



sunset energy Ltd

21 May 2009

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

Update on the Maricopa Project

Sunset Energy Limited ("Sunset Energy") (ASX Code: SEY) is pleased to provide an update on activity at the Maricopa Project.

Maricopa

As announced in the December 2008 Quarter Activity report and again on 31 March 2009 the Wellington Maricopa #7 well had been shut-in due to high water cuts and the low oil prices.

With the recent increase in oil prices, the Maricopa joint venture partners Sunset Energy and Solimar Energy Limited (ASX:SGY) ("Solimar Energy") reviewed the possibility of re-entering the #7 well. The re-entry would establish if the well's water production could be decreased and therefore enable it to be placed back on production.

On May 7, 2009 a production rig was contracted to pull the rods and pump and place sand across part of the slotted liner interval. The well was returned to production at a rate of approximately 8 BOPD and 90 BWPD. This is a 30% decrease in water production without effecting the oil production.

The well is presently being evaluated and additional sand may be placed across the zone to further reduce water production and if successful will enable the well to be put back on commercial production.

Sunset Energy has a 50% interest in the Maricopa Project. Solimar Energy also has 50% interest in the project and is the operator of the project.

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.

Sunset Energy and its joint venture partner, Solimar Energy, have drilled two successful oil wells at the Maricopa Project.

The Wellington Maricopa #7 well was the first appraisal well drilled in September 2008 at the Maricopa Project and follows the discovery well, Wellington Maricopa #6, which was drilled in March 2008. Production of oil from the Maricopa Project in the March 2009 quarter was 2,713 barrels.

Additional follow-up locations in the Maricopa Project have also been identified, including up to 3 vertical well locations and possibly 2 horizontal locations. A new geologic review is underway to identify further new drilling locations to increase potential production.

Yours faithfully,



David Prentice
Director

Forward Looking Statements

This announcement contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause the actual results to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserves and resources estimates, loss of market, industry competition, environmental risks, physical risks, legislative changes, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.