



Salinas
Energy Limited

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 5 JUNE 2008

REVENUE FROM NSA INCREASING – US\$2.2 MILLION ACHIEVED IN MAY

Sales volume of 21,961 barrels and revenues of over US\$2.2M were achieved from Salinas Energy's 100% owned North San Ardo oil field (NSA) during May 2008 with revenue up from US\$1.3 million in April.

The increased revenue has been achieved without the benefit of a full month's production from the first two horizontal production wells brought on line from the recently completed four well horizontal production drilling program and without any contribution from the final two wells in the program.

The final two recently completed production wells are being tied into the NSA production facility and are both expected to be on production within the next 10 days. Production from the field is then expected to hit a new peak rate generating a further increase in revenue.

Commenting on the increasing oil production and revenue levels Salinas' Managing Director John Begg said:

"We have forecast revenues of over US\$20 million from our oil production this calendar year which we are confident of achieving given the results so far from NSA.

We expect to further increase monthly oil production and revenue levels in June/July from the current well program then see some leveling or decline in production ahead of another horizontal production well program that is planned to commence late in the third quarter this year. Barring a drop in oil prices, the highest oil production and revenue levels for the year are anticipated after the later drilling program."

Enquiries:

Managing Director:

Finance Director:

Telephone:

Website:

John Begg

Dougal Ferguson

08 9380 2111

www.salinasenergy.com