



# **sunset energy** Ltd

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

## **Continued Progress on Cranemere Shale Gas Project in South Africa**

- Black Empowerment Partners Finalised
- Environmental Management Plan submitted
- Ongoing interest and activity from International companies in the area.

Sunset Energy Limited ("Sunset" or "the Company") is pleased to announce continued progress on its South African Cranemere Project at both a corporate and project level.

### **BEE Partners**

On a corporate level, Sunset has finalised an agreement which provides for Sunset to meet the requirement of the Broad Based Black Economic Empowerment Act 2003 ("BEE") for all of its activities in South Africa. Under this act, Sunset is required to provide that 10% of its interests are owned by BEE compliant entities.

Sunset has been fortunate to identify two exceptionally well regarded and connected partners Mr Donald Ncube and Mr H Thompson to join in its activities in South Africa. These individuals not only allow Sunset to meet its obligations under the BEE act but will also provide strong support for its activities through their extensive experience and contacts. Mr Ncube and Mr Thompson will each become owners of 5% of the issued capital in Sunset's previously wholly owned subsidiary Bundu Gas and Oil Exploration (Pty) Ltd ("Bundu").

Please see biographies attached to this release.

### **Environmental Management Plan - Cranemere**

As previously advised as part of its application for the Cranemere Project, Bundu was required to consult with Interested and Affected Parties and submit an Environmental Management Plan ("EMP") to the Petroleum Agency of South Africa ("PASA").

Bundu has completed its initial consultation process, and submitted the EMP within the time periods dictated by PASA. The consultation process raised a number of concerns which have been incorporated into the EMP, and Bundu intends to continue its ongoing consultation process over the coming months to better inform the community about its activities.

Bundu and Sunset have engaged and consulted extensively with PASA with the assistance and support of its new BEE partners to address the concerns raised in its refusal of the previous application. The EMP is the final documentation required by PASA before finalising its assessment of Bundu's application which is expected to take between 3 and 6 months.

## Regional Activity – Karoo Basin.

In the time since Bundu submitted its original application for the smaller Cranemere project area, the Karoo Basin has become an area of very significant interest for a number of major international companies, including Shell, Falcon Oil & Gas, Chesapeake and Statoil. A number of these have taken an initial 12 month Technical Co-Operation Permit (TCP) which only permits desktop evaluation of existing data over large areas surrounding Bundu's application area as shown in Figure 1.

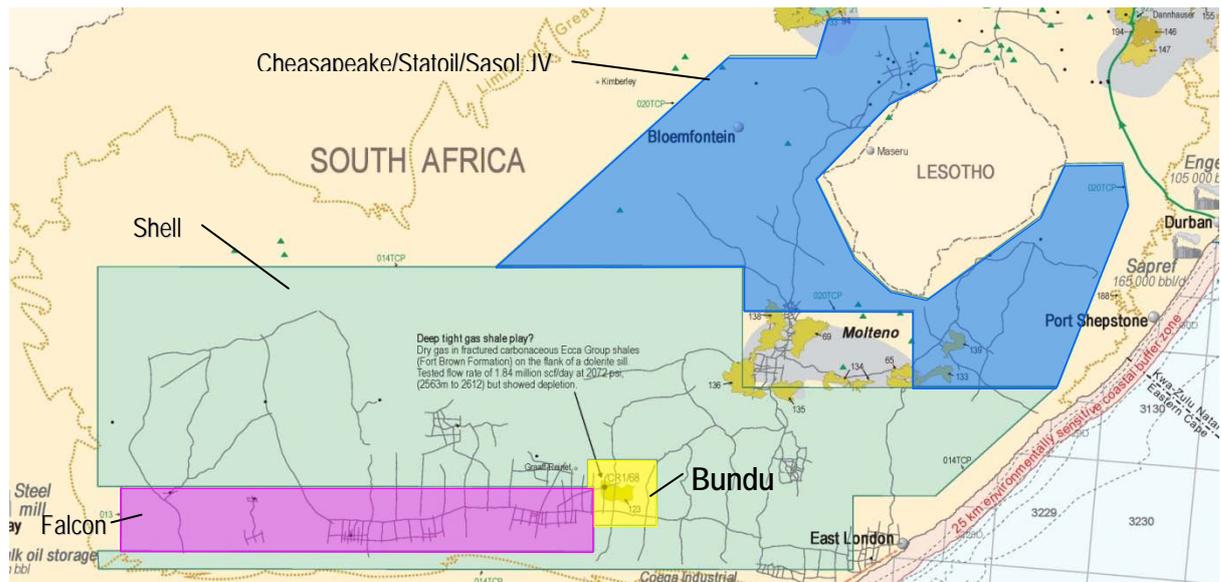


Figure 1 – Current Applications in the Southern Karoo Basin.

At the time of this announcement Falcon Oil & Gas have applied for an Exploration right, and it is expected that the other applicants will follow suit.

Shell recently presented at an industry function in Cape Town and were reportedly very positive about the prospects for Shale Gas in South Africa.

In a recent Media Release Sasol Petroleum International MD stated that "the Karoo Basin has unproven shale gas potential" and that "A discovery of a large recoverable shale gas reserve in the Karoo Basin would be a "game changer" in the broader South African energy market.

The Cranemere CR /68 well located in the Bundu Application area, is the only well which reported any significant gas production during testing, and at this time, Bundu remain's the most advanced exploration project in terms of its progress through the approvals program.

## Biographies

**Donald Ncube** is recognized and respected as one of the reputable pioneers of Black Economic Empowerment. He is the founder and former Chairman and Chief Executive Officer of Real Africa Holdings (Pty) Ltd, a listed company on the Securities Exchange (JSE), that unbundled and distributed assets worth R3 billion to shareholders in 2003.

Don Ncube carved his professional career in the mining industry. He worked for the Anglo American Corporation for 22 consecutive years and was the first South African black to sit on the Board of Anglo American Corporation. DMJN has a performance track record as Chairman of Successful corporations such as Sun International, Oceana Fishing Group, AngloGold, South African Airways, Atomic Energy Corporation and so forth.

He is currently a director on Goldfields (Listed on the JSE) and is pursuing business initiatives in energy, mining and infrastructure development sectors and he is presently the Chairman of a number of companies operating in the Gas and CBM exploration Sector in South Africa and Botswana as well as Rare Holdings Ltd Ltd – a designer, manufacturer, installer of pipes and fitting.

**Mr H Thompson** was born and raised in Southern Africa, he has spent the majority of the past 20 years working and living in South Africa. After completion of his BCom studies abroad he returned to South Africa primarily working as a consultant in development finance for a number of large corporates and later founded Savannah Capital Holdings in 1998.

Savannah has had a broad portfolio of companies spanning IT, Resources, Property and Venture Capital.

In order to realize and exceed commercial objectives for the group He strategically provides assistance on diverse matters such as project management, training and guiding on social responsibility programs, utilization of funding resources, private equity and debt finance structures including the forging of working relationships with commercial and investment banks and development finance institutions.

Mr Thompson resides in Johannesburg and sits on many boards including Nkuni Holdings (Chairman), the South African Export Development Fund (Trustee), Bundu Gas and Oil (Director) and is the Chairman of the Savannah Group of Companies

For further information please call the undersigned on 0402 060 405.

Yours faithfully,

For and on behalf of Sunset Energy Limited



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