

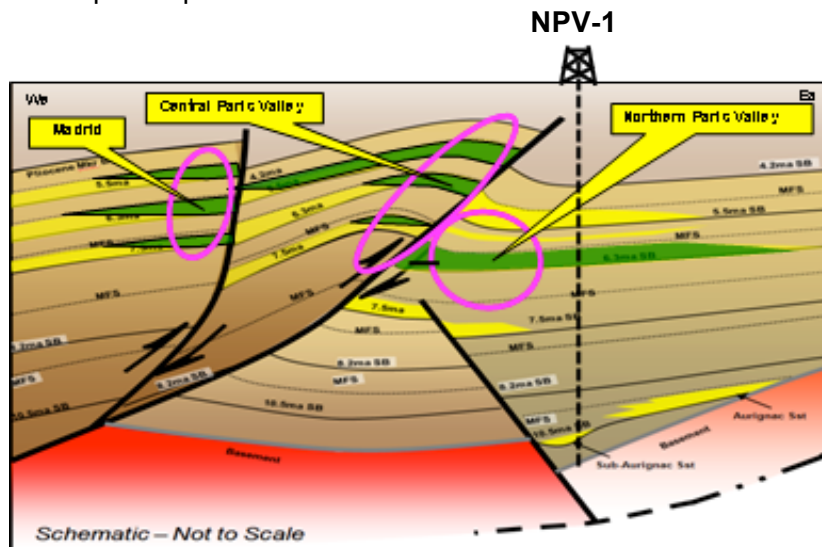


ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 3 DECEMBER 2009

## ACQUISITION OF 100% OF PARIS VALLEY COMPLETED DRILLING OF NORTH PARIS VALLEY TO COMMENCE NEXT WEEK

Salinas is pleased to announce it has completed the acquisition of the Nations Petroleum entity which owns the leases covering the Paris Valley Oil Field re-development project in Monterey County, California. As a result of the acquisition, Salinas now owns a 100% working interest in the project and is the project Operator.

Drilling of the North Paris Valley ("NPV-1") vertical appraisal well is expected to commence next week and reach its targeted total depth within the week. NPV-1 will acquire reservoir and fluid samples which will provide important data pertaining to the potential commerciality of the field. The central portion has been delineated by over 30 wells however the northern portion is estimated to contain approximately 86% of the field resource or 114 million barrels of oil in place of which some 34 million barrels could be recoverable. New data from this well will enable more accurate estimates of recoverable reserves and will form the basis of a preliminary field development plan.



Commenting on the closing of the transaction and impending drilling program Salinas' Managing Director Ken Charsinsky said:

*"The drilling of the North Paris Valley well will be the first step in helping us determine if the commercial significance of this project extends beyond the central part of the field that has been in production previously, albeit in very different economic circumstances. We anticipate the combination of higher oil prices coupled with the appropriate use of new recovery technology will be the key to unlocking the significant commercial value of this field."*

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