



ABN 42 112 256 649

www.solimarenergy.com.au

August 16, 2013

RELEASE to ASX and TSXV

Agreement with Debentureholders

Solimar Energy Limited ("Solimar" or the "Company") (ASX: SGY ; TSXV: SXS) is pleased to announce that it has reached an agreement with holders of debentures ("Debentures") issued pursuant to the debenture indenture dated June 26, 2012 (the "Debenture Indenture"). The principal outstanding under the Debentures is C\$4.0 million.

After nearly one month of negotiations and further to the Company's press releases dated July 22 and August 2, 2013, the holders of Debentures have agreed to waive the event of default under the Debenture Indenture and direct the trustee under the Debenture Indenture to cancel the declaration that the outstanding principal and interest owing thereunder is immediately payable on the condition that the Debenture Indenture be amended and restated to provide, among other things, as follows:

- the interest payable on the Debentures increases to 20% per annum effective July 1, 2013 with 16% being payable on each interest payment date and the additional 4% being accrued and payable upon maturity;
- the maturity date of the Debentures is brought forward to January 31, 2014. However, at the Company's option and upon the Company and its subsidiaries providing the holders of Debentures first priority security on all of the Company's and its subsidiaries' assets and payment of a C\$250,000 extension fee, payable proportionately to the holders of the Debentures at the time of the extension, the maturity date may be extended to July 31, 2014;
- the Company pays a loan modification fee of C\$500,000, payable proportionately to the holders of the Debentures upon maturity;
- the Company covenants to use all reasonable commercial efforts to pay, via the issuance of shares, any principal and interest owing pursuant to the debenture indenture dated February 10, 2012, as amended July 27, 2012; and
- the Company and its subsidiaries covenant not to incur or become responsible for, directly or indirectly, any additional indebtedness that ranks in priority to the Debentures.

The Debenture Indenture was amended and restated as of August 14, 2013 to reflect the foregoing conditions.

For further information contact:

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Solimar Energy Limited

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 the amended and restated Debenture Indenture, planned development and exploration activities on the properties in which the Company has interests, and other statements that are not historical facts. 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 amended and restated Debenture Indenture, 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.