

SOLIMAR ENERGY LIMITED

ABN 42 112 256 649

566 Elizabeth Street

Melbourne 3000

3 September 2014

ASX /TSXV ANNOUNCEMENT

COMPANY UPDATE

Further to our announcement on 19 August 2014, the Company advises that negotiations are continuing in regard to the possible purchase of the Company's outstanding convertible debentures by a third party from debenture holders and for the maturity date of these debentures to be extended through to 31 July 2015.

The Company has convertible debentures totalling C\$4.8 million that matured on 31 July 2014 but are subject to these ongoing negotiations and the transaction would have an economic effective date of prior to maturity.

The proposed transaction is currently undergoing due diligence and independent financial assessment. The Company will update the market upon conclusion of the negotiations.

The acquisition of these convertible debentures may ultimately lead to the sale of the Company's working interest in the Kreyenhagen project. The Company will continue to keep the market advised regarding any further developments.

On behalf of the Board,

Jason Bednar
Director

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Reader Advisory: Forward-looking statements

This news release contains forward-looking information relating to incomplete transactions. Such forward-looking information is subject to important risks, uncertainties and assumptions. The results or events predicated in this forward-looking information may differ materially from actual results or events. As a result, you are cautioned not to place undue reliance on this forward-looking information.

Forward-looking information is based on certain factors and assumptions. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Forward looking-information is subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what is currently expected. These factors include risks associated with the private placement, risks associated with instability of the economic environments

in which the Company operates or owns interests, oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, reliance on key personnel, regulatory risks and delays, including risks relating to the acquisition of necessary licenses and permits, environmental risks and insurance risks.

You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Company may elect to, the Company is under no obligation and does not undertake to update this information at any particular time, except as required by law.