has been chosen after review of 3D seismic and, based on SAE's in house mapping, should encounter the reservoir section structurally up dip and in a position where thicker sands are present.

SAE has remapped the North Yowlumne prospect with the benefit of an improved local and regional database of well and seismic control. The Company has recently completed a 12 month comprehensive mapping project using this database of the Southern San Joaquin Basin and has identified a range of attractive prospects. The North Yowlumne follow up well will be the first prospect tested of the Company's expanded project inventory in this area.

SAE will participate in the well with a 25% interest.

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North Yowlumne Prospect & Proposed North Yowlumne 2 Location

Section A-A' showing a seismic section across North Yowlumne Prospect