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**SUNSET ENERGY LIMITED****ACN 123 591 382****NOTICE OF GENERAL MEETING**

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**TIME:** 10:30 am (EST)**DATE:** Wednesday, 18<sup>th</sup> August 2010**PLACE:** Level 23, HWT Tower, 40 City Road, Southgate, VIC, 3006.

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 3) 9614 0550.***

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:30 am (EST) on Wednesday, 18th August 2010 at Level 23, HWT Tower, 40 City Road, Southgate, VIC, 3006.

**YOUR VOTE IS IMPORTANT**

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The business of the General Meeting affects your shareholding and your vote is important.

**VOTING IN PERSON**

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To vote in person, attend the General Meeting on the date and at the place set out above.

**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Sunset Energy Limited, Level 2, 79 Hay Street, Subiaco, WA, 6008;
- (b) facsimile to the Company on facsimile number (+61 3) 9614 0550; or
- (c) email to the Company at [admin@sunsetenergy.com.au](mailto:admin@sunsetenergy.com.au),

so that it is received not later than 10:30 am (EST) on Monday, 16<sup>th</sup> August 2010.

**Proxy Forms received later than this time will be invalid.**

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## NOTICE OF GENERAL MEETING

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Notice is given that the General Meeting of Shareholders will be held at 10:30 am (EST) on Wednesday, 18th August 2010 at Level 23, HWT Tower, 40 City Road, Southgate, VIC, 3006

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 10:30 am (EST) on Monday, 16th August 2010.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

### AGENDA

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#### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without modification, the following **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders of the Company approve and ratify the prior allotment and issue by the Company of 16,042,000 Shares on the terms and conditions and in the manner described in the Explanatory Memorandum that accompanies this Notice of Meeting”.*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by a person who participated in the issue and any associate of such a person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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#### 2. RESOLUTION 2 – ISSUE OF OPTIONS TO BROKER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue 2,727,133 New Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Redhill Capital Partners Pte Ltd or any other party who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**3. RESOLUTION 3 – ISSUE OF DIRECTOR OPTIONS**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, subject to Settlement and for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 2,000,000 Director A Options and 2,000,000 Director B Options to Mr Paul Bilston (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Bilston (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**DATED: 15 JULY 2010**

**BY ORDER OF THE BOARD**

**ADRIEN WING  
SUNSET ENERGY LIMITED  
COMPANY SECRETARY**

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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 10:30 am (EST) on Wednesday, 18th August 2010 at Level 23, HWT Tower, 40 City Road, Southgate, VIC, 3006.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### **1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES**

As announced on 30 June 2010, the Company placed 16,042,000 Shares at \$0.085 each to raise \$1,363,570 (before costs) to sophisticated investors of Redhill Capital Partners (Singapore) Pte Ltd and Chess Capital Partners Pty Ltd

None of the subscribers pursuant to the placement were a related party of the Company.

Resolution 1 seeks Shareholder ratification for the issue of 16,042,000 Shares pursuant to ASX Listing Rule 7.4.

#### **1.1 ASX Listing Rule 7.4**

ASX Listing Rule 7.1 provides that a company must not, (subject to certain exceptions) issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of equity securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1), the issue will be treated as having been made with shareholder approval for the purpose of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

The information required to be provided to Shareholders to satisfy ASX Listing Rule 7.4 is specified in ASX Listing Rule 7.5.

#### **1.2 Technical information required by ASX Listing Rule 7.5**

ASX Listing Rule 7.5 requires the following information be given to Shareholders in relation to the Placement:

- (a) the number of Shares issued pursuant to the Placement was 16,042,000 Shares;
- (b) the issue price of the Shares was 8.5 cents per Share;
- (c) the Shares were issued and allotted on 28 June 2010 to sophisticated investors of Redhill Capital Partners (Singapore) Pte Ltd and Chess Capital Partners Pty Ltd;

- (d) the Shares issued were all fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing Shares on issue;
- (e) the Shares were issued to Redhill Capital Partners (Singapore) Pte Ltd and Chess Capital Partners Pty Ltd who are not related parties of the Company, as determined by the Board of Directors; and
- (f) the funds raised from the Placement were used to fund exploration and development activities on Maricopa and Triple Crown projects in USA, Thelma and Cranemere projects in South Africa, working capital and the costs of the offer.

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## **2. RESOLUTION 2 – ISSUE OF OPTIONS TO BROKER**

### **2.1 General**

Resolution 2 seeks Shareholder approval for the allotment and issue of 2,727,133 New Options at a deemed issue price of \$0.015 per New Option to Redhill Capital Partners (Singapore) Pty Ltd to raise \$40,907 (**Option Placement**).

It is intended that the New Options will be issued to Redhill Capital Partners (Singapore) Pte Ltd. The subscriber pursuant to this issue is not a related party of the Company.

The issue of New Options relates to the settlement of fees payable to Redhill Capital Partners (Singapore) Pte Ltd, representing a fee equivalent to 6% of funds raised under the recent share placement.

The effect of Resolution 2 will be to allow the Directors to issue the New Options during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **2.2 Technical information required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Option Placement:

- (a) the maximum number of New Options to be issued is 2,727,133;
- (b) the New Options will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on one and the same date;
- (c) the issue price will be \$0.015 per New Option;
- (d) the New Options will be allotted and issued to Redhill Capital Partners (Singapore) Pte Ltd (or its nominees) (who is not a related party of the Company);
- (e) the New Options will be issued in substitution for the cash fee payable to Redhill Capital Partners (Singapore) Pte Ltd (equivalent to 6%) in relation to the funds raised under the recent Share placement (referred to in Resolution 1); and
- (f) the terms and conditions of the New Options are set out in Schedule 1.

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### 3. RESOLUTION 3 – ISSUE OF DIRECTOR OPTIONS

#### 3.1 Previous Approval

On 17 December 2009, the Company entered into a share sale agreement pursuant to which the Company acquired its current interests in the Thelma and Cranemere oil and gas exploration projects (**Bundu Transaction**). The Bundu Transaction was approved by Shareholders at general meeting on 10 February 2010.

As a result of the Bundu Transaction, the Company appointed Mr Paul Bilston as the incoming Managing Director. As part of his remuneration package, the Company agreed to issue 4,000,000 Options (**Director Options**) to Mr Paul Bilston.

As advised on 11<sup>th</sup> February 2010, Shareholders approved the allotment and issue of 4,000,000 Options (**Director Options**) to Mr Paul Bilston at the 10 February 2010 general meeting. However, due to the timeframe relating to the settlement of the Bundu Transaction (which was a condition precedent to the issue of the Director Options) the Company was not able to issue the Director Options within the timeframe permitted by ASX Listing Rules (1 month from date of shareholder approval).

#### 3.2 General

Resolution 3 seeks Shareholder approval to allot and issue a total of 4,000,000 Options (**Director Options**) to Mr Paul Bilston on the terms and conditions set out below. The terms of the Director Options are the same as those approved at the 10 February 2010 general meeting.

Resolution 3 seeks Shareholder approval for the issue of 2,000,000 Director A Options and 2,000,000 Director B Options to Mr Bilston.

The Director A Options are exercisable at \$0.25 each on or before 28 February 2013, provided that the fully diluted market capitalisation of the Company has exceeded \$30 million for 2 consecutive months. The Director B Options are exercisable at \$0.35 each on or before 28 February 2015, provided that the fully diluted market capitalisation of the Company has exceeded \$45 million for 2 consecutive months.

In the event that Mr Bilston's consultancy agreement with the Company is terminated within 2 years of the date of such agreement, those Director Options which have not become exercisable shall automatically lapse.

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The grant of the Director Options to Mr Bilston requires the Company to obtain Shareholder approval pursuant to ASX Listing Rule 10.11 as Mr Bilston is a related party of the Company by virtue of him, subject to Settlement, being appointed as a director of the Company.

It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of the Director Options to Mr Bilston.

Shareholder approval is not required under Section 208 of the Corporations Act as the proposed issue falls within the arm's length terms exception provided by Section

210 of the Corporations Act on the basis that the terms of Mr Bilston's appointment (including the terms of the Options to be granted to him as part compensation for his future performance in his role as Managing Director) were negotiated on commercial and arm's length terms prior to the appointment of Mr Bilston as a director of the Company.

### **3.3 Shareholder Approval pursuant to Listing Rule 10.11**

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Director Options:

- (a) the related party is Mr Bilston and he is a related party by virtue of him, being a director of the Company;
- (b) the maximum number of Director Options to be granted to Mr Bilston (or his nominee) is:
  - (i) 2,000,000 Director A Options; and
  - (ii) 2,000,000 Director B Options;
- (c) the Director Options will be granted to Mr Bilston no later than 1 month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Options will be issued on one and the same date;
- (d) the Director Options will be granted for nil cash consideration and accordingly no funds will be raised; and
- (e) the terms and conditions of the Director A Options and Director B Options are set out in Schedules 2 and 3 respectively.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to Mr Bilston as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to Mr Bilston will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **4. ENQUIRIES**

Shareholders are required to contact Adrien Wing on (+ 61 3) 9614 0660 if they have any queries in respect of the matters set out in these documents.



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## GLOSSARY

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**\$** means Australian dollars.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Company** means Sunset Energy Limited (ACN 123 591 382).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director A Option** means an Option granted pursuant to Resolution 3 with the terms and conditions set out in Schedule 2.

**Director B Option** means an Option granted pursuant to Resolution 3 with the terms and conditions set out in Schedule 3.

**Director Option** means a Director A Option or Director B Option.

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**General Meeting** means the meeting convened by the Notice of Meeting.

**New Option** means an Option granted pursuant to Resolution 2 with the terms and conditions set out in Schedule 1.

**Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an New Option or Director Option as the context requires.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**EST** means Eastern Standard Time as observed in Melbourne, Victoria.

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## **SCHEDULE 1 – TERMS AND CONDITIONS OF NEW OPTIONS (JUNE 2012)**

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The New Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each New Option gives the New Optionholder the right to subscribe for one Share. To obtain the right given by each New Option, the New Optionholder must exercise the New Options in accordance with the terms and conditions of the New Options.
- (b) The New Options will expire at 5.00pm (WST) on 30 June 2012 (**Expiry Date**). Any New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each New Option will be \$0.20 (**Exercise Price**).
- (d) The New Options held by each New Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) A New Optionholder may exercise their New Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of New Options specifying the number of New Options being exercised (**Exercise Notice**); and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of New Options being exercised.
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 business days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Exercise Notice.
- (h) The New Options are transferable.
- (i) All Shares allotted upon the exercise of New Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will apply for quotation of the New Options on ASX.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of a New Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the New Options and New Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give New Optionholders the opportunity to exercise their New Options prior to the date for determining entitlements to participate in any such issue.
- (m) A New Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the New Option can be exercised.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF DIRECTOR A OPTIONS

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The Director A Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Director A Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Director A Option, the Optionholder must exercise the Director A Options in accordance with the terms and conditions of the Director A Options.
- (b) Subject to paragraph (c), the Director A Options are exercisable on or before 5:00 pm (WST) on 28 February 2013 (**Expiry Date**), provided that the fully diluted market capitalisation of the Company has exceeded \$30 million for 2 consecutive months. Any Director A Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) In the event the Optionholder's consultancy agreement with the Company is terminated within 2 years of the date of such agreement, those Director A Options which have not become exercisable in accordance with these terms shall automatically lapse.
- (d) The amount payable upon exercise of each Director A Option will be \$0.25 (**Exercise Price**).
- (e) The Director A Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (f) An Optionholder may exercise their Director A Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Director A Options specifying the number of Director A Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Director A Options being exercised

**(Exercise Notice)**

- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Director A Options specified in the Exercise Notice.
- (i) The Director A Options are not transferable.
- (j) All Shares allotted upon the exercise of Director A Options will upon allotment rank *pari passu* in all respects with other Shares.
- (k) The Company will not apply for quotation of the Director A Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Director A Options on ASX within 10 Business Days after the date of allotment of those Shares.

- (l) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (m) There are no participating rights or entitlements inherent in the Director A Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director A Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Director A Options prior to the date for determining entitlements to participate in any such issue.
- (n) A Director A Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Director A Option can be exercised.

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### **SCHEDULE 3 – TERMS AND CONDITIONS OF DIRECTOR B OPTIONS**

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The Director B Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Director B Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Director B Option, the Optionholder must exercise the Director B Options in accordance with the terms and conditions of the Director B Options.
- (b) Subject to paragraph (c), the Director B Options are exercisable on or before 5:00 pm (WST) on 28 February 2015 (**Expiry Date**) provided that the fully diluted market capitalisation of the Company has exceeded \$45 million for 2 consecutive months. Any Director B Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) In the event the Optionholder's consultancy agreement with the Company is terminated within 2 years of the date of such agreement, those Director B Options which have not become exercisable in accordance with these terms shall automatically lapse.
- (d) The amount payable upon exercise of each Director B Option will be \$0.35 (**Exercise Price**).
- (e) The Director B Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (f) An Optionholder may exercise their Director B Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Director B Options specifying the number of Director B Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Director B Options being exercised

**(Exercise Notice)**

- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Director B Options specified in the Exercise Notice.
- (i) The Director B Options are not transferable.
- (j) All Shares allotted upon the exercise of Director B Options will upon allotment rank *pari passu* in all respects with other Shares.
- (k) The Company will not apply for quotation of the Director B Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Director B Options on ASX within 10 Business Days after the date of allotment of those Shares.

- (l) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (m) There are no participating rights or entitlements inherent in the Director B Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director B Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Director B Options prior to the date for determining entitlements to participate in any such issue.
- (n) A Director B Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Director B Option can be exercised.

**PROXY FORM**

**APPOINTMENT OF PROXY  
SUNSET ENERGY LIMITED  
ACN 123 591 382**

**GENERAL MEETING**

I/We

of

being a member of Sunset Energy Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 10:30 am (EST), on Wednesday, 18th August 2010 at Level 23, HWT Tower, 40 City Road, Southgate, VIC, 3006 and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

**OR**

**Voting on Business of the General Meeting**

- Resolution 1 – Ratification of prior issue of shares
- Resolution 2 – Issue of options to Broker
- Resolution 3 – Issue of Director Options

<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

**Signature of Member(s):**

**Date:** \_\_\_\_\_

**Individual or Member 1**

**Sole Director/Company Secretary**

**Member 2**

**Director**

**Member 3**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

**SUNSET ENERGY LIMITED**  
**ACN 123 591 382**

**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Sunset Energy Limited, Level 2, 79 Hay Street, Subiaco, WA, 6008;
  - (b) facsimile to the Company on facsimile number +61 8 9200 4476, or
  - (c) by email to [admin@sunsetenergy.com.au](mailto:admin@sunsetenergy.com.au),

so that it is received not later than 10:30 am (EST) on Monday, 16th August 2010.

**Proxy forms received later than this time will be invalid.**