



sunset energy Ltd

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Manager Announcements
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Australian Securities Exchange
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Via electronic lodgement

Potential Oil Discovery at the Maricopa Project

Highlights

- Wellington Maricopa #6 Well has been successfully drilled to a total depth of 3,550 feet
- Logs indicate a potential oil pay of approximately 130 feet in the primary Contact Sand objective
- The well is being prepared for production testing

Wellington Maricopa #6 well update

Sunset Energy Limited ("Sunset Energy or the Company") (ASX Code: SEY) is pleased to announce that the drilling of the first well, Wellington Maricopa #6, at the Maricopa Project in the San Joaquin Basin, California has been drilled to a total depth of 3,550 feet.

Electric logging has indicated a potential oil pay of approximately 130 feet in the primary Contact Sand objective. Casing has been run and the well is being completed in preparation for production equipment. The plan is to production test the well within the next month in order to ascertain the commercial significance.

The potential oil zone encountered at the well has exceeded our expectations which is pleasing as it is the first well the joint venture partners (Sunset Energy and Solimar Energy Limited ASX Code: SGY) have drilled in the Maricopa project area. At this stage the oil pay is classed as "potential", until the oil zone has been successfully production tested. In the event of a successful production test, the well will be brought into commercial production as soon as possible.

A successful production test will result in a follow-up well being drilled as soon as a rig can be contracted at the Maricopa Wellington #7 location which has already been permitted. Additional follow-up locations have also been identified.

Sunset Energy is earning a 50% interest in the Maricopa Project with its joint venture partner Solimar Energy which holds the other 50% interest in the project is the operator of the project.

About the Maricopa Project

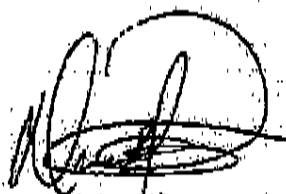
Sunset Energy is earning a 50% interest in a 120 acre lease located two miles east of the town of Maricopa within the southeast end of the Midway-Sunset Oil Field. The Midway Sunset field is one of the largest onshore oil fields in the world with reserves in excess of 3 billion barrels. The lease already 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 addition, a horizontal well may be drilled in the centre of the lease which has had no previous drilling or producing activity.

As announced on 21 August 2007 to the ASX, Sunset Energy signed a Farmin Agreement with Solimar Energy involving the Maricopa and Deer Creek Projects. Under this agreement, Sunset Energy will earn a 50% working interest in both projects by agreeing to fund 100% of the cost to drill and complete 2 wells, one in each project. On 13 February 2008 a variation to this agreement was made, whereby Sunset Energy would pay 100% of the first US\$750,000 in costs to drill and complete the two wells at the Maricopa project. Any additional costs beyond the initial US\$750,000 to drill and complete the two wells will be paid 50% by Solimar Energy and 50% by Sunset Energy.

Yours faithfully



David Prentice
Director