



Salinas
Energy Limited

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 22 JANUARY 2009

REVENUE FOR SALINAS ENERGY IN 2008 EXCEEDS US\$20 MILLION

Salinas Energy is pleased to report oil production revenue of US\$20.1 million for calendar 2008, translating to a net operating profit for the Company's California business of US\$9.7 million.

Despite the fall in oil prices and month by month revenue since last August the figures represent an excellent result for the Company from its first full year of oil production from the North San Ardo oil field (NSA) which totalled 230,000 barrels.

Salinas owns 100% and operates the NSA field and has been carrying out a range of initiatives to reduce operating and capital costs to ensure the field remains profitable at the relatively low oil prices being experienced. This has meant deferring the drilling of additional production wells until a more stable economic environment is established.

Commenting on the result, Salinas' Managing Director John Begg said:

"Meeting the US\$20 million revenue target that we forecast early in 2008 has been an important achievement for the Company. We have reset our goals so that 2009 will also be a year of high achievement for the Company, despite challenging economic conditions."

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