



BLAST ENERGY SERVICES PLANS TO TEST OIL AND GAS POTENTIAL IN CALIFORNIA WELL

Houston, TX – March 23, 2011 – Blast Energy Services, Inc. (“Blast”)(OTC BB: BESV) announced today that the Solimar Energy 76-3 well in the Gujarral Hills Field Area located in Fresno County, California has reached its total drilling depth of 10,550 feet. Upon reaching total depth, a series of wireline log evaluations were conducted which indicated the presence of at least four potentially commercial reservoir sands that are expected to undergo further testing. Solimar Energy, the operator of the well, plans to set casing immediately and then will commence production flow testing procedures.

“We are encouraged by the shows encountered in this well especially in light of the similarities to the zones in offset producing wells that were originally drilled fifty to sixty years ago. We are looking forward to the results from a flow testing program using modern completion techniques,” stated Michael Peterson, acting President and Chief Executive Officer of Blast.

Preliminary analysis of the wireline data shows hydrocarbon potential from the well’s main reservoir targets in the Allison, Leda, Lower Avenal and Lower Gatchell Sandstones. A more complete evaluation of the wireline data with further reference to the offset well data will be carried out to determine how many zones will be tested and over what intervals. The flow testing program will be conducted to determine whether the potential pay zones have sufficient saturations of hydrocarbons with the capacity to flow at commercial rates. Such tests will also provide more definitive information on the gravity of the hydrocarbons as the initial indications showed the presence of light oil - up to 40 API gravity crude oil - in some of the zones.

Each of the main reservoir targets was confirmed at close to the predicted depth with formation tops and thicknesses as follows:

Allison Sandstone	Top 8,060 feet	Thickness 35 feet	Potential hydrocarbon pay 10-20 feet
Leda Sandstone	Top 8,518 feet	Thickness 12 feet	Potential hydrocarbon pay 8 feet
Avenal Sandstone	Top 9,930 feet	Thickness 80 feet	Potential hydrocarbon pay 27 feet
Gatchell Sandstone	Top 10,373 feet	Thickness 12 feet	Potential hydrocarbon pay 5-6 feet

These zones also compare similarly in thickness, permeability and porosity to offset wells located in the nearby Gujarral Hills Field that had initial production rates of over 100 barrels per day from each zone.

In addition to the above zones, which were the original targets, a number of other zones were identified and created great interest. These zones will be examined further to determine whether the data indicates the presence of hydrocarbons and whether these zones should be included in the flow testing program.

The casing operations are likely to take approximately five days. Once the casing has been run, the drilling rig will be released from the well site and a smaller testing unit will be brought on location to

commence the flow testing program. Such testing units are readily available as the well site location is very near the city of Bakersfield, which is the main oil services center in the San Joaquin Valley.

Background

Under the terms of the farmout agreement with Solimar, Blast will participate in the Gujarral 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 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 Blast's recent debt funding.

Located in the oil rich northwestern San Joaquin basin, the Gujarral 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, where the initial well is located, is an under developed area located between two previously highly productive fields and is within 2,000 feet of the Gujarral Hills Field. As the initial drilling location is considered "in-field", the environmental and surface use requirements have already been cleared and drilling has commenced. 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.

Initial technical work previously conducted by Solimar focused on identifying those parts of the field extension likely to have been less efficiently exploited by the original drilling program from as far back as the 1940's. 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.

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>

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