



# **sunset energy** Ltd

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Manager Announcements  
Company Announcements Office  
Australian Securities Exchange  
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SYDNEY NSW 2000

## **Operations Update**

Sunset Energy Limited (“Sunset Energy” or “the Company”) (ASX Code: SEY), together with its joint venture partner Solimar Energy Limited (“Solimar Energy”) (ASX Code: SGY) is pleased to provide an update on operations.

### **Maricopa**

Wellington Maricopa #6 is currently producing approximately an average of 30 barrels of oil per day and Wellington Maricopa #7 remains shut in.

Plans are also progressing on installing a water disposal line which would substantially reduce water disposal costs. A preliminary right of way agreement has been reached with one land holder and discussions are occurring with other land holders on Right of Way agreements. Solimar Energy is also looking at the possibility of approaching other producers in the area to ascertain if they would be interested in participating in the costs of installing a water disposal line which they would then have access to.

Sunset Energy has a 50% interest in this project. Solimar Energy also has 50% interest in the project and is operator of the Maricopa Project.

### ***About the Maricopa Project***

Sunset Energy currently has a 50% interest in a 120 acre lease located two miles east of the town of Maricopa within the southeast end of the Midway-Sunset Oil Field. The Midway Sunset field is one of the largest onshore oil fields in the world with reserves in excess of 3 billion barrels. The lease already contains five wells completed as producers with close to 1 million barrels being produced from the lease and some 2.2 million barrels from immediate adjoining leases since 1930.

Sunset Energy and its joint venture partner, Solimar Energy, have drilled two oil wells at the Maricopa Project.

The Wellington Maricopa #7 well was the first appraisal well drilled in September 2008 at the Maricopa Project and follows the discovery well, Wellington Maricopa #6, which was drilled in March 2008. Production of oil from the Maricopa Project in the June 2009 quarter was 3,044 barrels.

Additional follow-up locations in the Maricopa Project have been identified, including up to 3 vertical well locations and possibly 2 horizontal locations. A new geologic review has also been undertaken to identify further new drilling locations to increase potential production.

## **Silverthread**

In recent months Sunset Energy's joint venture partner, Solimar Energy has followed up Mirada Petroleum Inc ("Mirada") on outstanding items and received minimal co-operation. As a result Solimar Energy instructed its attorney to send Mirada a "Notice of Pendency of Action" ("Notice") in regards to the Silverthread leases. The Notice protects the joint ventures' interest in the leases and instructs Mirada to action the outstanding items.

Once the outstanding items are provided the joint venture partners will be able to proceed with plans for a testing operation at the Nesbitt #5 well.

Partners in the Silverthread Project (and their respective working interests) are:

Mirada Petroleum Inc. (Operator) and Partners:	63.0% to 60.0%
Solimar Energy Limited (ASX Code: SGY):	18.5% to 20.0%
Sunset Energy Limited (ASX Code: SEY):	18.5% to 20.0%

### ***About the Silverthread Project***

Sunset Energy has a 18.5 to 20% working interest in the Silverthread Project, which is located in the prolific Ojai oil and gas producing area in the Ventura Basin, about 100 kilometres northwest of Los Angeles, California. This area contains several producing fields which include Silverthread, Sisar Creek, Lion Mountain, Sulphur Mountain and Sulphur Crest.

Yours faithfully,



David Prentice  
Director

### **Forward Looking Statements**

This announcement contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause the actual results to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserves and resources estimates, loss of market, industry competition, environmental risks, physical risks, legislative changes, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

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