



# **sunset energy** Ltd

18 March 2008

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

## **First Well at Maricopa Spuds**

- The Wellington Maricopa #6, has spudded at Maricopa, located at the southern end of the largest onshore oil field (Midway Sunset) in the San Joaquin Valley, California.
- Maricopa wells are typically shallow, low cost wells with relatively low oil flow rates which can be very profitable in today's oil price environment.
- Sunset is earning a 50% working interest in this well together with our partner Solimar Energy Limited, which has the other 50% working interest and is operator.

Sunset Energy Limited ("Sunset Energy or the Company") (ASX: SEY) is pleased to announce that the drilling of our first well, the Wellington Maricopa #6, at the Maricopa Project in the San Joaquin Basin, California has commenced. As at 1700 hours on the 16 March (Pacific Coast Time, USA) the well had drilled to a depth of 415 feet.

This well will be drilled to a target depth of 3,600 feet. The primary zone of interest is the Contact Sands which are known to be oil-bearing sands in this part of the San Joaquin Basin. An additional well the Wellington Maricopa #7 is planned to be drilled at Maricopa if the first well proves successful.

Sunset Energy is earning a 50% working interest in the Maricopa Project.

On 21 August 2007 Sunset Energy entered into an agreement with Solimar Energy Limited ("Solimar Energy" ASX: SGY) to farm-in to Solimar Energy's Maricopa and Deer Creek Projects. Under a variation to this agreement (dated 13 February 2008), Solimar Energy agreed to offer a 50% working interest to Sunset Energy in both projects in exchange for Sunset Energy agreeing to fund 100% of the cost to drill and complete 2 wells, one in each project. Under a variation to this agreement, Sunset Energy will pay 100% of the first US\$750,000 in costs to drill and complete two wells at the Maricopa project. Any additional costs beyond the initial US\$750,000 to drill and complete these initial two wells will be paid 50% by Solimar Energy and 50% by Sunset Energy.

### **About the Maricopa Project**

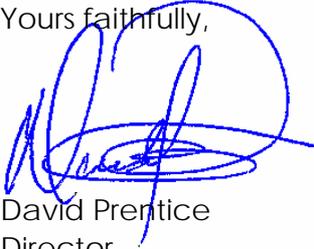
Sunset Energy is earning a 50% interest in a 120 acre lease located two miles east of the town of Maricopa within the southeast end of the Midway-Sunset Oil Field.

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.

There are no current producing wells on the lease but it is surrounded by numerous currently producing wells.

The joint venture has identified several 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 the east of the permit. In addition, a horizontal well may be drilled in the centre of the lease which has had no previous drilling or production activity.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'David Prentice', is written over the closing text. The signature is stylized and somewhat illegible due to the cursive nature of the handwriting.

David Prentice  
Director