



Salinas
Energy Limited

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 23 JANUARY 2008

INTRODUCTION OF ON MARKET BUY-BACK PROGRAM

The Board of Directors of Salinas Energy Limited (“the Company”) has approved an on-market buy-back program of up to 5% of the Company’s issued capital or 12,050,134 shares.

Shareholder approval will not be required as the Company will remain within the limit permitted under Section 257B of the Corporations Act which permits companies to purchase without shareholder approval, up to 10% of their issued capital within a 12 month period.

Any shares purchased under the on-market buyback will be cancelled.

The Company has appointed Austock Brokers and Argonaut Securities to act as brokers to the on-market buy-back program.

Enquiries:

*Dougal Ferguson
Chief Financial Officer*

*John Begg
Managing Director*

Telephone:

08 9380 2111

Website:

www.salinasenergy.com