UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT: November 2, 2010
DATE OF EARLIEST EVENT REPORTED: October 26, 2010

000-53725
(Commission file number)

Blast Energy Services, Inc.
(Exact name of registrant as specified in its charter)

Texas	**22-3755993**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

14550 Torrey Chase Blvd, Suite 330
Houston, Texas 77014
(Address of principal executive offices)

(281) 453-2888
(Issuer's telephone number)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On or about October 26, 2010, Blast Energy Services, Inc. ("Blast") entered into a letter of intent with Solimar Energy LLC ("Solimar"), which provides Blast the rights to participate in a field extension drilling project to exploit an undeveloped acreage position in the Guijarral Hills Field located in the San Joaquin basin of central California. Solimar is a wholly-owned subsidiary of Solimar Energy Limited, a publicly-traded company on the Australia Stock Exchange based in Melbourne, Australia. Blast's right to participate in the project pursuant to the letter of intent is subject to the negotiation and execution of definitive agreements and Blast raising additional funding necessary to pay for its percentage of the required drilling costs, as described in greater detail below.

<u>The Potential</u>

Located in the oil rich northwestern San Joaquin basin, the Guijarral Hills Field was originally discovered in 1948 and has produced over 50 million barrels of light oil with some natural gas over its lifetime. While the original field is largely abandoned today, Solimar has acquired an interest over three sections covering 2,543 acres. One of the sections is located between two previously producing fields and is within 2,000 feet of the Guijarral Hills Field. As the initial drilling location is considered "in-field" they have already been permitted and are ready to drill. The balance of the acreage is primarily to the west and south of the existing field in areas that Solimar believes have been under developed.

The field has produced from at least four sandstone oil reservoirs at depths between 7,500 feet and 11,000 feet and production wells historically have achieved initial production rates of over 500 barrels of oil per day (bopd). However, production rates as high as the early wells in the field when the reservoir and pressure conditions were pristine are not expected. This project is targeting 400 bopd initial flow rates from the wells planned, of which there can be no assurance.

Initial technical work conducted by Solimar has focused on identifying those parts of the field extension likely to have been less efficiently exploited by the original drilling program where it is hoped that commercial flow rates and good recovery of the remaining in place oil can be re-established. Solimar has completed further geological and reservoir engineering studies on the project and the results have been very positive for the potential recovery of light oil.

<u>The Terms</u>

Under the terms of the letter of intent with Solimar, Blast has an option to participate in the Guijarral Hills project on a promoted basis of 66-2/3 percent (%) of the costs to drill and complete the initial planned well. After the drilling of the initial well, Blast will earn a 50% working interest, with net revenue interest of 38% in the entire project's acreage position and will be required to contribute on an equal heads up basis (i.e., 50% of all costs) on any additional wells that may be drilled in the project.

Pursuant to the letter of intent, Blast agreed to pay Solimar a non-refundable fee of $100,000 in return for the excusive right for a period of 90 days to execute a definitive agreement. Should the 90 day period expire without an executed definitive agreement, Blast's exclusivity fee will be applied toward a small interest in the field under the same terms of the letter of intent. Otherwise, this fee will be applied toward 50% of Solimar's sunk costs in the project, or approximately $200,000, net to Blast.

<u>The Costs</u>

The estimated gross cost to drill the initial planned well to its approximate total depth of 10,500 feet is approximately $2.3 million. Under the terms of the letter of intent, Blast would pay approximately $1.54 million of this cost. If the well is successful, Blast would then expect to pay its 66-2/3% promoted share toward the additional costs needed to complete the well and bring it onto production. After the initial planned well is drilled, whether successful or not, Blast will participate in future drilling activities within the project at a 50% working interest, subject to Blast's requirement to pay 50% of the costs associated with the project.

Blast does not currently have sufficient available cash to pay the costs associated with the drilling of the initial well and will have to raise additional funding which may not be available on favorable terms, if at all. Participation in the initial well is required for Blast to earn a 50% working interest in the project.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

Exhibit No.	Description
10.1*	Letter of Intent with Solimar Energy LLC
99.1*	Release describing Blast's entry into the Letter of Intent with Solimar Energy LLC.

* Filed herewith.

SIGNATURES

Pursuant to the requirement of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Blast Energy Services, Inc.

By:/s/ Michael Peterson,
Michael Peterson
Interim President and CEO

Date: November 2, 2010

EXHIBIT 10.1

October 25, 2010

Mr. John Begg
Executive Director
Solimar Energy Limited
366 East Santa Clara, CA 93001

Letter of Intent to Farmin to Guijarral Hills Extension Exploitation Project

Dear Mr. Begg,

This letter is intended to summarize the principal terms of the proposed participation by Blast Energy Services, Inc., a Texas corporation ("Blast") in the Guijarral Hills Extension Exploitation Project ("Guijarral Hills").

WHEREAS, the Parties seek to negotiate a definitive written agreement effecting the terms and conditions of the farm in ("Definitive Agreement") between the Parties.

PART ONE

NOW, THEREFORE, the Parties have agreed to enter into the following Letter of Intent:

1. <u>Exclusivity.</u> Blast will pay to Solimar within 5 days of execution of this LOI the sum of $0.1M ($100,000) being a non refundable exclusivity fee. In return Blast will have the exclusive right for a period of up to 90 days within which to conclude a farmin to Guijarral Hills based on the terms of this LOI. Such fee will be applied to the farmin consideration as noted in item 2 and 3 or rebated against the payment contemplated in Item 5.

2. <u>Basic Transaction</u>. Blast agrees to farmin to Guijarral Hills on a 1/3 for a 1/4 basis offering to fund 66 2/3 per cent (%) of the proposed Authorization for Expenditure ("AFE") for the first well to be drilled on the project.

3. <u>Consideration</u>. Blast understands the dry hole AFE for the first well to full Total Depth ("TD") at the lower Gatchell is approximately $2.3 Million and hence Blast is proposing to participate on a promoted basis to the extent of $1.54 Million and thereafter at working interest for the full extent of drilling the well to TD. Blast understands that this does not include costs to complete the well and bring it onto production which costs Blast will pay 66 2/3 per cent (%).

4. <u>Working Interest</u>. Blast understands that Solimar Energy Limited through its subsidiary Solimar Energy LLC (collectively "Solimar") and Neon own 100 per cent (%) of the working interest ("WI") and approximately 76 per cent (%) of the net realizable interest ("NRI") in the Guijarral Hills leases. Consequently Blast would subsequently own 50 per cent (%) of the WI and 38.0 per cent (%) of the NRI after the farm in. Blast understands that the first well is planned to drill through the Temblor, Allison and Leda sand formations and the Avenal/Gatchell sand formation entitling the WI partners to rights in all formations.

5. Capital Commitments. Blast understand that it will be responsible for the proportional sunk cash costs of Solimar and Neon (estimated at $0.4 Million) based upon the WI , and subsequent AFEs also based upon the WI .

6. Joint Operating Agreement. Blast understands that the Guijarral Hills project will be operated by Solimar according to a Standard Form 610 operating agreement (as per supplied by Solimar on Friday 22 October, 2010) and that Blast will become a party to such agreement at execution of the Definitive Agreement.

7. Actions Prior to Execution of a Definitive Agreement. The execution of a Definitive Agreement by the Parties would be subject to the satisfaction of various conditions, including:

   a) Payment of the Exclusivity Fee per Clause 1 above:

   b) Negotiation of a comprehensive Definitive Agreement, which would include representations, warranties, covenants, indemnities, conditions to closing (including financial condition and identification, to the extent practicable, of any necessary regulatory and third-party consents or approvals), mutual fiduciary out clauses, break-up fees, and other customary terms;

   c) The boards of directors of each of the Parties approving the Acquisition and Definitive Agreement;

The foregoing list of items is not intended to be definitive or complete and does not obligate either Party to enter into a Definitive Agreement even if the foregoing items are completed.

Sincerely,

BLAST ENERGY SERVICES, INC.

By: /s/ Michael Peterson
Name: Michael Peterson
Title: CEO

SOLIMAR ENERGY Limited

By: /s/ John Begg
Name: John Begg
Title: Executive Director

EXHIBIT 99.1

BLAST ENERGY SERVICES SIGNS LETTER OF INTENT TO PARTICIPATE IN DRILLING PROJECT IN CALIFORNIA OIL FIELD

Houston, TX – November 2, 2010 – Blast Energy Services, Inc. (“Blast”)(OTC BB: BESV) has entered into a letter of intent with Solimar Energy LLC (“Solimar”), to participate in a field extension drilling project to exploit an undeveloped acreage position in the Guijarral Hills Field located in the San Joaquin basin of central California. Solimar is a wholly-owned subsidiary of Solimar Energy Limited (SGY.AX), a publicly-traded company on the Australia Stock Exchange based in Melbourne, Australia.

“This is a unique California opportunity located in a known oil producing region with multiple producing sand sections which we believe provides several million barrels in upside oil reserve potential to Blast. This type of field extension project - which was previously leased by Chevron and Cal Minerals and has been overlooked for several decades - suits our investment strategy to invest in oil producing properties located in existing fields,” stated Michael Peterson, acting President and Chief Executive Officer of Blast.

The Potential

Located in the oil rich northwestern San Joaquin basin, the Guijarral Hills Field was originally discovered in 1948 and has produced over 50 million barrels of light oil with some natural gas over its lifetime. While the original field is largely abandoned today, Solimar has acquired an interest over three sections covering 2,543 acres. One of the sections is located between two previously producing fields and is within 2,000 feet of the Guijarral Hills Field. As the initial drilling location is considered “in-field” the environmental and surface use requirements have already been cleared and drilling is planned to commence during the first quarter of 2011. The balance of the acreage is primarily to the west and south of the existing field in areas that Solimar believes has been under developed.

The field has produced from at least four sandstone oil reservoirs at depths between 7,500 feet and 11,000 feet and production wells historically have achieved initial production rates of over 500 barrels of oil per day (bopd). However, production rates as high as the early wells in the field when the reservoir and pressure conditions were pristine are not expected. This project is targeting 400 bopd initial flow rates from the wells planned.

Initial technical work conducted by Solimar has focused on identifying those parts of the field extension likely to have been less efficiently exploited by the original drilling program where it is hoped that commercial flow rates and good recovery of the remaining in place oil can be re-established. Solimar has completed further geological and reservoir engineering studies on the project and the results have been very positive for the potential recovery of light oil.

The Terms

Under the terms of the letter of intent with Solimar, Blast has an option to participate in the Guijarral Hills project on a promoted basis of one-third for a quarter, or 66-2/3 percent (%) of the costs to drill and complete the initial planned well. After competition of the initial well, Blast will earn a 50% working interest, with net revenue interest of 38%, in the entire project’s acreage position and will contribute on an equal heads up basis (i.e., 50% of all costs) on any additional wells that may be drilled in the project.

Additionally, Blast agreed to pay Solimar a non-refundable fee of $100,000 in return for the exclusive right for a period of 90 days to execute a definitive agreement and subject to Blast raising the funds to participate in this project. Should the 90 day period expire without an executed definitive agreement, Blast's exclusivity fee will be applied toward a small interest in the field under the same terms of the letter of intent.

The Costs

The estimated gross cost to drill the initial planned well to its approximate total depth of 10,500 feet is approximately $2.3 million. Under the terms of the letter of intent, Blast would pay approximately $1.54 million of this cost. If the well is successful, Blast would then expect to pay its 66-2/3% promoted share toward the additional costs needed to complete the well and bring it onto production. After the initial planned well is drilled, whether successful or not, Blast will participate in future drilling activities within the project at a 50% working interest.

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Website address

http://www.blastenergyservices.com

Safe Harbor Statement

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). In particular, when used in the preceding discussion, the words "believes," "expects," "intends," "plans," "anticipates," or "may," and similar conditional expressions are intended to identify forward-looking statements within the meaning of the Act, and are subject to the safe harbor created by the Act. Any statements made in this news release other than those of historical fact, about an action, event or development, are forward-looking statements. Forward looking statements involve known and unknown risks and uncertainties, which may cause the Company's actual results in future periods to be materially different from any future performance that may be suggested in this release. Such factors may include risk factors including but not limited to: the likelihood that the customer lawsuits result in meaningful proceeds, the ability to raise necessary capital to fund growth, adequate liquidity to manage operations and debt obligations, the introduction of new services, commercial acceptance and viability of new services, fluctuations in customer demand and commitments, pricing and competition, reliance upon lenders, contractors and vendors, the ability of Blast's customers to pay for our services, together with such other risk factors as may be included in the Company's filings on its periodic filings on Form 10-K, 10-Q, and other current reports. Blast takes no obligation to update or correct forward-looking statements, and also takes no obligation to update or correct information prepared by third parties that are not paid for by Blast.

CONTACTS: Blast Energy Services, Inc.
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