



ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 20 NOVEMBER 2007

SALINAS ADDS INSTITUTIONAL SUPPORT TO REGISTER

Salinas Energy Limited ("Salinas") is pleased to announce that it has raised approximately \$6.3 million through the issue of 11 million shares at 57 cents per share predominantly to institutional clients of Austock Securities Limited ("Austock").

The placement, the terms of which were agreed on Friday 16 November, is being made in two tranches subject to the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1. The second tranche of 7 million shares will be subject to shareholder ratification of previous placements made during 2007 at the Annual General Meeting being held on Thursday.

The placement broadens the institutional shareholder base of the Company in addition to providing additional funding which will allow Salinas to aggressively pursue further growth in its core area onshore Southern California.

Salinas Managing Director, John Begg stated:

"The Company is very active at the moment with both exploration and development activities at an all time high and with significant oil production and associated cash flows imminent. Austock in conjunction with Core Collaborative, which is a leading oil industry advisory group, has shown a strong interest in the Company's existing assets and recognises the growth potential of the business. We are delighted that our business plan is being supported by large institutional shareholders taking significant positions and this can only be good for all existing shareholders."

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