

Appendix 3C

Announcement of buy-back (*except* minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001.

Name of entity	ABN
Salinas Energy Limited	49 002 796 974

We (the entity) give ASX the following information.

Information about buy-back

1	Type of buy-back	On-market
2	+Class of shares which is the subject of the buy-back (<i>eg, ordinary/preference</i>)	Ordinary Shares
3	Voting rights (<i>eg, one for one</i>)	One for one
4	Fully paid/partly paid (<i>and if partly paid, details of how much has been paid and how much is outstanding</i>)	Fully Paid
5	Number of shares in the +class on issue	241,002,690
6	Whether shareholder approval is required for buy-back	No
7	Reason for buy-back	The Board has approved the buy back as part of a capital management program.

Appendix 3C

Announcement of buy-back

8	Any other information material to a shareholder's decision whether to accept the offer (<i>eg, details of any proposed takeover bid</i>)	N/A
---	--	-----

On-market buy-back

9	Name of broker who will act on the company's behalf	Austock Securities Limited and Argonaut Securities Pty Limited.
10	Deleted 30/9/2001.	
11	If the company intends to buy back a maximum number of shares - that number <small>Note: This requires a figure to be included, not a percentage.</small>	12,050,134
12	If the company intends to buy back shares within a period of time - that period of time; if the company intends that the buy-back be of unlimited duration - that intention	For up to 12 months.
13	If the company intends to buy back shares if conditions are met - those conditions	N/A

Employee share scheme buy-back

14	Number of shares proposed to be bought back	N/A
15	Price to be offered for shares	N/A

⁺ See chapter 19 for defined terms.

Selective buy-back

- 16 Name of person or description of class of person whose shares are proposed to be bought back
- 17 Number of shares proposed to be bought back
- 18 Price to be offered for shares

Equal access scheme

- 19 Percentage of shares proposed to be bought back
- 20 Total number of shares proposed to be bought back if all offers are accepted
- 21 Price to be offered for shares
- 22 ⁺Record date for participation in offer
Cross reference: Appendix 7A, clause 9.

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here:  _____ Date: 23 January 2008
(Director/Company secretary)

Print name: John Begg

====

⁺ See chapter 19 for defined terms.