



sunset energy Ltd

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Manager Announcements
Company Announcements Office
Australian Securities Exchange
10th Floor, 20 Bond Street
SYDNEY NSW 2000

MARICOPA #7 WELL LOGS 80 FEET OF NET PAY

Highlights

- The Wellington Maricopa #7 well reached total depth of 3,588 feet.
- Electric logs indicate a net oil pay of approximately 80 feet in the primary Contact Sand objective.
- The well is being completed as a producer with production expected to commence in the coming weeks.
- The results at Maricopa # 7 are similar to the earlier results at Maricopa # 6 and confirm the primary interval trend across the acreage. This improves the likelihood of a multi-well development program to bring the field into full scale commercial production.

Wellington Maricopa #7 well update

Sunset Energy Limited ("Sunset Energy") (ASX Code: SEY) is pleased to announce that the drilling of the second well, Wellington Maricopa #7, at the Maricopa Project in the San Joaquin Basin, California has been drilled to a total depth of 3,588 feet.

Electric logging has indicated a net oil pay of approximately 80 feet in the primary Contact Sand objective. Casing has been run and the well is being gravel pack in preparation for production which is expected to commence in the coming weeks.

The oil discovery at the Wellington Maricopa #7 is expected to add to the oil production from the Wellington Maricopa #6 well which is currently producing oil at an average daily rate of 30 barrels of oil per day.

Additional follow-up locations in the project have also been identified, including a further 3 vertical well locations and possibly 2 horizontal locations in the original 40 acre leasehold.

The company has also increased its acreage position from 40 to 120 acres providing an additional 80 acres that may have further potential for subsequent follow-up drilling. Solimar Energy Limited ("Solimar Energy") (ASX Code: SGY) our partner in this venture and operator of the project is presently conducting an expanded geological study to assist in identifying possible drilling opportunities and enhance their understanding of the area.

An oil services firm has been chosen to help design and install permanent production facilities at the site. There are also plans to install a water disposal line to a nearby facility.

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

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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.

As reported to the ASX in April and May 2008, the first well at the Maricopa Project, Wellington Maricopa #6, was successfully drilled to the primary zone of interest, the Contact Sands. Initial testing at this well produced oil at an average daily rate of 35 barrels of oil per day and variable amounts of gas. Oil production has continued to average 30 barrels of oil per day with a small decline since the initial production testing.

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

Capital Raising

The Company is also pleased to announce that it has agreed (subject to shareholder approval) to place up to 4,000,000 new fully paid ordinary shares at \$0.20 per share, to raise up to \$800,000 (before costs). This placement will be made subject to shareholder approval, to be sought at the Company's annual general meeting to be held on a date to be set in October 2008. Funds raised will be used to provide working capital and fund exploration and development at the Company's projects in California.

Yours faithfully



David Prentice
Director

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