



sunset energy Ltd

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

New Larger Cranemere Application Accepted

- New application covers in excess of 1,000,000 acres in the prospective Karoo Basin
- Includes the area of the initial smaller application (85,000 acres)
- Sunset engaged with PASA to move forward with the development of Cranemere

Sunset Energy Limited ("Sunset" or "the Company") is pleased to announce that its recent application submitted by its wholly owned subsidiary Bundu Gas and Oil Exploration (Pty) Ltd ("Bundu") and for approximately 1,040,000 acres in the Southern Karoo basin has been accepted by the Petroleum Agency of South Africa ("PASA"). It is expected that the area covered by the application will ultimately be slightly reduced to account for existing game parks and reserves.

The Karoo Basin has recently become an area of interest for a number of major international companies, including Shell, Falcon Oil & Gas, Chesapeake and Statoil. At Cranemere, the Company is targeting the Fort Brown shales, a massive (up to 5000 ft thick) lower Permian carbonaceous shale.

The CR 1/68 well located within the application area flowed high rates of gas of more than 8 MMcf/day of natural gas from the Fort Brown shale during testing in 1968.

This new larger application includes the area covered by the previous Cranemere application which covered an area of approximately 85,000 acres that was refused by the Department of Mineral Resources (DMR) on the 17th May 2010 over deficiencies in the Environmental Management Plan ("EMP").

Bundu and Sunset have engaged constructively with PASA to address the concerns raised in its refusal of the previous application, and is pleased with the progress to date. Active consultation is continuing to mitigate any potential delays to the development of this project as a result of the refusal of the earlier application.

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As the acceptance of this application has confirmed Bundu's interest in this project, Bundu has agreed not to pursue a legal appeal over the earlier application.

Yours faithfully,



Paul Bilston
Managing Director

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382

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