



BLAST ENERGY SERVICES CLOSES ON FINANCING FOR DRILLING PROGRAM IN CALIFORNIA

Houston, TX – February 28, 2011 – Blast Energy Services, Inc. (“Blast”)(OTC BB: BESV) has entered into a farmout agreement with Solimar Energy LLC (“Solimar”) and closed a debt financing to fund its share of the initial well drilling costs to participate in a field extension drilling project located in the Gujarral Hills Field located in the San Joaquin basin of central California. The drilling program is designed to exploit an undeveloped acreage position located between two previously high producing fields. The initial well in this project began drilling on February 20th.

“Our investment in this project, which we believe may provide up to 25 million barrels in upside oil reserve potential, is a significant milestone in our strategy focused on oil producing properties and we are excited that the initial drilling is underway,” stated Michael Peterson, acting President and Chief Executive Officer of Blast.

To fund the costs of this initial well in this project, Blast entered into a lending arrangement for up to \$2.5 million of debt funding with Centurion Credit Funding LLC based in New York City. The details of this lending arrangement are included in a filing Blast has made with the Securities and Exchange Commission (“SEC”) on Form 8-K relating to the closing of the debt funding and related agreements and understandings. The Form 8-K can be viewed using the SEC’s EDGAR system or on the Company’s website.

Under the terms of the farmout agreement, Blast will participate in the Gujarral Hills Exploitation 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 well. After completion of the initial well, Blast will have earned a net revenue interest of 38% and a 50% working interest in the entire project’s acreage position, subject to certain interests granted in connection with the debt funding.

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.

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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.

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