



sunset energy Ltd

13 May 2008

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

FIRST OIL PRODUCTION FROM MARICOPA

Highlights

- First shipment of oil from Wellington Maricopa #6 well
- Approximately 507 barrels of 20.6 API gravity oil were sold last week at over US\$110 per barrel
- Sunset Energy's has a 50% working interest in the Maricopa Project
- Production and first sales achieved within six months of listing
- Cash flow to support Sunset Energy's growing exploration and development program
- Next well (Wellington Maricopa #7) targeted to be drilled in the third quarter, calendar 2008
- Several additional drilling locations identified to form the basis of a long-term drilling campaign

Sale of First Oil Production

Sunset Energy Limited ("Sunset Energy") (ASX Code: SEY) is pleased to announce the production and sale of oil from the Wellington Maricopa #6 well at the Maricopa Project in the San Joaquin Basin in California.

The first shipments of Maricopa oil, totalling approximately 507 barrels of 20.6 API gravity oil were sold last week to Kern Oil & Refining Co. at over US\$110 per barrel. Sunset Energy's share is approximately fifty percent.

The Wellington Maricopa #6 well is currently producing oil at an average daily rate of 35 barrels of oil per day. Gas production which has been flared until recently is being depressed within the formation until a gas pipeline can be established or the gas pressure impacts oil production.

The successful production and sale of oil from the first well at the Maricopa Project will result in a follow-up well being drilled as soon as a rig can be contracted at the Wellington Maricopa #7 location which has already been permitted. Additional follow-up locations in the Project have also been identified, including approximately up to 3 vertical well locations and possibly 2 horizontal locations. In addition there is another 80 acres that may have further potential for subsequent follow-up drilling.

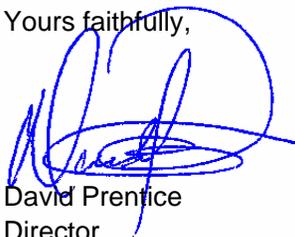
About the Maricopa Project

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.

The joint venture has identified several other well locations on the lease. The wells will be drilled on what is believed to be the undrained portion of the lease between previously producing wells. In addition, a horizontal well may be drilled in the centre of the lease which has had no previous drilling or producing activity.

Sunset Energy has a 50% interest in the Maricopa Project. Solimar Energy Limited (ASX Code: SGY) also has 50% interest in the project and is operator.

Yours faithfully,



David Prentice
Director