



sunset energy Ltd

30 April 2010

ASX Companies Announcements Office
ASX online
ASX : SEY

THIRD QUARTER ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2010

HIGHLIGHTS

Maricopa

- Oil sales for the March Quarter of 2,597 barrels
- Wellington Maricopa #6 continued at good rates of oil producing 26 Bopd

Sales Production

- Total of 2,597 of oil sold at an average price of approximately US\$74 per barrel in the March Quarter
- Sunset's share of revenue from sales for the quarter was A\$130,000

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 focus on its assets in California.

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

The Maricopa #6 well averaged a rate of 26 Bopd during the quarter.

Improved oil prices have had a beneficial effect on the project with average prices of approximately US\$74 being achieved in the March quarter.

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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)

Solimar Energy is continuing to work on receiving assignments on the lease at Silverthread and is hopeful that a settlement can be reached shortly with the operator Mirada Petroleum Inc. This would provide the opportunity to re-enter, stimulate and re-test the oil zone penetrated in the Nesbitt #5 well.

The Deer Creek Project: 50% Working Interest and Operator (San Joaquin Basin)

The Company is currently evaluating the future of the Deer Creek project and how it fits in with the Company's plans and objectives.

SALES PRODUCTION

During the March quarter 2010, a total of 2,597 barrels of oil were sold from the Maricopa Project. The average price of oil received from Kern Oil Refinery in the March quarter 2010 was about US\$74/bbl. The Company's share of revenue from sales for the quarter was A\$130,000.

CORPORATE

On 17 February 2010, the Company was pleased to finalize the placement of 10 million shares at \$0.12 per share to raise a total of \$1.2 million as a condition of the Bundu Oil and Gas Exploration (Pty) Ltd ("Bundu") acquisition agreement. These funds will be applied towards Bundu's work program on its South African projects.

During the quarter, progress towards the finalization of the Bundu acquisition continued with the transaction being completed around 20 April 2010. This coincided with the appointment of Mr Paul Bilston as Managing Director.

Yours faithfully



Paul Bilston
Managing Director

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Appendix 5B

Mining exploration entity quarterly report

Name of entity

SUNSET ENERGY LIMITED

ABN

45 123 591 382

Quarter ended ("current quarter")

31 March 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from sales	130	288
1.2 Payments for		
(a) exploration and evaluation	(70)	(138)
(b) development	-	-
(c) production	(51)	(115)
(d) administration	(222)	(470)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (GST)	-	-
Net Operating Cash Flows	(208)	(428)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(3)	(3)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(3)	(3)
1.13 Total operating and investing cash flows (carried forward)	(211)	(431)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(211)	(431)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,200	1,488
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Cost of share issue	(74)	(94)
Net financing cash flows		1,126	1,394
Net increase (decrease) in cash held		915	963
1.20	Cash at beginning of quarter/year to date	422	373
1.21	Exchange rate adjustments to item 1.20	(10)	(9)
1.22	Cash at end of quarter	1,327	1,327

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	73
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	50
Total	200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	324	322
5.2 Deposits at call	1,003	100
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,327	422

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

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Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	58,474,037	58,474,037		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	10,000,000	10,000,000	\$0.12	\$0.12
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	5,000,000 3,500,000	-	Exercise price \$0.20 \$0.10	Expiry Date 30/09/2010 30/06/2012
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 30 April 2010
(Company secretary)

Print name: Cecilia Chiu

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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