



Salinas
Energy Limited

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 12 DECEMBER 2007

REESE PROSPECT WELL IN LOUISIANA DRY

Salinas Energy advises that the Granger-1 well on the Reese Prospect, onshore Louisiana has been drilled to a total depth of 5,500 feet without discovering hydrocarbons.

Salinas has recommended to the joint venture partners that the well be plugged and abandoned.

Partners in the Reese Prospect are:

Salinas Energy Limited (25%)

Transerv Australia Ltd (50%)

Felice Exploration LLC (25%)

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