

19 July 2010

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

ASX ANNOUNCEMENT

DESPATCH OF PRO-RATA NON RENOUNCEABLE RIGHTS ISSUE

Sunset Energy Limited (ASX: SEY) ("the Company") wishes to announce that it despatched a Prospectus dated 5 July 2010 for a Pro-Rata Non-Renounceable Rights Issue on the basis of one (1) new option for every two (2) share held at an issue price of one and a half cents (\$0.015) per new option.

The Rights Issue will raise \$922,426 before costs of the offer.

The Prospectus will be available at the Sunset Energy Limited website at www.sunsetenergy.com.au

Any queries in respect of the Offer should be directed to the Company Secretary, Mr Adrien Wing on (03)9614 0600.

Yours sincerely



Adrien Wing
Company Secretary
Sunset Energy Limited