



sunset energy Ltd

Investor Presentation
April 2010

ASX:SEY
www.sunsetenergy.com.au

Disclaimer

This presentation contains forward looking statements that are subject to risk factors associated with the oil and gas business. It is believed that the information and expectations contained in these statements are reasonable but they may be affected by a variety of variables and changes in the underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: exploration and appraisal drilling, operating and production results, estimates of resources and reserves, competition, environmental risks, legislative risks, political risks, access to capital, delays, government and other approvals, cost estimates, price fluctuations and demand. Investors should undertake their own analysis and seek advice from their professional advisor before deciding to invest in Sunset Energy Limited.

Corporate Overview

Non Executive Chairman - Michael Fry

Michael holds a Bachelor of Commerce degree from the University of Western Australia, is a Fellow of Financial Services Institute of Australasia, and is a past member of the ASX. Michael has extensive experience in capital markets and corporate treasury management specialising in the identification of commodity, currency and interest rate risk and the implementation of risk management strategies. Michael was a founding Director of Sunset Energy Limited and currently serves as its Chairman. He is also Chairman of Red Fork Energy Limited.

Managing Director - Paul Bilston

Paul Bilston has a Bachelor of Mechanical engineering and a PhD in Structural engineering, with 15 yrs experience in all aspects of oil & gas sector. He has worked in a number of senior technical, commercial and management roles for companies including Worley, GHD, AGL Energy and AJ Lucas. In recent years his focus has been on the unconventional hydrocarbon space in Australia and overseas, and most recently managed the Gloucester Gas project in NSW which was in December 2008 for \$370M by AJL & MPO.

Executive Director - David Prentice

David Prentice's career includes 21 years experience in commercial management and business development within the natural resources sector, working for some of Australia's leading resource companies. This has included high-level commercial and operational roles with a number of listed and unlisted resource companies. David was a founding Director of Sunset Energy, he is also Managing Director of Red Fork Energy Limited. David has overseen the successful transformation of Red Fork Energy Limited from a small ASX listed oil and gas explorer to a substantial United States based oil and gas production and development company with a market capitalisation of more than A\$100 million.

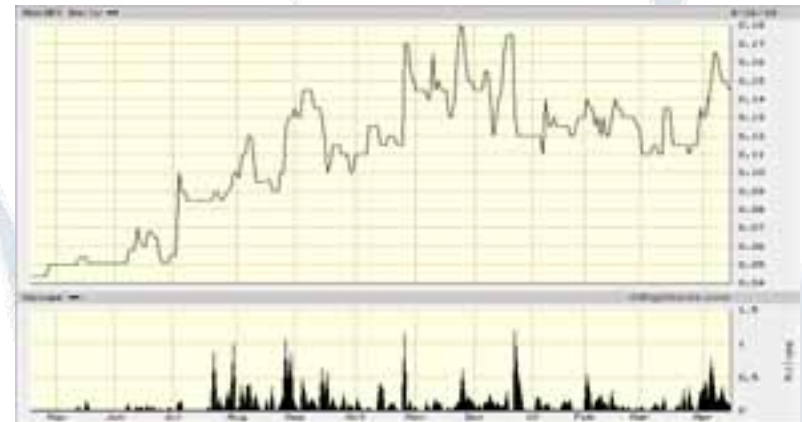
Non Executive Director - David Morris

David Morris is a partner in the Sydney practice of Cosoff Cudmore Knox Lawyers. David holds a Bachelor of Arts (Honors) from the University of Western Australia and a Bachelor of Laws from the University of New South Wales and holds Specialist Accreditation with the Law Society of New South Wales in Employment and Industrial Law. David is currently a director of Bluefire Energy Limited and is a member of the Australian Institute of Company Directors.

Company Secretary - Cecilia Chu

Shares on Issue:	106,948,075 ¹
Unlisted Options:	12,000,000
Share Price:	0.145
Market Cap:	\$15.5M
Shareholders:	370
Top 20 Holding:	70.3%
Cash as of 31 March 2010:	\$1.325M

Note 1 : 48,474,038 shares were issued as consideration in the acquisition of Bundu Oil & Gas Pty Ltd on the are held in voluntary escrow for 12 months.



Recent

- ▶ In December 09, Sunset Energy announced acquisition of interests in new projects in South Africa.
- ▶ Transaction completed 31st March 2010
- ▶ Sunset Energy Limited acquired 100% of shares in Bundu Oil & Gas Exploration (Pty) Limited which has interests in three highly prospective projects in South Africa.
- ▶ Transaction included a placement of A\$1.2 million to fund initial test work and provide working capital.
- ▶ Paul Bilston commenced as Managing Director in April 2010

Strategy

- ▶ Identify and acquire material upstream oil and gas exploration opportunities:
 - ▶ Utilising network of global contacts
 - ▶ Primarily unconventional hydrocarbons, CBM, Shale Gas, Shale Oil.
 - ▶ Low cost of entry, with primary expenditure on the drill bit
 - ▶ High materiality (> 1 TCF Gas, or >10 Million bbl Oil)
 - ▶ Projects where Sunset will act as operator
- ▶ Evaluate and high grade exploration project to ensure efficient expenditure of shareholders funds
- ▶ Implement staged and cost effect exploration and appraisal programs to evaluate projects with an eye on the best development or exit strategy.

Current Projects

- ▶ South Africa Projects
 - ▶ Cranemere - Exploration application accepted
 - ▶ Thelma 1 – Exploration right granted
 - ▶ Thelma 2 – Exploration application accepted (overlapping application)
- ▶ US Projects
 - ▶ Maricopa (50% Working Interest)
 - ▶ Silverthread – (18.5 – 20% Working Interest)
 - ▶ Deer Creek (50% Working Interest)

Cranemere

- ▶ Currently ~ 85,000 acres,
- ▶ Exploration Application accepted, (no overlapping applications)
- ▶ Expecting application to be successful.
- ▶ Currently seeking to expand application area to in excess of 950,000 acres.
- ▶ Karoo basin has recently become an area of interest for a number of major international companies
- ▶ Cranemere project surrounded by (Technical Co-operation permits) by Shell, Falcon Oil & Gas and to the north by Cheasapeake – Statoil
- ▶ Initial Target FortBrown shales a massive (up to 5000 ft thick) lower Permian carbonaceous shale.



Cranemere CR 1/68 Well

- ▶ Drilled 1968
- ▶ Well blowout at around 8300 ft, required 10.5 lb/gal mud to kill
- ▶ DST testing flowed substantial quantities of gas from test zone 8154 – 8312 ft over 24 hour period. Generally flowed between 1.35 – 6.5 MMSCFD during 9 different tests with peak flow in excess of 16 MMSCFD
- ▶ Fort Brown Shales described as dark grey to black and carbonaceous with occasional siltstone stringers. Span 7012 – 11997 ft in well.
- ▶ 11 other zones were tested, based on log response or high gas shows, however most tests were mechanically unsuccessful.



Cranemere Potential

Technically

- ▶ Massive resource potential, if successful has the potential to be a multi TCF field
- ▶ Gas blowout suggests section is over pressured - Positive for shale production
- ▶ Production from fractured shale on DST demonstrates the system is gas charged (fully saturated)
- ▶ Previous core testing (though limited) confirmed shale both source and reservoir for gas produced in test on CR 1/68.
- ▶ Massive shale thickness provides a number of potential target zones and the presence of siltstone stringers in the shale is desirable for drilling and completion.

Commercially

- ▶ Scale of resource supports wide variety of marketing options.
- ▶ Key initial focus – PetroSA - Mossel Bay Synfuels refinery.
- ▶ 36,000 BBL/day
- ▶ ~ 200 TJ/day of Gas.



- ▶ **EXISTING OFFSHORE FIELD RUNNING OUT OF GAS ~ 2011/12**
- ▶ **Gas price potentially US\$8 – 10/GJ.**
- ▶ Other options include the Coega Development Zone and Deepwater Port, a major industrial area Port Elizabeth, and generation of power.

Moving Forward

Awaiting decision on existing application, new application for additional area in train.

Forward plan if successful will include testing existing core and evaluation of shale geochemistry, reprocessing of seismic, and deep core test well.

Potential Pipeline Options



Thelma 1

- ▶ Approximately 16,000 Acres
- ▶ Ruston -Sevango Dome.
- ▶ 2.6 km² Dome of ecca age sediments over paleo relief high, Geological Survey calculated 13.6 MBO in situ, however some reports suggest structure could be up to twice the size.
- ▶ Target 18 – 20 m of oil saturated Ecca sandstones at 90 – 180 m
- ▶ Previous drilling on the structure (R 1/73) recorded of Oil shows across 20 m of sands , Porosity of 6% to 12% and permeability 0 – 0.26 md.
- ▶ Area may also be prospective for CBM and CMM with known gassy coals in the mines through the area.



Moving Forward

Initial drilling planned for 1st qtr 2010 delayed to allow additional desktop geological work to better understand structure and likely fracturing to identify optimum drilling locations. Forward Plan includes geological studies expected to be followed by slimhole cored well, and production testing.

Thelma 2

- ▶ Approximately 278,000 Acres
- ▶ Area under application, however an overlapping application exists.
- ▶ 5 known structures in the area, with two main structures the Jackhalsdraai Structure, and the Mooifontein-Wonderfontein structure to the east.
- ▶ Numerous oil shows during drilling, with better porosity and permeability results compared to Thelma 1 area.



Moving Forward

Awaiting decision on Application - Forward plan if successful will include community and environmental studies, extensive, geological studies which would then be expected to be followed by slimhole cored well, and production testing if warranted.

US Projects

- ▶ Maricopa Project (50% WI)
 - ▶ 120 acre Lease, 2 miles east of Maricopa in the Sunset Midway Oil Field (3 Billion BBL Oil Reserves in Field)
 - ▶ API 21° Oil
 - ▶ Currently providing ~\$80k/qtr cashflow

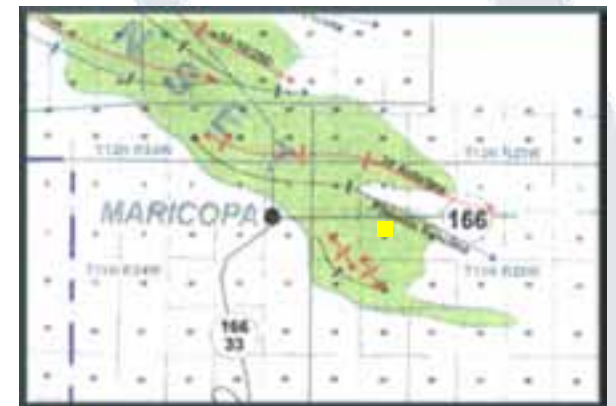
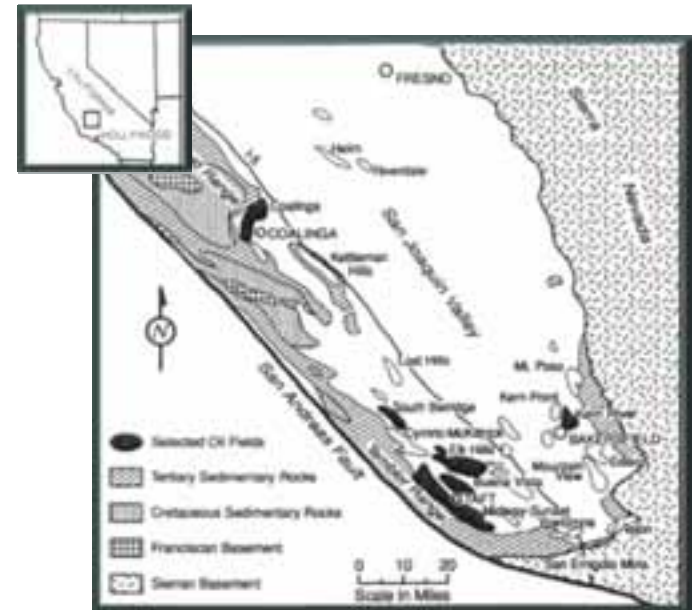
Wellington Maricopa # 6

- ▶ Drilled March 2006
- ▶ Discovery with ongoing production (now ~ 25 bbl/day)

Wellington Maricopa #7

- ▶ Drilled September 08,
- ▶ Discovery, however high water cut has restricted production until a new water disposal system can be implemented.

Three other drilling locations identified



US Projects (Cont)

- ▶ Silverthread Project (18.5 – 20% WI)
 - ▶ Nesbit #5 well intersected a 280 ft Hydrocarbon column in the Saugus Sandstone (Not primary target) during drilling in mid 2008.
 - ▶ Ongoing legal dispute with Mirada Petroleum has delayed access to the well for further testing.



Moving Forward

Evaluating options for additional wells in the Maricopa project areas, and supporting ongoing negotiations with Mirada Petroleum on access ahead of testing of the Nesbitt #5 well. Given the scale of these project, Sunset is also considering its strategic options for these assets.

Growing the Company

- ▶ South Africa catalysts next 6 – 12 months
 - ▶ Award of Cranemere Exporation Right
 - ▶ Submission of Cranemere extended acreage
 - ▶ Award of Thelma 2 Exploration Right
 - ▶ Results of testing on existing core at Cranemere
 - ▶ Review of geological modelling to identify drilling locations for Thelma 1 & 2
 - ▶ Slimhole coring results for new wells at Cranemere/Thelma
- ▶ Other opportunities
 - ▶ Continue to evaluate project opportunities consistent with strategy in a number of different areas.



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