



sunset energy Ltd

30 October 2009

ASX Companies Announcements Office
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ASX : SEY

FIRST QUARTER ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

HIGHLIGHTS

Maricopa

- Oil sales for the September Quarter of 2,370 barrels
- Wellington Maricopa #6 continued at good rates of oil producing between 22 and 31 bopd.
- Plans are advancing for a sophisticated and cost effective water disposal system on Maricopa #7 well.

Sales Production

- Total of 2,370 barrels of oil sold at an average price of approximately US\$63 per barrel in the September Quarter
- Sunset's share of revenue from sales for the quarter was A\$76,000

DRILLING AND DEVELOPMENT PROGRAM

During the quarter, Sunset Energy Limited ("Sunset Energy" or "the Company") (ASX:SEY) continued with its joint venture and operating partner Solimar Energy Limited ("Solimar Energy") (ASX:SGY) to explore and develop its assets in California.

Maricopa Project: 50% Working Interest and Operator (San Joaquin Basin)

The Maricopa #6 well continued to steadily produce light oil throughout the quarter at rates between 22 and 31 bopd. The well has now been performing consistently for over 18 months since being drilled and completed for production. These results strongly indicate that further oil productive potential can be captured in the Maricopa leases through additional drilling.

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Plans are also advancing for a more sophisticated and cost effective water disposal system which would allow the Maricopa #7 well, which produces with a high water cut, to be brought back on stream.

Improved oil prices have had a beneficial effect on the project with average prices of approximately US\$65 being achieved in the month of September.

Sunset Energy Limited has a 50% Working Interest. Solimar Energy holds a 50% Working Interest and is the operator.

The Silverthread Project: 18.5% - 20% Working Interest (Ventura Basin)

The Company and its joint venture partner did not make significant progress with this project and is seeking agreement with operator Mirada Petroleum to re-enter, stimulate and re-test the thick oil Zone penetrated in the Nesbitt #5 well.

SALES PRODUCTION

During the September quarter 2009, a total of 2,370 barrels of oil were sold from the Maricopa Project. The average price of oil received from Kern Oil Refinery in the September quarter 2009 was about US\$63/bbl. The Company's share of revenue from sales for the quarter was A\$76,000.

CORPORATE

During the September quarter 2009, the Company successfully raised \$287,500 (before costs) through a placement of 5,750,000 ordinary shares at \$0.05 each. The funds were raised to replenish working capital and to fund the Company's ongoing oil and gas exploration and development activities in California.

Yours faithfully



David Prentice
Director