



12 January, 2011

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

## **Triple Crown Prospect Texas**

### **Very encouraging initial logging and coring results**

The Board of Challenger Energy Ltd ("Previously Sunset Energy Limited") is pleased to announce that the well being drilled on the Triple Crown Prospect has now completed wireline logging operations and sidewall coring. Preliminary analysis of the wireline logs indicates that the conventional sands have similar properties to successful analogous fields. The wireline logs also support the very significant amounts of unconventional gas shows seen during drilling. Initial analysis suggests excellent gas saturation across these zones. A petrophysical analysis of the logs is in progress and further results will be reported when they are to hand.

Commenting on this the Managing Director Paul Bilston said:

*"I am very pleased with the results of this well to date. Whilst the primary target in this well has always been the Ellenburger, we had two other objectives. The first to test the Canyon Sands (a known producer in the region) and the second to evaluate a new unconventional gas play.*

*The results to date suggest we have met both of these secondary objectives. The Canyon Sands have properties consistent with other successful Canyon Sands fields, which is very encouraging, and I look forward to seeing the results of a production test of this sand at a future date. I am even more encouraged about the potential new unconventional gas play as a result of the strong gas shows that were observed during drilling, and the preliminary results from logging and coring in the Lower Canyon Sequence.*

*I am looking forward to seeing drilling results from our primary target in the next few days, and seeing the results of the petrophysical analysis of the logs and evaluation of the core data as they become available."*

As of 6 am this morning the well was at a depth of 5812 ft (1771m) MDRT in the top of the Ellenburger Formation preparing to run 7 inch casing. When the casing is set and the rig converted to air drilling it will proceed to drill ahead with air to TD. It is anticipated that the well will intersect at least 2000 ft of Ellenburger Formation.

**Address** Level 17, 500 Collins Street, Melbourne, VIC, 3000  
**Tel** + 61 3 9614 0600 **Fax** +61 3 9614 0550  
**Email** [admin@sunsetenergy.com.au](mailto:admin@sunsetenergy.com.au)  
**Web** [www.sunsetenergy.com.au](http://www.sunsetenergy.com.au)  
**ACN** 123 591 382

Further updates will be provided in due course.

Yours faithfully,

For and on behalf of Challenger Energy Limited

A handwritten signature in blue ink, appearing to read "Paul Bilston". The signature is fluid and cursive, with a long horizontal stroke at the end.

**Paul Bilston**  
**Managing Director**